

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2025

OR

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

For the Transition Period From _____ to _____

Commission File Number: 001-36913

Zevra Therapeutics, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

20-5894398
(I.R.S. Employer Identification No.)

1180 Celebration Boulevard, Suite 103, Celebration, FL
(Address of Principal Executive Offices)

34747
(Zip Code)

(321) 939-3416
(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address, and Former Fiscal Year if Changed Since Last Report)

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, \$0.0001 par value per share	ZVRA	The Nasdaq Stock Market LLC (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 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

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

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

As of May 9, 2025, the registrant had 54,679,641 shares of common stock outstanding.



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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933, as amended, or the Securities Act, and the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements relate to future events or our future financial performance. We generally identify forward-looking statements by terminology such as “may,” “will,” “would,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “assume,” “intend,” “potential,” “continue” or other similar words or the negative of these terms. We have based these forward-looking statements largely on our current expectations about future events and financial trends that we believe may affect our business, financial condition and results of operations. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 12, 2025 (the “Annual Report on Form 10-K”), and elsewhere in this report. Accordingly, you should not place undue reliance upon these forward-looking statements. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur; the timing of events and circumstances and actual results could differ materially from those anticipated in the forward-looking statements. Forward-looking statements contained in this report include, but are not limited to, statements about:

- our ability to commercialize and the timing of commercializing our products and product candidates, if approved;
- the potential therapeutic benefits and effectiveness of our products and product candidates;
- the progress of, timing of and expected amount of expenses associated with our commercialization, research, and development activities;
- the size and characteristics of the markets that may be addressed by our products and product candidates;
- the expected timing of our clinical trials for our product candidates and the availability of data and results of those trials;
- the progress of, outcome of and timing of any regulatory approval for any of our product candidates and the expected amount or timing of any payment related thereto under any of our collaboration agreements;
- our expectations regarding federal, state and foreign legal and regulatory requirements;
- our intention to seek to establish, and the potential benefits to us from, any strategic collaborations or partnerships for the development or sale of our products and product candidates, if approved;
- our expectations as to future financial performance, expense levels and liquidity sources;
- the sufficiency of our cash resources to fund our operating expenses and capital investment requirements for any period;
- our ability to raise additional funds on commercially reasonable terms, or at all, in order to support our continued operations;
- senior leadership and board member transitions and refreshments; and
- other factors discussed elsewhere in this report.

The forward-looking statements made in this report relate only to events as of the date on which the statements are made. We have included or made reference to important factors in the cautionary statements included in this report, particularly in the section entitled “Risk Factors” where we make reference to Part I, Item 1A. “Risk Factors” of our Annual Report on Form 10-K, that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make. Except as required by law, we do not assume any intent to update any forward-looking statements after the date on which the statement is made, whether as a result of new information, future events or circumstances or otherwise.

NOTE REGARDING COMPANY REFERENCE

Unless the context otherwise requires, we use the terms “Zevra,” “Company,” “we,” “us” and “our” in this Quarterly Report on Form 10-Q to refer to Zevra Therapeutics, Inc. We have proprietary rights to a number of trademarks and service marks used in this Quarterly Report on Form 10-Q that are important to our business, including LAT[®], OLPRUVA[®] and its related logo, MIPLYFFA[®] and its related logo, and the Zevra companies’ logos. All other trademarks, trade names and service marks appearing in this Quarterly Report on Form 10-Q are the property of their respective owners. Solely for convenience, the trademarks and trade names in this Quarterly Report on Form 10-Q are referred to without the [®] and [™] symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

On August 30, 2023, we entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Acer Therapeutics Inc. (“Acer”). On November 17, 2023 (the “Closing Date”), Zevra completed the acquisition of Acer (the “Merger”). Pursuant to the Merger Agreement, on the Closing Date, Acer continued as the surviving entity and as a wholly-owned subsidiary of Zevra.

PART I — FINANCIAL INFORMATION

ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ZEVRA THERAPEUTICS, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and par value amounts)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 37,340	\$ 33,785
Securities at fair value, current	25,291	35,711
Accounts and other receivables	12,617	10,509
Prepaid expenses and other current assets	3,766	4,052
Inventories, current	2,559	1,970
Total current assets	81,573	86,027
Securities at fair value, noncurrent	6,091	6,010
Inventories, noncurrent	10,615	10,999
Property and equipment, net	422	356
Operating lease right-of-use assets	1,636	657
Goodwill	4,701	4,701
Intangible assets, net	67,377	68,993
Other long-term assets	293	384
Total assets	<u>\$ 172,708</u>	<u>\$ 178,127</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 17,819	\$ 25,456
Current portion of operating lease liabilities	589	420
Current portion of discount and rebate liabilities	5,167	4,989
Other current liabilities	3,401	3,200
Total current liabilities	26,976	34,065
Long-term debt	60,090	59,504
Warrant liability	13,030	17,804
Income tax payable	16,166	14,431
Operating lease liabilities, less current portion	1,158	372
Discount and rebate liabilities, less current portion	9,389	7,655
Other long-term liabilities	4,876	4,630
Total liabilities	<u>131,685</u>	<u>138,461</u>
Commitments and contingencies (Note M)		
Stockholders' equity:		
Preferred stock:		
Undesignated preferred stock, \$0.0001 par value, 10,000,000 shares authorized, no shares issued or outstanding as of March 31, 2025, or December 31, 2024	—	—
Common stock, \$0.0001 par value, 250,000,000 shares authorized, 56,255,055 shares issued and 54,679,363 shares outstanding as of March 31, 2025; 55,246,401 shares issued and 53,670,709 shares outstanding as of December 31, 2024	5	5
Additional paid-in capital	560,471	555,302
Treasury stock, at cost	(10,983)	(10,983)
Accumulated deficit	(508,388)	(505,289)
Accumulated other comprehensive (loss) income	(82)	631
Total stockholders' equity	41,023	39,666
Total liabilities and stockholders' equity	<u>\$ 172,708</u>	<u>\$ 178,127</u>

See accompanying notes to unaudited condensed consolidated financial statements.

ZEVRA THERAPEUTICS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	Three months ended March 31,	
	2025	2024
Revenue, net	\$ 20,401	\$ 3,425
Cost of product revenue (excluding \$1,615 and \$1,528 in intangible asset amortization for the three months ended March 31, 2025, and March 31, 2024, respectively, shown separately below)	1,345	175
Intangible asset amortization	1,615	1,528
Operating expenses:		
Research and development	3,258	12,277
Selling, general and administrative	19,545	9,931
Total operating expenses	22,803	22,208
Loss from operations	(5,362)	(20,486)
Other income (expense):		
Interest expense	(1,969)	(735)
Fair value adjustment related to warrant and CVR liability	4,874	3,627
Fair value adjustment related to investments	(3)	(27)
Interest and other income, net	543	929
Total other income	3,445	3,794
Income (loss) before income taxes	(1,917)	(16,692)
Income tax (expense) benefit	(1,182)	70
Net loss	\$ (3,099)	\$ (16,622)
Basic and diluted net loss per share of common stock:		
Net loss	\$ (0.06)	\$ (0.40)
Weighted average number of shares of common stock outstanding:		
Basic and diluted	54,095,543	41,778,774

See accompanying notes to unaudited condensed consolidated financial statements.

ZEVRA THERAPEUTICS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Three months ended March 31,	
	2025	2024
Net loss	\$ (3,099)	\$ (16,622)
Other comprehensive (loss) income:		
Foreign currency translation adjustment	(713)	184
Other comprehensive (loss) income	(713)	184
Comprehensive loss	<u>\$ (3,812)</u>	<u>\$ (16,438)</u>

See accompanying notes to unaudited condensed consolidated financial statements.

ZEVRA THERAPEUTICS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands)

	Common Stock	Additional Paid-in Capital	Treasury Stock, at cost	Accumulated Deficit	Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance as of January 1, 2025	\$ 5	\$ 555,302	\$ (10,983)	\$ (505,289)	\$ 631	\$ 39,666
Net loss	—	—	—	(3,099)	—	(3,099)
Stock-based compensation expense	—	3,052	—	—	—	3,052
Issuance of common stock in exchange for consulting services	—	75	—	—	—	75
Issuance of common stock as part of the Employee Stock Purchase Plan	—	63	—	—	—	63
Issuance of common stock for options exercised or released	—	1,979	—	—	—	1,979
Other comprehensive loss	—	—	—	—	(713)	(713)
Balance as of March 31, 2025	<u>\$ 5</u>	<u>\$ 560,471</u>	<u>\$ (10,983)</u>	<u>\$ (508,388)</u>	<u>\$ (82)</u>	<u>\$ 41,023</u>

See accompanying notes to unaudited condensed consolidated financial statements.

ZEVRA THERAPEUTICS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY, CONTINUED
(in thousands)

	Common Stock	Additional Paid-in Capital	Treasury Stock, at cost	Accumulated Deficit	Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance as of January 1, 2024	\$ 4	\$ 472,664	\$ (10,983)	\$ (399,778)	\$ (43)	\$ 61,864
Net loss	—	—	—	(16,622)	—	(16,622)
Stock-based compensation expense	—	2,119	—	—	—	2,119
Issuance of common stock in exchange for consulting services	—	56	—	—	—	56
Issuance of common stock as part of the Employee Stock Purchase Plan	—	71	—	—	—	71
Issuance of common stock for options exercised	—	1,146	—	—	—	1,146
Other comprehensive income	—	—	—	—	184	184
Balance as of March 31, 2024	<u>\$ 4</u>	<u>\$ 476,056</u>	<u>\$ (10,983)</u>	<u>\$ (416,400)</u>	<u>\$ 141</u>	<u>\$ 48,818</u>

See accompanying notes to unaudited condensed consolidated financial statements.

ZEVRA THERAPEUTICS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Three months ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (3,099)	\$ (16,622)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	3,115	2,119
Income tax expense	1,182	—
Depreciation and amortization expense	1,649	1,562
Non-cash interest expense	663	239
Fair value adjustment related to warrant and CVR liability	(4,874)	(3,627)
Accretion on investments	(305)	—
Fair value adjustment related to investments	3	27
Consulting fees paid in common stock	75	56
Loss on foreign currency exchange rates	213	229
Change in assets and liabilities:		
Accounts and other receivables	(2,108)	9,072
Prepaid expenses and other current assets	286	(44)
Inventories	(205)	(2,585)
Operating lease right-of-use assets	166	123
Accounts payable and accrued expenses	(7,265)	(7,306)
Discount and rebate liabilities	1,912	1,020
Operating lease liabilities	(190)	(130)
Other liabilities	560	(298)
Net cash used in operating activities	<u>(8,222)</u>	<u>(16,165)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(99)	—
Purchases of investments	(7,359)	—
Maturities of investments	18,000	14,793
Net cash provided by investing activities	<u>10,542</u>	<u>14,793</u>
Cash flows from financing activities:		
Proceeds from stock issuance	—	1,217
Proceeds from issuance of common stock for options exercised	1,979	—
Payments of principal on insurance financing arrangements	(372)	—
Net cash provided by financing activities	<u>1,607</u>	<u>1,217</u>
Effect of exchange rate changes on cash and cash equivalents	(372)	(45)
Net increase (decrease) in cash and cash equivalents	3,555	(200)
Cash and cash equivalents, beginning of period	33,785	43,049
Cash and cash equivalents, end of period	<u>\$ 37,340</u>	<u>\$ 42,849</u>
Supplemental cash flow information:		
Cash paid for interest	\$ 1,306	\$ 140
Right-of-use assets obtained in exchange for lease liabilities	1,115	—
Supplemental disclosure of noncash financing activities:		
Costs accrued in connection with the debt issuance	—	1,726

See accompanying notes to unaudited condensed consolidated financial statements.

ZEVRA THERAPEUTICS, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A. Description of Business, Basis of Presentation, and Significant Transactions

Organization

Zevra Therapeutics, Inc. (the “Company” or “Zevra”) is a commercial-stage company focused on addressing unmet needs for the treatment of rare diseases. The Company has a diverse portfolio of products and product candidates, which includes clinical stage pipeline and commercial stage assets. On September 20, 2024, the U.S. Food and Drug Administration (“FDA”) approved the New Drug Application (“NDA”) for MIPLYFFA® (arimocloamol), an orally-delivered treatment for Niemann-Pick disease type C (“NPC”), which is an ultra-rare and progressive neurodegenerative disease. MIPLYFFA, the first FDA-approved treatment for NPC, is indicated for use in combination with miglustat for the treatment of neurological manifestations of NPC in adult and pediatric patients two years of age and older. MIPLYFFA has also been granted orphan medicinal product designation for the treatment of NPC by the European Commission.

In addition, the Company received a transferable rare pediatric disease priority review voucher (“PRV”) in conjunction with the approval of MIPLYFFA. On February 27, 2025, the Company and its subsidiary, Zevra Denmark A/S, entered into an asset purchase agreement with a buyer (the “PRV Transfer Agreement”), pursuant to which the Company agreed to sell the PRV to the buyer for \$150.0 million, payable in cash, upon the closing of the sale. On April 1, 2025, the asset sale was consummated, resulting in net proceeds of \$148.3 million to the Company. As the title of the PRV did not transfer until April 1, 2025, the sale was effective subsequent to the balance sheet date and, therefore, not included in the financial statements as of and for the three months ended March 31, 2025.

The Company's other commercial stage asset, OLPRUVA® (sodium phenylbutyrate) for oral suspension, is approved by the FDA for the treatment of certain urea cycle disorders (“UCDs”). Additionally, the Company has a pipeline of investigational product candidates, including celirolol for the treatment of vascular Ehlers-Danlos syndrome in patients with a confirmed type III collagen mutation and KP1077, the Company's clinical development product candidate being developed to treat idiopathic hypersomnia (“IH”), a rare neurological sleep disorder, and narcolepsy. KP1077 has a sole active pharmaceutical ingredient of serdexmethylphenidate (“SDX”), the Company's proprietary prodrug of d-methylphenidate (“d-MPH”). The FDA has granted KP1077 orphan drug designation for the treatment of IH.

Basis of Presentation

The Company prepared the unaudited condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and the rules and regulations of the Securities and Exchange Commission (“SEC”) and, in the Company's opinion, reflect all adjustments, including normal recurring items that are necessary. All significant intercompany accounts and transactions have been eliminated in consolidation.

Registration Statements on Form S-3

On February 5, 2024, Zevra filed a registration statement on Form S-3 (File No. 333-276856) registering an aggregate of 2,269,721 shares of Zevra's common stock. On April 5, 2024, the Company filed an amendment to such registration statement, which was declared effective on April 8, 2024.

On June 4, 2024, the Company filed a registration statement on Form S-3 (File No. 333-279941) (the “June 2024 Registration Statement”) under which the Company may sell securities, including as may be issuable upon conversion, redemption, repurchase, exchange or exercise of securities, in one or more offerings up to a total aggregate offering price of \$350.0 million, \$75.0 million of which was allocated to the sale of the shares of common stock issuable under the 2024 ATM Agreement (as described further below). The registration statement was declared effective on June 13, 2024.

August 2024 Offering

On August 8, 2024, the Company entered into an underwriting agreement (the “Underwriting Agreement”) with Cantor Fitzgerald & Co. and William Blair & Company, L.L.C., as representatives of the several underwriters named therein (collectively, the “Underwriters”), in connection with the offering, issuance and sale by the Company of 9,230,770 shares of the Company's common stock at a public offering price of \$6.50 per share, pursuant to the June 2024 Registration Statement and a related prospectus supplement dated August 8, 2024, filed with the SEC (the “August 2024 Offering”). Under the terms of the Underwriting Agreement, the Company also granted the Underwriters an option exercisable for 30 days to purchase up to an additional 1,384,615 shares of its Common Stock at the public offering price, less underwriting discounts and commissions, which the Underwriters exercised in full on August 9, 2024. The August 2024 Offering closed on August 12, 2024. Total shares issued were 10,615,385. Net proceeds from the offering were approximately \$64.5 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company. The Company intends to use the net proceeds of the offering to support the commercialization of its approved products and the continued development of its product candidates, and for other general corporate purposes.

Entry into 2024 ATM Agreement

On July 12, 2024, the Company entered into an equity distribution agreement (the “2024 ATM Agreement”) with Citizens JMP Securities LLC (“Citizens JMP”) under which the Company may offer and sell, from time to time at its sole discretion, shares of its common stock having an aggregate offering price of up to \$75.0 million through Citizens JMP as its sales agent. The issuance and sale, if any, of common stock by the Company under the 2024 ATM Agreement will be made pursuant to the June 2024 Registration Statement, the accompanying prospectus, and the related prospectus supplement dated July 12, 2024. Citizens JMP may sell the common stock by any method permitted by law deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act. Citizens JMP will use commercially reasonable efforts to sell the common stock from time to time, based upon instructions from the Company (including any price, time or size limits or other customary parameters or conditions the Company may impose). The Company will pay Citizens JMP a commission equal to 3.0% in the aggregate of the gross sales proceeds of any common stock sold through Citizens JMP under the 2024 ATM Agreement. As of March 31, 2025, no shares have been issued or sold under the 2024 ATM Agreement.

B. Summary of Significant Accounting Policies

Use of Estimates

The preparation of these unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

On an ongoing basis, the Company evaluates its estimates and assumptions, including those related to revenue recognition, the useful lives of property and equipment, the recoverability of long-lived assets, the incremental borrowing rate for leases, and assumptions used for purposes of determining stock-based compensation, income taxes, the fair value of the derivative and warrant liability and discount and rebate liabilities, among others. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable, the results of which form the basis for making judgments about the carrying value of assets and liabilities.

Investments

The Company maintains investment securities that are classified as available-for-sale securities for which the Company has elected the fair value option under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 825, *Financial Instruments*. As such, these securities are carried at fair value with unrealized gains and losses included in fair value adjustment related to investments on the unaudited condensed consolidated statements of operations. The securities primarily consist of U.S. Treasury securities and U.S. government-sponsored agency securities and are included in securities at fair value in the unaudited condensed consolidated balance sheets. As of March 31, 2025, and December 31, 2024, the Company held securities with an aggregate fair value of \$31.4 million and \$41.7 million, respectively, that contained an aggregate unrealized loss of approximately \$3,000 and an aggregate unrealized gain of \$18,000, respectively. For securities held at March 31, 2025, \$25.3 million mature within one year and \$6.1 million mature in one to two years. Applying fair value accounting to these debt securities more accurately represents the Company's investment strategy due to the fact that excess cash is currently being invested for the purpose of funding future operations. Interest income is recognized as earned using an effective yield method giving effect to the amortization of premium and accretion of discount and is based on the economic life of the securities. Interest income is included in interest and other income, net in the unaudited condensed consolidated statements of operations.

Variable Interest Entities

The primary beneficiary of a variable interest entity ("VIE") is required to consolidate the assets and liabilities of the VIE. When the Company obtains a variable interest in another entity, it assesses at the inception of the relationship and upon occurrence of certain significant events whether the entity is a VIE, and if so, whether the Company is the primary beneficiary of the VIE based on its power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the Company's obligation to absorb losses or the rights to receive benefits from the VIE that could potentially be significant to the VIE.

To assess whether the Company has the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, the Company considers all the facts and circumstances, including the Company's role in establishing the VIE and the Company's ongoing rights and responsibilities. The assessment includes identifying the activities that most significantly impact the VIE's economic performance and identifying which party, if any, has the power to direct those activities. In general, the parties that make the most significant decisions affecting the VIE (management and representation on the Board of Directors) are deemed to have the power to direct the activities of a VIE.

To assess whether the Company has the obligation to absorb losses of the VIE or the rights to receive benefits from the VIE that could potentially be significant to the VIE, the Company considers all of its economic interests that are deemed to be variable interests in the VIE.

This assessment requires judgement in determining whether these interests, in the aggregate, are considered potentially significant to the VIE. As of March 31, 2025, and December 31, 2024, the Company identified Acer to be the Company's sole interest in a VIE. As Zevra is the final decision maker for all of Acer's research, development, and commercialization of drug candidates that it is producing, the Company directs the activities of Acer that most significantly impact its performance. Therefore, the Company is the primary beneficiary of this VIE for accounting purposes.

Revenue Recognition

The Company recognizes revenue in accordance with the provisions of ASC 606, *Revenue from Contracts with Customers* ("ASC 606") and, as a result, follows the five-step model when recognizing revenue: 1) identifying a contract; 2) identifying the performance obligations; 3) determining the transaction price; 4) allocating the price to performance obligations; and 5) recognizing revenue when the performance obligations have been fulfilled.

Product Revenues, Net

Net revenues from product sales are recognized at the transaction price when the customer obtains control of the Company's product, which occurs at a point in time, typically upon receipt of the product by the customer. The Company's current single customer is a specialty pharmacy provider.

In accordance with ASC 606, the Company recognizes revenue when fulfilling its performance obligation by transferring control of promised goods or services to its customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. In determining when the customer obtains control of the product, the Company considers certain indicators, including whether the Company has a present right to payment from the customer, whether title and/or significant risks and rewards of ownership have transferred to the customer and whether customer acceptance has been received. The Company's net revenues represent total revenues adjusted for discounts and allowances, including estimated cash discounts, chargebacks, rebates, returns, copay assistance, data fees and wholesaler fees for services. These adjustments represent variable consideration under ASC 606 and are recorded as a reduction of revenue. These adjustments are established by management as its best estimate based on available information and will be adjusted to reflect known changes in the factors that impact such allowances. Adjustments for variable consideration are determined based on the contractual terms with customers, historical trends, communications with customers and the levels of inventory remaining in the distribution channel, as well as expectations about the market for the product and anticipated introduction of competitive products.

Arimoclomol French AC

Net revenue includes revenue from the sale of arimoclomol for the treatment of NPC under the remunerated expanded access program in France, Accès Compassionnel (“French AC”). An expanded access program is a program giving specific patients access to a drug, which is not yet approved for commercial sale. Only drugs targeting serious or rare indications and for which there is currently no appropriate treatment are considered for expanded access programs. Further, to be considered for the expanded access program, the drug must have proven efficacy and safety and must either be undergoing price negotiations or seeking marketing approval.

In accordance with ASC 606, the Company recognizes revenue when fulfilling its performance obligation under the French AC by transferring control of promised goods or services to its customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. In determining when the customer obtains control of the product, the Company considers certain indicators, including whether the Company has a present right to payment from the customer, whether title and/or significant risks and rewards of ownership have transferred to the customer and whether customer acceptance has been received. Revenue is recognized net of sales deductions, including discounts, rebates, applicable distributor fees, and revenue-based taxes.

The French Health Authorities and the manufacturer have agreed to a price for sales under the French AC, but the final transaction price depends on the terms and conditions in the contracts with the French Health Authorities, following market approval. Any excess in the price charged by the manufacturer compared to the price agreed with the health authorities once the drug product is approved in France must be repaid. The repayment is considered in the clawback liability (rebate). An estimate of net revenue and clawback liability are recognized using the ‘expected value’ method. Accounting for net revenue and clawback liability requires determination of the most appropriate method for the expected final transaction price. This estimate also requires assumptions with respect to inputs into the method, including current pricing of comparable marketed products within the rare disease area in France. Management has considered the expected final sales price as well as the price of similar drug products. The Company is operating within a rare disease therapeutic area where there is unmet treatment need and hence a limited number of comparable commercialized drug products. The limited available relevant market information for directly comparable commercialized drugs within rare disease increases the uncertainty in management's estimate.

Licensing Agreements

The terms of the Company’s licensing agreements typically include one or more of the following: (i) upfront fees; (ii) milestone payments related to the achievement of development, regulatory, or commercial goals; and (iii) royalties on net sales of licensed products. Each of these payments may result in licensing revenues.

As part of the accounting for these agreements, the Company must develop estimates and assumptions that require judgment to determine the underlying stand-alone selling price for each performance obligation, which determines how the transaction price is allocated among the performance obligations. Generally, the estimation of the stand-alone selling price may include such estimates as independent evidence of market price, forecasted revenues or costs, development timelines, discount rates, and probability of regulatory success. The Company evaluates each performance obligation to determine if they can be satisfied at a point in time or over time, and it measures the services delivered to the licensee, which are periodically reviewed based on the progress of the related program. The effect of any change made to an estimated input component and, therefore, revenue or expense recognized, would be recorded as a change in estimate. In addition, variable consideration (e.g., milestone payments) must be evaluated to determine if it is constrained and, therefore, excluded from the transaction price.

Up Front Fees: If a license to the Company’s intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes revenues from the transaction price allocated to the license when the license is transferred to the licensee and the licensee is able to use and benefit from the license. For licenses that are bundled with other promises, the Company utilizes judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time.

Milestone Payments: At the inception of each arrangement that includes milestone payments (variable consideration), the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the Company’s or the licensee’s control, such as non-operational developmental and regulatory approvals, are generally not considered probable of being achieved until those approvals are received. At the end of each reporting period, the Company re-evaluates the probability of achievement of milestones that are within its or the licensee’s control, such as operational developmental milestones and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect collaboration revenues and earnings in the period of adjustment. Revisions to the Company’s estimate of the transaction price may also result in negative licensing revenues and earnings in the period of adjustment.

Inventories

The value of inventories is recorded at net realizable value. The Company determines the cost of its other inventories, which includes amounts related to materials and manufacturing overhead, on a first-in, first-out basis. Inventories that are not expected to be sold within 12 months are classified as inventories, noncurrent.

The Company may scale-up and make commercial quantities of its product candidates prior to the date it anticipates that such product will receive final regulatory approval. The scale-up and commercial production of pre-launch inventory involves the risk that such products may not be approved for marketing on a timely basis, or ever. This risk notwithstanding, the Company may scale-up and build pre-launch inventory of products that have not received final regulatory approval when the Company believes such action is appropriate in relation to the commercial value of the product launch opportunity. We capitalize inventory costs associated with our products prior to regulatory approval when, based on management's judgment, future commercialization is considered probable and the future economic benefit is expected to be realized; otherwise, such costs are expensed as research and development. The determination to capitalize inventory costs is based on various factors, including status and expectations of the regulatory approval process, any known safety or efficacy concerns, potential labeling restrictions, and any other impediments to obtaining regulatory approval. We had no pre-approval inventory on our unaudited condensed consolidated balance sheets as of March 31, 2025, or December 31, 2024. Inventory used in clinical trials is also expensed as research and development expense, when selected for such use. Inventory that can be used in either the production of clinical or commercial products is expensed as research and development costs when identified for use in a clinical manufacturing campaign. The cost of finished goods inventory that is shipped to a customer to support the Company’s patient assistance programs is expensed when those shipments take place. As of March 31, 2025, and December 31, 2024, the Company did not have pre-launch inventory that qualified for capitalization.



The Company performs an assessment of the recoverability of capitalized inventory during each reporting period and writes down any excess and obsolete inventory to its net realizable value in the period in which the impairment is first identified. Such impairment charges, should they occur, are recorded as a component of cost of product revenue in the unaudited condensed consolidated statements of operations. The determination of whether inventory costs will be realizable requires the use of estimates by management. If actual market conditions are less favorable than projected by management, additional write downs of inventory may be required. Additionally, the Company's product is subject to strict quality control and monitoring, which is performed throughout the manufacturing process. In the event that certain batches or units of product do not meet quality specifications, the Company will record a charge to cost of product revenue, to write down any unsaleable inventory to its estimated net realizable value.

Cost of Product Revenue

The components of cost of product revenue are royalties and expenses directly attributable to revenue. To date, the Company has generated revenue from product sales of MIPLYFFA and OLPRUVA, reimbursements received under the French AC, royalties or net sales milestone payments generated under the Collaboration and License Agreement with Commvave Therapeutics SA (the "AZSTARYS® License Agreement"), and consulting agreements.

Prior to our acquisition of the assets of Orphazyme A/S ("Orphazyme") in May 2022, Orphazyme had entered into an asset purchase agreement with LadRx Corporation, which was assigned to XOMA (US) LLC, a wholly-owned subsidiary of XOMA Corporation ("XOMA"), in June 2023 ("XOMA License Agreement"), as well as a license agreement with Kansas University ("KU") and UCLB Business, PLC ("UCLB") (the "KU/UCLB License Agreement"). Under the XOMA License Agreement, XOMA is entitled to a mid-single digit percentage royalty with respect to net sales of MIPLYFFA. In addition, the Company also pays a low-single digit percentage royalty to KU and UCLB with respect to net sales of MIPLYFFA.

In connection with the AZSTARYS License Agreement, the Company pays Aquestive Therapeutics, Inc. ("Aquestive") a royalty equal to 10% of all regulatory milestone and royalty payments. In addition, the Company capitalized incremental costs directly attributable to the AZSTARYS License Agreement. These costs are amortized to royalties and contract costs as revenue is recognized.

As a condition to entering into the Merger Agreement, Acer and Relief Therapeutics SA ("Relief") entered into an exclusive license agreement on August 30, 2023 (the "Relief License Agreement"). Pursuant to the Relief License Agreement, Zevra was obligated to pay royalties of 10% of U.S. net sales up to a maximum of \$45.0 million, plus specified regulatory milestones, for total payments to Relief of up to \$56.5 million. On April 10, 2025, the rights to this royalty were sold to Soleus Capital Management L.P.

Segment and Geographic Information

Operating segments are defined as components of an enterprise (business activity from which it earns revenue and incurs expenses) for which discrete financial information is available and regularly reviewed by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company's CODM is its Chief Executive Officer. The Company views its operations and manages its business as a single operating and reporting segment.

Foreign Currency

Assets and liabilities are translated into the reporting currency using the exchange rates in effect on the balance sheet dates. Equity accounts are translated at historical rates, except for the change in retained earnings during the year, which is the result of the income statement translation process. Revenue and expense accounts are translated using the weighted average exchange rate during the period. The cumulative translation adjustments associated with the net assets of foreign subsidiaries are recorded in accumulated other comprehensive income/loss in the accompanying unaudited condensed consolidated statements of changes in stockholders' equity.

Debt Issuance Costs

Debt issuance costs incurred in connection with financing arrangements are recorded as a reduction of the related debt on the unaudited condensed consolidated balance sheets and amortized over the life of the respective financing arrangement using the effective interest method.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in FASB ASC Topic 480, *Distinguishing Liabilities from Equity* (ASC 480) and FASB ASC Topic 815, *Derivatives and Hedging* (ASC 815). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For warrants that meet all criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital, on the unaudited condensed consolidated statements of changes in stockholders' equity at the time of issuance. For warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and on each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss in other expense, net, on the unaudited condensed consolidated statements of operations. The fair value of the warrants was estimated using the Black-Scholes option pricing model.

New Accounting Pronouncements Not Yet Adopted*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which expands disclosures in an entity's income tax rate reconciliation table and disclosures regarding cash taxes paid both in the U.S. and in foreign jurisdictions. The update will be effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact that this guidance will have on the presentation of its financial statements and accompanying notes.

C. Segment Information

Zevra manages its business activities on a consolidated basis and operates as a single operating segment dedicated to the research and development, manufacturing, commercialization and sale of innovative medicines and therapies. The Company primarily derives its revenue from reimbursements received from product sales of MIPLYFFA and OLPRUVA, reimbursements received under the French AC, royalties or net sales milestone payments generated under the AZSTARYS License Agreement, and consulting agreements. The accounting policies of the segment are the same as those described in Note B.

Zevra's CODM is the Company's Chief Executive Officer, Neil F. McFarlane. The CODM uses net loss, as reported in the Company's unaudited condensed consolidated statements of operations, in evaluating performance of its segment and determining how to allocate resources of the Company as a whole, including investing in its research and development, commercialization efforts, and acquisition strategy. The CODM does not review assets in evaluating the results of the segment, and, therefore, such information is not presented.

The following table presents the operating results of the Company's segment:

	Three months ended March 31,	
	2025	2024
Total revenues	\$ 20,401	\$ 3,425
Less significant segment expenses:		
Research and development directly identified to programs	2,361	7,211
Research and development not directly identified to programs	897	5,066
Selling, general and administrative directly identified to programs	7,561	3,862
Selling, general and administrative not directly identified to programs	11,984	6,069
Other segment items:		
Income tax expense (benefit)	1,182	(70)
Interest income	(718)	(762)
Depreciation and amortization expense	1,649	1,562
Interest expense	1,969	735
Other income, net(a)	(3,385)	(3,626)
Segment net loss	<u>\$ (3,099)</u>	<u>\$ (16,622)</u>

(a) Other expense, net included in segment net loss includes foreign currency exchange gains and losses, cost of product revenue (excluding intangible asset amortization), fair value adjustment related to warrant and contingent value right ("CVR") liabilities, fair value adjustment related to investments, and other overhead expenses.

The Company holds long-lived assets in the United States of \$12.3 million and \$13.4 million as of March 31, 2025, and December 31, 2024, respectively. The Company holds long-lived assets in Europe of \$0.4 million and \$0.5 million as of March 31, 2025, and December 31, 2024, respectively.

D. Inventories

The components of inventory are summarized as follows (in thousands):

	March 31,	December 31,
	2025	2024
Raw materials	\$ 7,698	\$ 7,928
Work in progress	3,719	3,260
Finished goods	1,757	1,781
Total inventories	<u>\$ 13,174</u>	<u>\$ 12,969</u>

E. Debt Obligations

Term Loans

On April 5, 2024 (the “Term Loans Closing Date”), the Company entered into a credit agreement (the “Credit Agreement”) with HCR Stafford Fund II, L.P., HCR Potomac Fund II, L.P., and Perceptive Credit Holdings IV, LP (collectively, the “Lenders”), and Alter Domus (US) LLC, as administrative agent (the “Administrative Agent”).

Under the terms of the Credit Agreement, the Lenders provided a senior secured loan facility to the Company in the aggregate principal amount of \$100.0 million, which is divided into three tranches as follows: (i) \$60.0 million which was funded in full on the Term Loans Closing Date; (ii) \$20.0 million which is available to the Company in up to two drawings, each in an amount not to exceed \$10.0 million, at the Company’s option until 18 months following the Term Loans Closing Date; and (iii) \$20.0 million which was available to the Company upon approval by the FDA of the NDA for MIPLYFFA for the treatment of NPC, at the Company’s option until December 31, 2024 and which has therefore expired (collectively, the “Term Loans”).

The principal amount of the Term Loans outstanding (the “Outstanding Principal Amount”) will bear interest at a rate equal to 3-Month Term SOFR plus 7.00% per annum. If the net product sales for the calendar year ending December 31, 2025 exceed \$100.0 million, the Outstanding Principal Amount will bear interest at 3-Month Term SOFR plus 6.00% per annum. If the net product sales for the calendar year ending December 31, 2025 do not exceed \$100.0 million, then for any subsequent period of four consecutive fiscal quarters ending on or after March 31, 2026, in which net product sales exceed \$125.0 million, the Outstanding Principal Amount will bear interest at 3-Month Term SOFR plus 6.50% per annum. In all cases, the 3-Month Term SOFR rate will be subject to a floor of 4.00% per annum. Interest will be payable quarterly in arrears on the last day of each calendar quarter. The Company has the option to pay up to 25% of the interest in-kind beginning on the Term Loans Closing Date, through and including June 30, 2026. The Company has recognized approximately \$1.9 million and \$1.4 million of interest-in-kind as of March 31, 2025, and December 31, 2024, which is included in long-term debt in the unaudited condensed consolidated balance sheets. The Term Loans will mature on the fifth anniversary of the Term Loans Closing Date. In connection with the Credit Agreement, the Company incurred approximately \$2.2 million of costs, which primarily consisted of underwriting, legal and other professional fees, and are included as a reduction to the carrying amount of the related debt liability and are deferred and amortized over the remaining life of the financing using the effective interest method.

The Credit Agreement contains customary affirmative and negative covenants by the Company, which, among other things, will require the Company to provide certain financial reports to the Lenders within 60 days after the end of each of the first three fiscal quarters of each fiscal year and 105 days after the end of each fiscal year, meet certain minimum net product sales amounts, and limit the ability of the Company to incur or guarantee additional indebtedness, engage in certain transactions, and effect a consolidation or merger without consent. In addition, as long as the line of credit remains active, the Company must maintain a minimum cash balance of \$20.0 million to ensure the Company can meet its immediate capital needs. The obligations of the Company under the Credit Agreement may be accelerated upon customary events of default, including non-payment of principal, interest, fees and other amounts, covenant defaults, insolvency, material judgments, or inaccuracy of representations and warranties. The Term Loans are secured by a first priority perfected lien on, and security interest in, substantially all current and future assets of the Company. The proceeds of the Term Loans were used to refinance certain existing indebtedness of the Company and its subsidiaries. The Company will use the remaining proceeds to pay fees and expenses related to the debt financing and fund the development and commercialization of MIPLYFFA and OLPRUVA.

Long-term debt consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Notes payable	\$ 62,053	\$ 61,552
Unamortized original issue discount	(883)	(921)
Less: debt issuance costs	(1,080)	(1,127)
	<u>\$ 60,090</u>	<u>\$ 59,504</u>

Future minimum principal payments under the Term Loans as of March 31, 2025, were as follows (in thousands):

<u>Year Ending December 31,</u>	
2025 (excluding the three months ending March 31, 2025)	\$ —
2026	—
2027	—
2028	—
2029	62,053
Total minimum payments	62,053
Less: unamortized debt discount, debt issuance costs and paid in kind interest	(1,963)
Long-term debt	<u>\$ 60,090</u>

F. Revenue, net

For the three months ended March 31, 2025, and 2024, the Company recorded \$20.4 million and \$3.4 million, respectively, of revenue.

Product Sales

On December 27, 2022, the FDA approved OLPRUVA (sodium phenylbutyrate), a prescription medicine used along with certain therapy, including changes in diet, for the long-term management of adults and children with certain UCIDs weighing 44 pounds (20 kg) or greater and with a body surface area of 1.2m² or greater. For the three months ended March 31, 2025, and 2024, sales of OLPRUVA were \$0.1 million and de minimis, respectively.

On September 20, 2024, the NDA for MIPLYFFA, an orally-delivered treatment for NPC, which is an ultra-rare and progressive neurodegenerative disease, was approved for treatment in combination with miglustat. In addition, the Company received a transferable rare pediatric disease PRV in conjunction with the approval of MIPLYFFA. On April 1, 2025, the Company consummated the sale of the PRV, resulting in net proceeds of \$148.3 million to the Company. For the three months ended March 31, 2025, sales of MIPLYFFA were \$17.1 million.

The Company currently utilizes a single specialty pharmacy provider as its sole distributor for both MIPLYFFA and OLPRUVA. The Company also enters into arrangements with health care providers and payors that provide for government mandated and/or privately negotiated rebates with respect to the purchase of its products. To commercialize MIPLYFFA and OLPRUVA in the U.S., the Company has built marketing, sales, medical affairs, distribution, managerial and other non-technical capabilities or is making arrangements with third parties to perform these services. All revenues derived from sales of MIPLYFFA and OLPRUVA are in the United States.

French AC

For the three months ended March 31, 2025, and 2024, the Company recognized revenue related to the French AC of \$2.3 million and \$2.2 million, net of a clawback liability of \$1.4 million and \$1.3 million, respectively, and other gross to net adjustments. The total estimated reserve liability as of March 31, 2025, and December 31, 2024, was \$14.6 million and \$12.6 million, respectively. As of March 31, 2025, and December 31, 2024, this estimated reserve liability is recorded as discount and rebate liabilities in the unaudited condensed consolidated balance sheets and is separated into current and long-term based upon the timing of the expected payment to the French regulators.

AZSTARYS License Agreement

The Company entered into a Collaboration and License Agreement (the "AZSTARYS License Agreement") with Commave Therapeutics SA (formerly known as Boston Pharmaceuticals Holdings SA) ("Commave"), an affiliate of Gurnet Point Capital, L.P., dated September 3, 2019. Under the AZSTARYS License Agreement, as amended, the Company granted to Commave an exclusive, worldwide license to develop, manufacture and commercialize the Company's product candidates containing SDX and d-MPH, including AZSTARYS, or any other product candidates containing SDX and developed to treat ADHD or any other central nervous system disorder. Corium Inc. was tasked by Commave to lead all commercialization activities for AZSTARYS under the AZSTARYS License Agreement. Pursuant to the AZSTARYS License Agreement, Commave agreed to pay milestone payments up to an aggregate of \$590.0 million upon the occurrence of specified regulatory milestones related to AZSTARYS, additional fixed payments upon the achievement of specified U.S. sales milestones, and quarterly, tiered royalty payments based on a range of percentages of net sales (as defined in the AZSTARYS License Agreement). Commave is obligated to make such royalty payments on a product-by-product basis until expiration of the royalty term for the applicable product.

The Company concluded that these regulatory milestones, sales milestones and royalty payments each contain a significant uncertainty associated with a future event. As such, these milestone and royalty payments are constrained at contract inception and are not included in the transaction price as the Company could not conclude that it is probable a significant reversal in the amount of cumulative revenue recognized will not occur surrounding these milestone payments. At the end of each reporting period, the Company updates its assessment of whether the milestone and royalty payments are constrained by considering both the likelihood and magnitude of the potential revenue reversal. For the three months ended March 31, 2025, and 2024, the Company recognized revenue under the AZSTARYS License Agreement of \$0.9 million and \$1.2 million, respectively. There was no deferred revenue related to this agreement as of March 31, 2025, or December 31, 2024. All revenues recognized under this agreement derived in the United States.

In accordance with the terms of the Company's agreement with Aquestive dated March 20, 2012, Aquestive has the right to receive an amount equal to 10% of any royalty or milestone payments made to the Company related to AZSTARYS or KP1077 under the AZSTARYS License Agreement.

The AZSTARYS License Agreement is within the scope of ASC 606, as the transaction represents a contract with a customer where the participants function in a customer/vendor relationship and are not exposed equally to the risks and rewards of the activities contemplated under the AZSTARYS License Agreement.

Relief Exclusive License Agreement

Pursuant to the Relief License Agreement, Relief will hold exclusive development and commercialization rights for OLPRUVA in the EU, Liechtenstein, San Marino, Vatican City, Norway, Iceland, Principality of Monaco, Andorra, Gibraltar, Switzerland, United Kingdom, Albania, Bosnia, Kosovo, Montenegro, Serbia and North Macedonia ("Geographical Europe"). We have the right to receive a royalty of up to 10% of the net sales of OLPRUVA in Geographical Europe. For the three months ended March 31, 2025, and 2024, the Company did not recognize any revenue under the Relief License Agreement. There was no deferred revenue related to this agreement as of March 31, 2025, and 2024.

Accounts and Other Receivables

Accounts and other receivables consist of receivables from product sales of MIPLYFFA and OLPRUVA, reimbursements received under the French AC, royalties or net sales milestone payments generated under the AZSTARYS License Agreement, consulting agreements, and other receivables due to the Company. Receivables under the AZSTARYS License Agreement are recorded for amounts due to the Company related to reimbursable third-party costs as well as milestones and royalties on product sales. Receivables are recorded for product sales under the French AC and commercial sales of MIPLYFFA and OLPRUVA to a single specialty pharmacy. The Company provides reserves against receivables for estimated losses that may result from a customer's inability to pay. Receivables are evaluated to determine if any reserve or allowance should be recorded based on consideration of the current economic environment, expectations of future economic conditions, specific circumstances and the Company's own historical collection experience. Amounts determined to be uncollectible are charged or written-off against the reserve.

Accounts and other receivables consist of the following (in thousands):

	March 31, 2025	December 31, 2024
Commercial accounts receivable	\$ 6,861	\$ 4,010
Receivables related to product reimbursements	4,555	5,380
Royalties and milestones accounts receivable	987	786
Other receivables	214	333
Total receivables	\$ 12,617	\$ 10,509

As of March 31, 2025, and December 31, 2024, no reserve or allowance for doubtful accounts had been established.

G. Stock and Warrants***Authorized, Issued, and Outstanding Common Shares***

As of March 31, 2025, and December 31, 2024, the Company had authorized shares of common stock of 250,000,000 shares. Of the authorized shares, 56,255,055 and 55,246,401 shares of common stock were issued as of March 31, 2025, and December 31, 2024, respectively, and 54,679,363 and 53,670,709 shares of common stock were outstanding as of March 31, 2025, and December 31, 2024, respectively.

As of March 31, 2025, and December 31, 2024, the Company had reserved authorized shares of common stock for future issuance as follows:

	March 31, 2025	December 31, 2024
Outstanding awards under equity incentive plans	7,734,741	7,789,658
Outstanding common stock warrants	5,483,527	5,483,537
Possible future issuances under equity incentive plans	6,287,941	5,383,165
Possible future issuances under employee stock purchase plans	1,148,012	1,148,012
Total common shares reserved for future issuance	20,654,221	19,804,372

Common Stock Activity

The following table summarizes common stock activity for the three months ended March 31, 2025:

	Shares of Common Stock
Balance as of January 1, 2025	53,670,709
Common stock issued as compensation to third parties	9,306
Common stock issued as a result of stock options exercised or released	999,338
Warrants issued as a result of stock warrants exercised	10
Balance as of March 31, 2025	54,679,363

Authorized, Issued, and Outstanding Preferred Stock

As of March 31, 2025, and December 31, 2024, the Company had 10,000,000 shares of authorized preferred stock, none of which were designated, issued, or outstanding.

Warrants to Purchase Common Stock

The Company has issued warrants to purchase common stock to various third parties, of which 5,483,527 remain outstanding as of March 31, 2025, and are immediately exercisable. These warrants qualify as participating securities under ASC Topic 260, *Earnings per Share*, and are treated as such in the net loss per share calculation (Note J). The Company may be required to redeem these warrants for a cash amount equal to the Black-Scholes value of the portion of the warrants to be redeemed (the “Put Option”).

In connection with the Merger, in November 2023, the Company directly issued to certain investors an aggregate of 1,382,489 shares of its common stock, par value \$0.0001 per share, and accompanying warrants to purchase up to 1,382,489 shares of its common stock (the “2023 Warrants”) at a combined offering price of \$4.34 per share of common stock and the 2023 Warrants and an aggregate of 917,934 shares of its common stock in exchange for the cancellation of a warrant to purchase 2,920,306 shares of common stock of Acer. The 2023 Warrants are immediately exercisable and expire on November 22, 2028. The Company used the net proceeds of approximately \$6.0 million from the offering for general corporate purposes. These warrants are separately exercisable by the warrant holders. While the warrants are outstanding (but unexercised), the warrant holders will participate in any dividend or other distribution of the Company’s assets to its common stockholders by way of return of capital or otherwise. As of March 31, 2025, and December 31, 2024, none of the warrants have been exercised. The warrants have been evaluated to determine the appropriate accounting and classification pursuant to ASC 480 and ASC 815. Generally, freestanding warrants should be classified as (i) liabilities if the warrant terms allow settlement of the warrant exercise in cash and (ii) equity if the warrant terms only allow settlement in shares of common stock.

The Company determined that its outstanding warrants and the Put Option should be recorded as a liability and stated at fair value at each reporting period. Changes to the fair value of the warrant liability are recorded through the unaudited condensed consolidated statements of operations as a fair value adjustment related to warrant and CVR liability. As of March 31, 2025, and December 31, 2024, the fair value of the liability associated with these warrants and the Put Option was approximately \$13.0 million and \$17.8 million, respectively. The fair value adjustment related to these warrants and the Put Option was approximately \$4.8 million and \$4.6 million of income for the three months ended March 31, 2025, and 2024, respectively.

H. Stock-Based Compensation

In November 2014, the Board of Directors of the Company (“the Board”), and in April 2015, the Company’s stockholders, approved the Company’s 2014 Equity Incentive Plan (the “2014 Plan”), which became effective in April 2015. The 2014 Plan provides for the grant of stock options, other forms of equity compensation, and performance cash awards. In June 2021, the Company’s stockholders approved an Amended and Restated 2014 Equity Incentive Plan (the “A&R 2014 Plan”), following its adoption by the Board in April 2021, which among other things added 4,900,000 shares to the maximum number of shares of common stock to be issued under the plan and extended the annual automatic increases (discussed further below) until January 1, 2031 and eliminated individual grant limits that applied under the 2014 Plan to awards that were intended to comply with the exemption for “performance-based compensation” under Code Section 162(m). The maximum number of shares of common stock that may be issued under the A&R 2014 Plan was 12,079,711 as of March 31, 2025. The number of shares of common stock reserved for issuance under the A&R 2014 Plan automatically increases on January 1 of each year, beginning on January 1, 2016, and ending on and including January 1, 2031, by 4% of the total number of shares of the Company’s capital stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by the Board. Pursuant to the terms of the A&R 2014 Plan, on January 1, 2025, the common stock reserved for issuance under the A&R 2014 Plan automatically increased by 2,146,828 shares.

During the three months ended March 31, 2025, and March 31, 2024, 889,025 and 716,875 stock options were exercised, respectively.

In June 2021, the Company’s stockholders approved an Employee Stock Purchase Plan (the “ESPP”), following its adoption by the Board in April 2021. The maximum number of shares of common stock that may be issued under the ESPP is 1,500,000. The first offering period under the ESPP began on October 1, 2021, and the first purchase date occurred on May 31, 2022. As of March 31, 2025, 351,988 shares have been issued under the ESPP.

In January 2023, the Board approved the 2023 Employment Inducement Award Plan (as amended, the “2023 Plan”). The maximum number of shares of common stock that may be issued under the 2023 Plan was 4,500,000 as of March 31, 2025.

In February 2025, the Board approved the Tenth Amended and Restated Non-Employee Director Compensation Policy (the “Non-Employee Director Compensation Policy”). The equity compensation granted pursuant to the Non-Employee Director Compensation Policy will be granted under the A&R 2014 Plan.

Stock-based compensation expense recorded under the A&R 2014 Plan, ESPP and 2023 Plan is included in the following line items in the accompanying unaudited condensed consolidated statements of operations (in thousands):

	Three months ended March 31,	
	2025	2024
Research and development	\$ 357	\$ 853
Selling, general and administrative	2,758	1,266
Total stock-based compensation expense	\$ 3,115	\$ 2,119

There was no stock-based compensation expense related to performance-based awards recognized during the three months ended March 31, 2025, and 2024.

I. Fair Value of Financial Instruments

The accounting standard for fair value measurements provides a framework for measuring fair value and requires disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, based on the Company's principal or, in absence of a principal, most advantageous market for the specific asset or liability.

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs, when available, and to minimize the use of unobservable inputs when determining fair value. The three tiers are defined as follows:

- Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2—Observable inputs other than quoted prices in active markets that are observable either directly or indirectly in the marketplace for identical or similar assets and liabilities; and
- Level 3—Unobservable inputs that are supported by little or no market data, which require the Company to develop its own assumptions.

The carrying amounts of certain financial instruments, including cash and cash equivalents, accounts and other receivables, and accounts payable and accrued expenses approximate their respective fair values due to the short-term nature of such instruments.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company evaluates its financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level in which to classify them for each reporting period. This determination requires significant judgments to be made. The following table summarizes the conclusions reached regarding fair value measurements as of March 31, 2025, and December 31, 2024 (in thousands):

	Balance as of March 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
CVR liability	\$ 3,400	\$ —	\$ —	\$ 3,400
Warrant liabilities	13,030	—	—	13,030
Total liabilities	\$ 16,430	\$ —	\$ —	\$ 16,430
Securities:				
U.S. Treasury securities	\$ 25,291	\$ 25,291	\$ —	\$ —
Corporate bonds	6,091	—	6,091	—
Total assets	\$ 31,382	\$ 25,291	\$ 6,091	\$ —
	Balance as of December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
CVR liability	\$ 3,500	\$ —	\$ —	\$ 3,500
Warrant liabilities	17,804	—	—	17,804
Total liabilities	\$ 21,304	\$ —	\$ —	\$ 21,304
Securities:				
U.S. Treasury securities	\$ 35,711	\$ 35,711	\$ —	\$ —
Corporate bonds	6,010	—	6,010	—
Total assets	\$ 41,721	\$ 35,711	\$ 6,010	\$ —

Warrants

The common stock warrant liabilities were recorded at fair value using the Black-Scholes option pricing model. The following assumptions were used in determining the fair value of the warrant liabilities valued using the Black-Scholes option pricing model as of March 31, 2025, and December 31, 2024:

	March 31, 2025	December 31, 2024
Risk-free interest rate	3.84% - 4.04%	4.08% - 4.23%
Volatility	57.65% - 65.48%	62.14% - 68.68%
Dividend yield	0%	0%
Expected term (years)	0.78 - 3.65	1.02 - 3.89
Weighted average fair value	\$ 2.38	\$ 3.25

The following table is a reconciliation for the common stock warrant liabilities measured at fair value using Level 3 unobservable inputs (in thousands):

Balance as of December 31, 2024	\$	17,804
Change in fair value measurement		(4,774)
Balance as of March 31, 2025	\$	<u>13,030</u>

For the three months ended March 31, 2025, the changes in fair value of the warrant liabilities primarily resulted from change in the discount rate.

Contingent Consideration

Contingent consideration liabilities relate to the Company's liabilities arising in connection with the CVRs issued as a result of the Merger. The contingent consideration is classified as Level 3 in the fair value hierarchy. The fair value is measured based on a Monte Carlo simulation or a scenario-based method, depending on the earn-out achievement objectives, utilizing projections about future performance. Significant inputs include volatility and projected financial information, including projections representative of a market participant's view of the expected cash payments associated with the agreed upon regulatory milestones based on probabilities of technical success, timing of the potential milestone events for the compounds, and estimated discount rates.

The following table provides a reconciliation of the beginning and ending balances related to the contingent consideration liabilities for the CVRs (dollars in thousands):

Balance as of December 31, 2024	\$	3,500
Change in fair value measurement		(100)
Balance as of March 31, 2025	\$	<u>3,400</u>

For the three months ended March 31, 2025, the changes in fair value of contingent consideration primarily resulted from changes in market data and revenue projections.

J. Net Loss Per Share

For all periods presented herein, the Company did not use the two-class method to compute net loss attributable to common stockholders per share of common stock, even though it had issued securities, other than common stock, that contractually entitled the holders to participate in dividends and earnings, because these holders are not obligated to participate in a loss. The two-class method requires earnings for the period to be allocated between common stock and participating securities based upon their respective rights to receive distributed and undistributed earnings.

Under the two-class method, for periods with net income attributable to common stockholders, basic net income attributable to common stockholders per share of common stock is computed by dividing the undistributed net income attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Undistributed net income attributable to common stockholders is computed by subtracting from net income the portion of current period earnings that participating securities would have been entitled to receive pursuant to their dividend rights had all of the period's earnings been distributed and subtracting the actual or deemed dividends declared. No such adjustment to earnings is made during periods with a net loss as the holders of the participating securities have no obligation to fund losses. Diluted net income attributable to common stockholders per share of common stock is computed under the two-class method by using the weighted average number of shares of common stock outstanding plus the potential dilutive effects of stock options and warrants. In addition to analyzing under the two class method, the Company analyzes the potential dilutive effect of stock options and warrants, under the treasury-stock method when calculating diluted income (loss) attributable to common stockholders per share of common stock, in which it is assumed that the stock options and warrants convert into common stock at the beginning of the period or date of issuance, if the stock option or warrant was issued during the period. The Company reports the more dilutive of the approaches (two-class or treasury-stock/if-converted) as its diluted net income (loss) attributable to common stockholders per share of common stock during the period.

As noted above, for all periods presented herein, the Company did not utilize the two-class approach as the Company was in a net loss position and the holders of the participating securities have no obligation to fund losses. The Company did analyze diluted net loss attributable to common stockholders per share of common stock under the treasury-stock/if-converted method and noted that all outstanding stock options and warrants were anti-dilutive for the periods presented. For all periods presented, basic net loss attributable to common stockholders per share of common stock was the same as diluted net loss attributable to common stockholders per share of common stock.

The following securities, presented on a common stock equivalent basis, have been excluded from the calculation of weighted average number of shares of common stock outstanding because their effect is anti-dilutive:

	Three months ended March 31,	
	2025	2024
Awards under equity incentive plans	7,734,741	4,366,537
Common stock warrants	5,483,527	5,603,729
Total securities excluded from the calculation of weighted average number of shares of common stock outstanding	<u>13,218,268</u>	<u>9,970,266</u>

A reconciliation from net loss to basic net loss attributable to common stockholders per share of common stock and diluted net loss attributable to common stockholders per share of common stock for the three months ended March 31, 2025, and 2024, respectively, is as follows (in thousands):

	Three months ended March 31,	
	2025	2024
Basic and diluted net loss per share of common stock:		
Net loss, basic and diluted	\$ (3,099)	\$ (16,622)
Weighted average number of shares of common stock outstanding, basic and diluted	54,096	41,779
Basic and diluted net loss per share of common stock	<u>\$ (0.06)</u>	<u>\$ (0.40)</u>

K. Leases

The Company has operating and finance leases for office space, laboratory facilities and various laboratory equipment, furniture and office equipment and leasehold improvements. The Company determines if an arrangement is a lease at contract inception. Lease assets and lease liabilities are recognized based on the present value of lease payments over the lease term at the commencement date. The Company does not separate lease and non-lease components. Leases with a term of 12 months or less at commencement are not recorded on the unaudited condensed consolidated balance sheets. Lease expense for these arrangements is recognized on a straight-line basis over the lease term. The Company's leases have remaining lease terms of less than 1 year and up to approximately 4 years, some of which include options to extend the leases for up to 5 years, and some which include options to terminate the leases within 1 year.

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

Lease Cost	Three months ended March 31,	
	2025	2024
Finance lease cost:		
Amortization of right-of-use assets	\$ 1	\$ 12
Total finance lease cost	1	12
Operating lease cost	118	93
Short-term lease cost	47	59
Variable lease cost	—	13
Less: sublease income	(39)	(39)
Total lease costs	\$ 127	\$ 138

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

	Three months ended March 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	215	123
Operating cash flows from short-term leases	47	59
Operating cash flows from variable lease costs	—	13
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	1,115	419

Supplemental balance sheet information related to leases was as follows (in thousands, except weighted average remaining lease term and weighted average discount rate):

	March 31, 2025	December 31, 2024
Finance Leases		
Property and equipment, at cost	\$ 1,031	\$ 1,031
Less: accumulated depreciation and amortization	(1,024)	(1,023)
Property and equipment, net	<u>\$ 7</u>	<u>\$ 8</u>
Operating Leases		
Operating lease right-of-use assets	\$ 1,636	\$ 657
Total operating lease right-of-use assets	<u>\$ 1,636</u>	<u>\$ 657</u>
Current portion of operating lease liabilities	\$ 589	\$ 420
Operating lease liabilities, less current portion	1,158	372
Total operating lease liabilities	<u>\$ 1,747</u>	<u>\$ 792</u>
Weighted Average Remaining Lease Term		
Operating leases (in years)	3	3
Weighted Average Discount Rate		
Operating leases	12.3%	9.9%

Maturities of lease liabilities were as follows (in thousands):

Year Ending December 31,	Operating Leases
2025 (excluding the three months ended March 31, 2025)	\$ 595
2026	607
2027	545
2028	365
2029	40
Thereafter	—
Total lease payments	<u>2,152</u>
Less: future interest expense	(405)
Lease liabilities	<u>\$ 1,747</u>

L. Goodwill & Intangible Assets

The Company's goodwill balance was \$4.7 million as of March 31, 2025, and December 31, 2024.

As of March 31, 2025, and December 31, 2024, non-amortizable intangible assets of \$2.0 million related to in-process research and development associated with the Merger.

As of March 31, 2025, and December 31, 2024, the Company had a definite-lived intangible asset, net related to the acquisition of OLPRUVA as a result of the Merger of \$60.0 million and \$61.3 million, respectively. This is amortized on a straight-line basis over the OLPRUVA patent life of 13 years and is reviewed periodically for impairment. Amortization expense is recorded as intangible asset amortization in the unaudited condensed consolidated statements of operations and was \$1.3 million and \$1.5 million for the three months ended March 31, 2025 and 2024, respectively.

In connection with the XOMA License Agreement, the Company owed XOMA a royalty payment of \$6.0 million upon approval of MIPLYFFA, which was paid in October 2024. This definite-lived intangible asset is amortized on a straight-line basis over the MIPLYFFA patent life of approximately five years and is reviewed periodically for impairment. Amortization expense is recorded as intangible asset amortization in the unaudited condensed consolidated statements of operations and was \$0.3 million for the three months ended March 31, 2025. No amortization expense related to this definite-lived intangible asset was recognized for the three months ended March 31, 2024.

The definite-lived intangible assets that are subject to amortization have been reviewed for impairment whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. The Company's historical sales experience related to OLPRUVA resulted in management preparing an estimate of future cash flows used to assess the recoverability of such asset. Future cash flows specific to OLPRUVA, which most significantly includes an estimate of forecasted revenues, are based on reasonable and supportable assumptions regarding the cash flows expected to result from the use of the asset and its eventual disposition. As a result of the Company's analysis, the asset was deemed to be fully recoverable and no impairments were recorded by the Company as of and for the three months ended March 31, 2025, and 2024.

For intangible assets subject to amortization, estimated amortization expense for the five fiscal years subsequent to March 31, 2025, is expected to be as follows:

2025 (excluding the three months ended March 31, 2025)	\$	4,846
2026	\$	6,461
2027	\$	6,461
2028	\$	6,461
2029	\$	5,830

M. Commitments and Contingencies

From time to time, the Company is involved in various legal proceedings arising in the normal course of business. For some matters, a liability is not probable, or the amount cannot be reasonably estimated and, therefore, an accrual has not been made. However, for such matters when it is probable that the Company has incurred a liability and can reasonably estimate the amount, the Company accrues and discloses such estimates.

Litigation Related to the AZSTARYS License Agreement

In September 2024, the Company became engaged in a legal dispute regarding the AZSTARYS License Agreement. The litigation is currently in the discovery phase. The Company cannot predict with certainty the timing or ultimate outcome of this litigation or its potential impact on the Company's business, financial condition, or results of operations. At this time, the Company has not recorded any accrual for contingent liability associated with this matter. The AZSTARYS License Agreement remains in effect during this litigation, and both parties continue to perform their respective obligations thereunder. However, there can be no assurance that this dispute will not have an adverse impact on the Company's relationship with Commave or on the Company's business. The Company will continue to monitor developments in this matter and will assess the potential impact on the Company's financial statements in future periods. The Company expects to incur significant legal expenses in connection with this litigation, which may materially affect its results of operations in future periods.

As of March 31, 2025, and December 31, 2024, no accruals were made related to commitments and contingencies.

N. Subsequent Events

The Company evaluated events and transactions occurring subsequent to March 31, 2025, through May 13, 2025, the date the accompanying unaudited condensed consolidated financial statements were issued. During this period, other than the consummation of the sale of the PRV as disclosed in Note A, there were no subsequent events that required recognition in the accompanying unaudited condensed consolidated financial statements, nor were there any additional non-recognized subsequent events that required disclosure.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in Part II, Item 1A. "Risk Factors" of this Quarterly Report on Form 10-Q and Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K, for the fiscal year ended December 31, 2024, filed with the SEC on March 12, 2025, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a commercial-stage company focused on addressing unmet needs for the treatment of rare diseases. Our mission is to bring life-changing therapeutics to people living with rare diseases. With data-driven development and commercialization strategies, we are overcoming complex drug development challenges to make new therapies available to the rare disease community. We have a diverse portfolio of products and product candidates, which includes pre-clinical, clinical, and commercial stage assets. Our team has specialized expertise and a track record of success in advancing promising therapies that face complex clinical, regulatory, and commercial challenges with an approach that balances science with patient need.

As part of our commitment to serving the rare disease community, in February 2023, we changed our name to Zevra Therapeutics, Inc. Our name, Zevra, is the Greek word for zebra, which is the internationally recognized symbol for rare disease. This name reflects our intense focus and dedication to developing transformational, patient-focused therapies for rare diseases with limited or no treatment options available, or treatment areas with significant unmet needs.

Our five-year strategic plan is focused on the continued transformation of Zevra into a leading rare-disease company. In addition to the commercialization of OLPRUVA and the approval and subsequent launch of MIPLYFFA, in the third quarter of 2024 we discontinued our in-house drug discovery activities and closed our laboratory facilities in Iowa and Virginia to prioritize near-term resources for our late-stage clinical development and commercial opportunities. In the future, we plan to outsource our discovery and early development activities and further expand our pipeline through both internal development and through our business development activities to collaborate, partner, and potentially acquire additional assets. We intend to target assets that we believe will allow us to leverage the expertise and infrastructure that we have built to help mitigate risk and enhance our probability of success. If we are successful, expanding our pipeline could be accretive to our value proposition and has the potential to create incremental long-term value for stockholders.

During the first quarter of 2025, we withdrew the NDA for APADAZ, our approved product for the treatment of pain based on benzhydrocodone, our prodrug of hydrocodone. While this product has not been commercially available over the last few years, this decision eliminates all regulatory activities needed to maintain the approval, reducing costs for a product where currently there is not an economically viable addressable market. We will continue to optimize and curate our IP portfolio through a variety of avenues to extract value for the benefit of shareholders, as demonstrated through these recent activities. In addition, as part of our ongoing IP portfolio review, we licensed certain IP related to our pre-clinical stage prodrug of dextrorphan in April 2025 to an undisclosed party for an upfront payment of \$250,000, potential future regulatory milestones of up to \$8.45 million and single-digit royalties on net sales.

On September 20, 2024, the FDA approved the New Drug Application ("NDA") for MIPLYFFA[®] (arimoclomol), for use in combination with miglustat for the treatment of neurological manifestations of Niemann-Pick disease type C ("NPC") in adult and pediatric patients 2 years of age and older. MIPLYFFA is an orally-delivered treatment for NPC, which is an ultra-rare and progressive neurodegenerative disease. In connection with this approval, we received a transferable rare pediatric disease priority review voucher ("PRV"). On April 1, 2025, we consummated the sale of the PRV to a buyer, resulting in net proceeds of \$148.3 million to the Company. MIPLYFFA has also been granted orphan medical product designation for the treatment of NPC by the European Commission. In November 2024, MIPLYFFA became commercially available for dispense.

On August 30, 2023, we entered into an Agreement and Plan of Merger (the "Merger Agreement") with Acer Therapeutics Inc. ("Acer"). On November 17, 2023 (the "Closing Date"), we completed the acquisition of Acer (the "Merger"). Pursuant to the Merger Agreement, Acer continues as a wholly-owned subsidiary of Zevra. The Merger included the acquisition of OLPRUVA[®] (sodium phenylbutyrate) for oral suspension, which was approved by the FDA on December 27, 2022, for the treatment of certain urea cycle disorders ("UCDs"). In addition, we acquired Acer's pipeline of investigational product candidates, including celirolol for the treatment of Vascular Ehlers-Danlos syndrome ("VEDS") in patients with a confirmed type III collagen (COL3A1) mutation.

In May 2022, we purchased all of the assets and operations of Orphazyme A/S ("Orphazyme") related to arimoclomol and agreed to assume an estimated reserve clawback liability of \$5.2 million related to revenue generated from Orphazyme's program in France, Accès Compassionnel ("French AC").

Our Product Candidates and Approved Products

We have built a diverse portfolio of products and product candidates through a combination of internal development and strategic investments through acquisition. For example, we have employed our proprietary Ligand Activated Technology platform to develop approved products (e.g., AZSTARYS) and clinical development candidates (KP1077IH and KP1077N). Through our business development efforts, we have added commercial products (MIPLYFFA and OLPRUVA) and a clinical development candidate (celiprolol). We furthermore have a variety of product candidates and compounds that are clinical-stage and designed to address a variety of rare diseases and other indications.

Current commercial products and active development assets are summarized in the table below:

Active Zevra Commercial and Active Development Assets

Parent Drug	Indication	Product / Candidate	Development Status	Next Milestone(s)
Arimoclomol	Niemann-Pick disease type C (NPC)	MIPLYFFA	FDA Approved European Expanded Access Program (“EAP”)	Tracking Commercial Progress Target MAA Submission in H2 2025
Sodium phenylbutyrate	Urea Cycle Disorders (UCD)	OLPRUVA	FDA Approved	Tracking Commercial Progress
Celiprolol	Vascular Ehlers Danlos Syndrome (VEDS)	Celiprolol	Clinical - Phase 3	Phase 3 Ongoing
Serdexmethylphenidate	Idiopathic Hypersomnia (IH)	KP1077IH	Clinical - Phase 2	Phase 3 Trial Ready; Seeking Strategic Alternatives
Serdexmethylphenidate	Narcolepsy	KP1077N	Clinical - Phase 1/2	Phase 3 Trial Potential; Seeking Strategic Alternatives
Serdexmethylphenidate and dexmethylphenidate	Attention Deficit and Hyperactivity Disorder (ADHD)	AZSTARYS	FDA Approved and Partnered	Collecting Royalties and Milestones

These anticipated milestones are based on information currently available to us. Our current plans and expectations are subject to a number of uncertainties, risks and other important factors that could materially impact our plans, including risks which are not solely within our control. See Part I, Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 12, 2025, as updated by Part II, Item 1A. “Risk Factors” of this Quarterly Report on Form 10-Q.

MIPLYFFA

NPC is characterized by an inability of the body to transport cholesterol and lipids inside of cells. Symptoms of NPC include a progressive impairment of mobility, cognition, speech, and swallowing, often culminating in premature death. The incidence of NPC is estimated to be one in 100,000 to 130,000 live births. We estimate that there are approximately 1,800 individuals with NPC in the U.S. and Europe combined, of which approximately 900 are in the U.S. and 1,100 are in the EU, where there is a mature market with an approved treatment available for NPC. Of these, approximately 300 to 350 people have been diagnosed in the U.S. However, diagnostic challenges may affect the number of potential patients, and we believe that the availability of treatment options in the U.S. could increase awareness of the disease and assist in more accurately identifying patients.

On September 20, 2024, the FDA approved the NDA for MIPLYFFA, an orally-delivered treatment, in combination with miglustat, for NPC, which is an ultra-rare and progressive neurodegenerative disease. MIPLYFFA, the first FDA-approved treatment for NPC, is indicated for use in combination with miglustat for the treatment of neurological manifestations of NPC in adult and pediatric patients two years of age and older. In addition, we received a transferable rare pediatric disease PRV in conjunction with the approval. On April 1, 2025, we completed the previously disclosed sale of the PRV (“Asset Sale”). The Asset Sale was completed pursuant to the terms of an asset purchase agreement, dated February 26, 2025 (the “PRV Transfer Agreement”). Pursuant to the PRV Transfer Agreement, the Company received gross proceeds of \$150.0 million from the buyer upon the closing of the Asset Sale.

Effective therapies to treat NPC are desperately needed, and, for this reason, MIPLYFFA is currently being made available to NPC patients in France, Germany, and other EU member states under various EAPs. MIPLYFFA has also been granted orphan medical product designation for the treatment of NPC by the European Commission. As of March 31, 2025, there were a total of 122 enrollments to receive MIPLYFFA, which included conversion of all active participants in our U.S. EAP, which we expect to close by the end of the second quarter of 2025. Our commercial plans will focus on continuing to raise awareness among people who are living with NPC that are diagnosed and untreated, or undiagnosed. For MIPLYFFA, an enrollment is a prescription submitted to our specialty pharmacy, initiating the benefits investigation process to determine reimbursement and can lead to a 30-day paid dispense of MIPLYFFA.

Soon after approval of MIPLYFFA, the FDA approved a second therapy for NPC, AQNEURSA, which is approved for the treatment of neurological manifestations of NPC in adults and pediatric patients weighing ≥ 15 kg and is marketed by IntraBio, Inc.

To commercialize both of our commercial products, MIPLYFFA and OLPRUVA, in the U.S., we have built, or are making arrangements with third parties to perform, marketing, sales, medical affairs, distribution, managerial and other non-technical capabilities.

Zevra holds global rights to develop and commercialize MIPLYFFA. We intend to seek regulatory approval for MIPLYFFA in the European Union (“EU”), and we are currently evaluating the potential to commercialize outside of the U.S. and/or to seek additional regulatory approvals to support future global commercialization opportunities. Our focus is currently on preparing for submission of a Marketing Authorisation Application, or MAA, in Europe in the second half of 2025.

MIPLYFFA summary:

- **Demonstrated halting of disease progression.** MIPLYFFA in combination with miglustat has demonstrated a halting of progression of the disease through 12 months of treatment.
- **Ease of flexible administration as an oral treatment.** MIPLYFFA is administered as an oral capsule that can be swallowed whole, opened and contents mixed with foods or liquids, or delivered through a feeding tube.
- **Extensive clinical experience with favorable safety data.** There have been no safety findings of concern with more than 600 patients treated in various clinical trials and through our EAPs.
- **Advantageous regulatory designations.** MIPLYFFA has been granted orphan medical product designation for the treatment of NPC by the European Commission. On April 1, 2025, we completed the sale of the PRV, which we received upon approval of MIPLYFFA.

OLPRUVA

OLPRUVA (sodium phenylbutyrate) for oral suspension is approved in the U.S. as adjunctive therapy to standard of care, which includes dietary management, for the chronic management of UCDs involving deficiencies of carbamylphosphate synthetase (CPS), ornithine transcarbamylase (OTC), or argininosuccinic acid synthetase (AS). OLPRUVA for oral suspension is a proprietary and novel formulation of sodium phenylbutyrate powder, packaged in pre-measured single-dose envelopes, that has shown bioequivalence to existing sodium phenylbutyrate powder but with a pH-sensitive polymer coating that is designed to minimize dissolution of the coating for up to five (5) minutes after preparation.

UCDs are a group of rare genetic disorders that can cause harmful ammonia to build up in the blood, potentially resulting in brain damage and neurocognitive impairments, if ammonia levels are not controlled. Any increase in ammonia over time is serious. Therefore, it is important to adhere to any dietary protein restrictions and have alternative medication options to help control ammonia levels. Approximately 1 in 100,000 people have UCD, and there are an estimated 800 patients who are actively treated with nitrogen scavenging therapy in the U.S. While there are therapies currently approved for the treatment of UCDs - specifically RAVICTI, marketed by Amgen, Inc. (formerly Horizon Therapeutics) and PHEBURANE, marketed by Medunik USA - there remain unmet needs for this community of patients. OLPRUVA offers benefits over other UCD treatments by eliminating issues with palatability, offering improved portability with its single-dose envelopes, and it comes in a dosage personalized to the patient based on weight.

During the quarter ended December 31, 2023, we began generating revenue from the sale of OLPRUVA in the U.S. Zevra has a partnership with Relief Therapeutics, who has rights to commercialize OLPRUVA in various EU countries, if approved. In addition, Zevra was obligated to pay royalties of 10% of U.S. net sales up to a maximum of \$45.0 million, plus specified regulatory milestones, for total payments to Relief of up to \$56.5 million. On April 10, 2025, the rights to this royalty were sold to Soleus Capital Management L.P.

During the first half of 2024, we initiated the commercial launch of OLPRUVA in the U.S. We have focused our initial efforts on the approximately 40 metabolic treatment centers of excellence (“COE”) across the United States, which treat the majority of UCD patients, to build awareness with physicians regarding the benefits of OLPRUVA. In the months since launch, our team has been able to engage with prescribers in more than 90% of these COEs. We have seen meaningful growth in reimbursement coverage, which was approximately 55% of U.S. covered lives at the time of acquisition, to now approximately 78%. In the third quarter of 2024, Zevra made a data-driven shift in our OLPRUVA commercial strategy to target specific patient segments that will receive the greatest benefit from OLPRUVA and face fewer reimbursement hurdles. To support this refinement in strategy, we focused our resources and promotional efforts in the third quarter to drive patient identification and to improve pull-through with payors. Specifically, we are targeting patients seeking greater lifestyle independence who could benefit from the “ammonia control on the go” that OLPRUVA offers.

OLPRUVA summary:

- **OLPRUVA is available in the U.S for the treatment of certain types of UCDs.** OLPRUVA is an adjunctive therapy for long-term management of adults and children weighing 20kg or greater with UCD from deficiencies of CPS, OTC, or AS.
- **OLPRUVA is differentiated from currently available forms of phenylbutyrate.** OLPRUVA is formulated to improve palatability while providing patients with a portable and discrete pre-measured dose.
- **Zevra has assembled a team to support OLPRUVA and additional future commercial products.** We have established an efficient commercial team which is designed to fully service the patients and prescribers within the rare disease indications we are pursuing.

Celiprolol

The Merger with Acer included the acquisition of celiprolol. We are advancing celiprolol as an investigational product candidate for the treatment of VEDS in patients with a confirmed type III collagen (COL3A1) mutation. Celiprolol is a selective adrenergic modulator (“SAM”) and, if we receive the first approval in the U.S. for celiprolol, we believe it would be deemed a new chemical entity (“NCE”) in the U.S. Celiprolol is currently approved in certain EU states for the treatment of hypertension and angina.

Ehlers-Danlos Syndrome is an inherited disorder caused by mutations in the genes responsible for the structure, production, or processing of collagen, an important component of the connective tissues in the human body, or proteins that interact with collagen. VEDS causes abnormal fragility in blood vessels, which can give rise to aneurysms, abnormal connections between blood vessels known as arteriovenous fistulas, arterial dissections, and spontaneous vascular ruptures, all of which can be potentially life-threatening. The incidence of VEDS is estimated to be one in 50,000 to 200,000 people. There are approximately 7,500 patients in the U.S.

Currently, there are no approved therapies anywhere in the world for VEDS. However, celiprolol, prescribed off label, has become the standard of care therapy for VEDS in some European countries. Medical intervention for VEDS focuses on surgery, symptomatic treatment, genetic counseling, and prophylactic measures, such as avoiding intense physical activity, scuba diving, and violent sports. Therefore, patients must adopt a “watch and wait” approach following any confirmed diagnosis. Unfortunately, many of these arterial events have high mortality associated with them, and thus, a pharmacologic intervention that reduces the rate of events would be clinically meaningful.

Celiprolol received orphan drug designation from the FDA for the treatment of VEDS in 2015. In October 2018, a new celiprolol NDA was submitted to the FDA by Acer based on data obtained from the BBEST trial and was subsequently accepted by the FDA in October 2018 with priority review status. Following FDA review, Acer received a CRL from the FDA stating that it will be necessary to conduct an adequate and well-controlled trial to determine whether celiprolol reduces the risk of clinical events in patients with VEDS. Subsequently, Acer appealed the FDA decision. While the FDA denied the appeal, it described possible paths forward toward approval. In a May 2021 Type B meeting with the FDA, Acer discussed the conduct of an U.S.-based prospective, randomized, double-blind, placebo-controlled, decentralized clinical trial in patients with COL3A1 positive VEDS, and sought the FDA’s opinion on various proposed design features of the study.

Based on FDA’s feedback during the Type B meeting, we adopted a decentralized (virtual) event-based clinical trial design and use of an independent centralized adjudication committee with a primary endpoint based on clinical events associated with disease outcome. In April 2022, the FDA granted celiprolol Breakthrough Therapy designation in the U.S. for the treatment of patients with COL3A1-positive VEDS.

In July 2022, Acer initiated enrollment in a Phase 3 long-term event-driven clinical trial designed based on the discussions from the May 2021 Type B meeting with the FDA, also known as the DiSCOVER trial. The DiSCOVER trial intends to enroll 150 VEDS patients, with 100 patients receiving celiprolol and 50 patients receiving placebo. Recruitment in the Phase-3 trial was restarted mid-2024 after a brief hiatus and the trial has 32 enrolled participants as of March 31, 2025. We believe that celiprolol could address significant unmet needs as there are currently no approved treatments for VEDS in the U.S.

Celiprolol summary:

- ***Currently, no approved treatments for VEDS in the U.S.*** There are currently no approved treatments of VEDS in the U.S. and we believe that celiprolol, if approved, could be a significant innovation in the treatment of VEDS in the U.S. where current treatment options are focused primarily on surgical intervention.
- ***Unique pharmacological profile.*** Mechanism of action in VEDS patients is thought to be through vascular dilatation and smooth muscle relaxation, the effect of which is to reduce the mechanical stress on collagen fibers in the arterial wall, and thereby potentially less incidence of vascular ruptures.
- ***Evidence of efficacy in the EU and extensive clinical experience from multiple trials.*** Celiprolol has become the primary treatment for VEDS patients in several European countries. BBEST Clinical Trial data showed 76% reduction in risk of arterial events observed in COLA3A1+ subpopulation, with additional data from a long-term observational study in France.
- ***Regulatory designations.*** Celiprolol for VEDS would be considered an NCE in the U.S. and has been granted Orphan Drug designation and Breakthrough Therapy designation.
- ***Solid patent protection through 2038.*** Celiprolol is generally protected by U.S. patents that will expire, after utilizing all appropriate patent term adjustments but excluding possible term extensions, in 2038.

KP1077

KP1077 is being developed and evaluated for the treatment of IH and narcolepsy. IH is a rare neurological sleep disorder affecting approximately 37,000 patients in the United States. The cardinal feature of IH is excessive daytime sleepiness (“EDS”), characterized by daytime lapses into sleep, or an irrepressible need to sleep that persists even with adequate or prolonged nighttime sleep. Additionally, those with IH have extreme difficulty waking, otherwise known as “sleep inertia,” suffer from severe and debilitating brain fog, and may fall asleep unintentionally or at inappropriate times, also known as narcolepsy. These symptoms often further lead to reported memory problems, difficulty maintaining focus, and depression.

Narcolepsy is a rare, chronic, debilitating neurologic disorder of sleep-wake state instability that impacts up to 200,000 Americans and is primarily characterized by EDS and cataplexy (sudden loss of muscle tone while a person is awake) along with other manifestations of rapid eye movement, sleep dysregulation, which intrude into wakefulness. In most patients, narcolepsy is caused by the loss of hypocretin, a neuropeptide in the brain that supports sleep-wake state stability. Typical symptom onset occurs in adolescence or young adulthood, but it can take up to a decade to be properly diagnosed. Although there are several approved medications for narcolepsy, we believe a treatment option based on serdexmethylphenidate (“SDX”), our proprietary prodrug of d-methylphenidate (“d-MPH”), which has previously been classified as a Schedule IV controlled substance, may be beneficial.

There is currently only one approved product for the treatment of IH, XYWAV, developed by Jazz Pharmaceuticals. A second product, WAKIX, developed by Harmony Biosciences (“Harmony”), was originally approved for the treatment of EDS or cataplexy in adult patients with narcolepsy, but in October 2023, Harmony announced that the difference in outcome for EDS when comparing WAKIX and placebo in its Phase 3 trial with IH patients did not reach statistical significance. Prescribers also utilize narcolepsy medications and various stimulant products “off-label” to treat IH symptoms, with methylphenidate, a stimulant which has been classified by the DEA as a Schedule II controlled substance, being one of the most commonly used stimulants for treating IH. While each of these medications can help to address certain IH symptoms, there are also potential shortcomings, including dosing inconvenience, serious adverse events, such as elevated blood pressure and heart rate, and significant drug-to-drug interactions (“DDIs”), including with medications used to manage contraception and depression. In addition, patients have indicated that the effectiveness of their current medication was poor.

We reported final data for the Phase 1 proof-of-concept study of SDX in the first quarter of 2022. Increased wakefulness, alertness, hypervigilance, and insomnia effects were reported by study participants, which we believe suggests that SDX produced targeted pharmacodynamic effects that have the potential to benefit patients with IH and other sleep disorders. In November 2022, we announced that the FDA has granted the orphan drug designation to SDX for the treatment of IH.

KP1077 utilizes SDX, our prodrug of d-MPH, as its active pharmaceutical ingredient (“API”). During the first quarter of 2022, we initiated a Phase 1 clinical trial comparing the cardiovascular safety of SDX to immediate-release and long-acting formulations of RITALIN, a commonly prescribed central nervous system (“CNS”) stimulant. In September 2022, we announced topline data from our exploratory Phase 1 clinical trial, which showed the potential for higher dose formulations of SDX to be safe and well tolerated while avoiding the potential for greater cardiovascular safety risk compared to immediate-release and long-acting formulations of RITALIN.

Based on the data, in December 2022, we announced the initiation of a double-blind, placebo-controlled, randomized-withdrawal, dose-optimizing, multicenter Phase 2 clinical trial evaluating the efficacy and safety of KP1077 for the treatment of IH. The trial concluded in March 2024 and provided meaningful information of the optimal dose and dosing regimen to inform Phase 3 trial design.

Clinically meaningful improvements were observed across all studied endpoints. The exploratory endpoints of sleep inertia and brain fog performed in-line with expectations and were stable when compared across a variety of other endpoints. Symptom improvements in patients receiving KP1077 were similar after both once-per-day, and twice-per-day dosing.

KP1077 Summary:

- **No drug-to-drug interactions observed to date.** We have not observed drug-to-drug interactions in clinical drug-drug interaction studies.
- **Potential for reduced abuse potential as a Schedule IV controlled substance.** All other methylphenidate-based products have been designated as Schedule II controlled substances, which indicates stricter control over the prescribing and use of such products. KP1077 is based on SDX, which has been designated a Schedule IV controlled substance.
- **No currently approved generic equivalent product.** KP1077 contains SDX, our proprietary prodrug of d-methylphenidate, also known as the new chemical name, serdexmethylphenidate, by the U.S. Adopted Names Council of the American Medical Association, which means that there may be no generic equivalent product for KP1077 in most states, making drug-equivalent substitution potentially difficult at the pharmacy.
- **Orphan drug designation.** Because the size of the IH patient population is small, the FDA has granted KP1077 orphan drug designation for the treatment of IH. We believe KP1077 may potentially be eligible for fast-track and breakthrough therapy designation, which may provide various regulatory benefits for the development program.

AZSTARYS (Partnered product)

AZSTARYS contains d-MPH and our prodrug of d-MPH, SDX. On March 2, 2021, the FDA approved AZSTARYS as a once-daily treatment for attention deficit hyperactivity disorder (ADHD), in patients age six years and older. AZSTARYS is currently being marketed in the U.S. under our September 2019 collaboration and license agreement, or the AZSTARYS License Agreement, with Commave. Under the AZSTARYS License Agreement, we granted Commave an exclusive, worldwide license, to develop, manufacture, and commercialize AZSTARYS and any of our product candidates containing SDX and used to treat ADHD or any other CNS disease. In July 2020, we entered into the consulting agreement with Corium, Inc. (“Corium”), under which Corium and Commave, respectively, engaged us to guide the product development and regulatory activities for certain current and potential future products in their portfolio, as well as continue supporting preparation for the potential commercial launch of AZSTARYS.

Commave has tasked Corium, another affiliate of Gurnet Point Capital, L.P., to lead all commercialization activities for AZSTARYS in the U.S. Corium commercially launched AZSTARYS in the U.S. during the third quarter of 2021. In December 2021, Commave entered into a sublicense of commercialization rights for AZSTARYS in greater China to Shanghai Ark Biopharmaceutical Ltd.

Pursuant to the AZSTARYS License Agreement, Commave agreed to pay up to \$63.0 million in milestone payments upon the occurrence of specified regulatory milestones related to AZSTARYS, including FDA approval and specified conditions with respect to the final approval label. In addition, Corium agreed to make additional payments upon the achievement of specified U.S. sales milestones of up to \$420.0 million in the aggregate. Further, Commave will pay us quarterly, tiered royalty payments based on a percentage of net sales on a product-by-product basis. Corium also agreed to be responsible for and reimburse us for all of development, commercialization and regulatory expenses for any products or product candidates containing SDX, subject to certain limitations as set forth in the AZSTARYS License Agreement, including consultation fees to be paid to us for services provided to Corium in performing such activities.

In April 2021, we entered into the AZSTARYS Amendment (“AZSTARYS Amendment”). Pursuant to the AZSTARYS Amendment, we and Commave agreed to modify the compensation terms of the AZSTARYS License Agreement. Commave paid us \$10.0 million in connection with the execution of the AZSTARYS Amendment following the FDA approval of AZSTARYS in the United States. Corium also paid us \$10.0 million following the SDX scheduling determination by the DEA, which occurred on May 7, 2021. In addition, the AZSTARYS Amendment increased the total remaining future regulatory and sales milestone payments related to AZSTARYS up to an aggregate of \$590.0 million. The AZSTARYS License Agreement will continue on a product-by-product basis (i) until expiration of the royalty term for the applicable product candidate in the United States and (ii) perpetually for all other countries.

In May 2021, we announced that SDX, our proprietary prodrug of d-MPH and the primary API in AZSTARYS, was classified as a Schedule IV controlled substance by the DEA. AZSTARYS is classified as a Schedule II controlled substance as its formulation includes a 70:30 mixture of SDX (Schedule IV) and d-MPH (Schedule II), respectively.

Other Third-Party Agreements

Distributor Agreement

Our current single distributor for sales of our approved products, MIPLYFFA and OLPRUVA, is a specialty pharmacy provider. The Company, however, may establish additional specialty distributors or other retail pharmacies and certain medical centers or hospitals. In addition to distribution agreements, we may enter into arrangements with health care providers and payors that provide for government mandated and/or privately negotiated rebates with respect to the purchase of our products.

Relief Exclusive License Agreement

As a condition to entering into the Merger Agreement, Acer and Relief Therapeutics SA (“Relief”) entered into an exclusive license agreement on August 30, 2023 (the “Relief License Agreement”). Pursuant to the Relief License Agreement, Relief will hold exclusive development and commercialization rights for OLPRUVA in the EU, Liechtenstein, San Marino, Vatican City, Norway, Iceland, Principality of Monaco, Andorra, Gibraltar, Switzerland, United Kingdom, Albania, Bosnia, Kosovo, Montenegro, Serbia and North Macedonia (“Geographical Europe”). We have the right to receive a royalty of up to 10% of the net sales of OLPRUVA in Geographical Europe.

OLPRUVA License Agreement

Pursuant to the Relief License Agreement, Zevra was obligated to pay royalties of 10% of U.S. net sales up to a maximum of \$45.0 million, plus specified regulatory milestones, for total payments to Relief of up to \$56.5 million. On April 10, 2025, the rights to this royalty were sold to Soleus Capital Management L.P.

License Agreements Related to MIPLYFFA (arimoclolomol)

Prior to our acquisition of the assets of Orphazyme in May 2022, Orphazyme had entered into an asset purchase agreement with LadRx Corporation, which was assigned to XOMA (US) LLC, a wholly-owned subsidiary of XOMA Corporation (“XOMA”), in June 2023 (“XOMA License Agreement”), as well as a license agreement with Kansas University (“KU”) and UCLB Business, PLC (“UCLB”) (the “KU/UCLB License Agreement”). Under the XOMA License Agreement, XOMA is entitled to certain net sales and regulatory milestone payments in addition to a mid-single digit royalty with respect to worldwide net sales of MIPLYFFA. Under the KU/UCLB License Agreement, KU and UCLB, respectively, are entitled to a low-single digit royalty with respect to worldwide net sales of MIPLYFFA.

Aquestive Termination Agreement

Under our March 2012 termination agreement with Aquestive Therapeutics (“Aquestive”), Aquestive has the right to receive a royalty amount equal to 10% of any value generated by AZSTARYS and any product candidates containing SDX. In connection with the AZSTARYS License Agreement, we paid Aquestive a royalty equal to 10% of the quarterly royalty payments and of the regulatory and net sales milestones.

Results of Operations

Comparison of the three months ended March 31, 2025, and 2024 (in thousands):

	Three months ended March 31,		Period-to- Period Change
	2025	2024	
Revenue, net	\$ 20,401	\$ 3,425	\$ 16,976
Cost of product revenue (excluding \$1,615 and \$1,528 in intangible asset amortization for the three months ended March 31, 2025, and March 31, 2024, respectively, shown separately below)	1,345	175	1,170
Intangible asset amortization	1,615	1,528	87
Operating expenses:			
Research and development	3,258	12,277	(9,019)
Selling, general and administrative	19,545	9,931	9,614
Total operating expenses	22,803	22,208	595
Loss from operations	(5,362)	(20,486)	15,124
Other income (expense):			
Interest expense	(1,969)	(735)	(1,234)
Fair value adjustment related to warrant and CVR liability	4,874	3,627	1,247
Fair value adjustment related to investments	(3)	(27)	24
Interest and other income, net	543	929	(386)
Total other income	3,445	3,794	(349)
Income (loss) before income taxes	(1,917)	(16,692)	14,775
Income tax (expense) benefit	(1,182)	70	(1,252)
Net loss	\$ (3,099)	\$ (16,622)	\$ 13,523

Net Loss

Net loss for the three months ended March 31, 2025, was \$3.1 million, compared to net loss of \$16.6 million for the three months ended March 31, 2024, a decrease in net loss of \$13.5 million. The change was primarily attributable to a decrease in loss from operations of \$15.1 million.

Revenue

Revenue for the three months ended March 31, 2025, was \$20.4 million, compared to revenue of \$3.4 million for the three months ended March 31, 2024 an increase of \$17.0 million. The increase was primarily due to an increase in product sales of MIPLYFFA of \$17.1 million.



Cost of product revenue

Cost of product revenue for the three months ended March 31, 2025, increased by approximately \$1.2 million compared to the cost of product revenue for the three months ended March 31, 2024, primarily due to royalty costs related to product sales of MIPLYFFA.

Intangible asset amortization

Intangible asset amortization for the three months ended March 31, 2025, increased by approximately \$0.1 million compared to the intangible asset amortization for the three months ended March 31, 2024, due to amortization expense related to definite-lived intangible assets acquired in the Merger .

Research and development

Research and development expenses decreased by \$9.0 million, from \$12.3 million for the three months ended March 31, 2024, to \$3.3 million for the three months ended March 31, 2025. This decrease was primarily driven by a decrease in spending for the ongoing Phase 2 clinical study in KP1077 and a decrease in personnel-related costs.

Selling, general and administrative

Selling, general and administrative expenses increased by \$9.6 million, from \$9.9 million for the three months ended March 31, 2024, to \$19.5 million for the three months ended March 31, 2025. The period-over-period increase was primarily related to an increase in personnel-related costs, professional fees, and other expenses as we continue to build our commercial organization.

Other income

Other income for the three months ended March 31, 2025, was \$3.4 million compared to other income of \$3.8 million for the three months ended March 31, 2024. This change was primarily attributable to an increase in interest expense of \$1.2 million and a decrease in interest and other income of \$0.4 million, partially offset by an increase in the fair value adjustment related to warrant and CVR liability of \$1.2 million.

Liquidity and Capital Resources

Sources of Liquidity

Through March 31, 2025, we have funded our research and development and operating activities primarily through the issuance of debt and equity and from product sales of MIPLYFFA and OLPRUVA, reimbursements received under the French AC, royalties or net sales milestone payments generated under the AZSTARYS License Agreement, and consulting agreements. As of March 31, 2025, we had cash, cash equivalents and investments of \$68.7 million.

On February 26, 2025, we entered into the PRV Transfer Agreement, pursuant to which we agreed to sell the PRV to the buyer, subject to customary closing conditions. Pursuant to the PRV Transfer Agreement, the buyer agreed to pay the Company \$150.0 million, payable in cash, upon the closing of the sale. On April 1, 2025, the asset sale was consummated, resulting in net proceeds of \$148.3 million to the Company.

We have had recurring negative net operating cash flows throughout our operating history, and we cannot guarantee or predict when we may begin to consistently generate positive net cash flows from operations, or if at all. We expect that our sources of revenue will be from product sales of MIPLYFFA and OLPRUVA, reimbursements received under the French AC, royalties or net sales milestone payments generated under the AZSTARYS License Agreement, consulting agreements, and any other future arrangements related to one or more of our products or product candidates.

Adequate additional financing may not be available to us on acceptable terms, or at all. To the extent that we raise additional capital through the sale of equity or debt, the terms of these securities may restrict our ability to operate. If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may be required to relinquish valuable rights. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or altogether cease our research and development programs or future commercialization efforts.

Registration Statements on Form S-3

In connection with the Merger, we and Nantahala Capital Management, LLC (“Nantahala”) concurrently entered into a registration rights agreement, pursuant to which we agreed to file a resale registration statement with respect to the resale of our common stock issuable to Nantahala. On February 5, 2024, we filed a registration statement on Form S-3 (File No. 333-276856) registering an aggregate of 2,269,721 shares of our common stock. On April 5, 2024, we filed an amendment to such registration statement, which was declared effective on April 8, 2024.

On June 4, 2024, we filed a registration statement on Form S-3 (File No. 333-279941) (the “June 2024 Registration Statement”) under which we sell securities, including as may be issuable upon conversion, redemption, repurchase, exchange or exercise of securities, in one or more offerings up to a total aggregate offering price of \$350.0 million, \$75.0 million of which was allocated to the sale of the shares of common stock issuable under the 2024 ATM Agreement. The registration statement was declared effective on June 13, 2024.

August 2024 Offering

On August 8, 2024, we entered into an underwriting agreement (the “Underwriting Agreement”) with Cantor Fitzgerald & Co. and William Blair & Company, L.L.C., as representatives of the several underwriters named therein (collectively, the “Underwriters”), in connection with the offering, issuance and sale by us of 9,230,770 shares of our common stock at a public offering price of \$6.50 per share, pursuant to the June 2024 Registration Statement and a related prospectus supplement dated August 8, 2024 filed with the SEC (the “August 2024 Offering”). Under the terms of the Underwriting Agreement, we also granted the Underwriters an option exercisable for 30 days to purchase up to an additional 1,384,615 shares of our common stock at the public offering price, less underwriting discounts and commissions, which the Underwriters exercised in full on August 9, 2024. The August 2024 Offering closed on August 12, 2024. Total shares issued were 10,615,385. Net proceeds from the offering were approximately \$64.5 million, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds of the offering to support the commercial launch activities for MIPLYFFA, continued commercial support for OLPRUVA and the continued development of celiprolol through potential NDA filings and other general corporate purposes.

Entry into 2024 ATM Agreement

On July 12, 2024, we entered into an equity distribution agreement (the “2024 ATM Agreement”) with Citizens JMP Securities LLC (“Citizens JMP”) under which we may offer and sell, from time to time at our sole discretion, shares of our common stock having an aggregate offering price of up to \$75.0 million through Citizens JMP as its sales agent. The issuance and sale, if any, of common stock by us under the 2024 ATM Agreement will be made pursuant to the June 2024 Registration Statement, the accompanying prospectus, and the related prospectus supplement dated July 12, 2024. Citizens JMP may sell the common stock by any method permitted by law deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act. Citizens JMP will use commercially reasonable efforts to sell the common stock from time to time, based upon instructions from us (including any price, time or size limits or other customary parameters or conditions we may impose). We will pay Citizens JMP a commission equal to 3.0% in the aggregate of the gross sales proceeds of any common stock sold through Citizens JMP under the 2024 ATM Agreement. As of March 31, 2025, no shares have been issued or sold under the 2024 ATM Agreement.

Merger

The assets acquired and liabilities assumed were recorded based on their acquisition date fair values. Consideration for the Merger was \$72.6 million and consists of (i) approximately 2.96 million shares of Zevra common stock valued at \$12.8 million, (ii) the Bridge Loan advances of \$17.8 million, (iii) \$12.0 million in cash paid to Nantahala; (iv) 2.27 million shares of Zevra Common Stock issued to Nantahala valued at \$11.5 million based on the VWAP of shares of Zevra Common Stock during the 20 consecutive trading days ending on the trading date prior to August 30, 2023; (v) a secured promissory note payable by Zevra to Nantahala in the original principal amount of \$5.0 million, (vi) \$8.5 million in the estimated fair value of contingent consideration related to the CVRs, (vii) approximately 0.9 million shares of Zevra Common Stock issued to a former holder of Acer warrants valued at \$4.0 million based on Zevra's common stock price on the Effective Date and (viii) \$1.0 million in notes payable paid by the Company on Acer's behalf. In addition, effective as of immediately prior to the Effective Time, all of the outstanding and unexercised Acer stock options were automatically cancelled and ceased to exist without any cash or other consideration being paid or provided in respect thereof.

In connection with the closing of the Merger on November 17, 2023, each share of common stock of Acer was converted into the right to receive (i) 0.1210 fully paid and non-assessable shares of common stock of Zevra, par value \$0.0001 per share, and (ii) one non-transferable CVR to be issued by Zevra, which will represent the right to receive one or more contingent payments up to an additional \$76.0 million upon the achievement, if any, of certain commercial and regulatory milestones for Acer’s OLPRUVA and celiprolol products within specified time periods. Certain additional cash payments are also possible pursuant to the CVRs with respect to milestones involving Acer’s early-stage program ACER-2820 (emetine).

Stockholders Agreement

In connection with the Merger, a certain stockholder of Acer entered into, and Acer agreed to use its reasonable best efforts to cause certain other stockholders to enter into joinders to, a stockholders agreement with Zevra (the “Stockholders Agreement”). Pursuant to the Stockholders Agreement, the stockholders party thereto agreed to, or would agree to, among other things, vote all of their shares in Zevra that they own in favor of each nominee included in the Zevra board of director’s slate of nominees for each election of directors and in favor of each matter approved by the Zevra board of directors and submitted to stockholders of Zevra for the approval of stockholders following the closing of the Merger and until the second anniversary of the Closing Date of the Merger (the “Trigger Date”). In addition, the stockholders party to the Stockholders Agreement will be subject to customary standstill provisions, subject to certain exceptions, until the Trigger Date.

Term Loans

On April 5, 2024 (the “Term Loans Closing Date”), we entered into a credit agreement (the “Credit Agreement”) with HCR Stafford Fund II, L.P., HCR Potomac Fund II, L.P., and Perceptive Credit Holdings IV, LP (collectively, the “Lenders”), and Alter Domus (US) LLC, as administrative agent (the “Administrative Agent”).

Under the terms of the Credit Agreement, the Lenders provided a senior secured loan facility to us in the aggregate principal amount of \$100.0 million, which is divided into three tranches as follows: (i) \$60.0 million which was funded in full on the Term Loans Closing Date; (ii) \$20.0 million which is available to us in up to two drawings, each in an amount not to exceed \$10.0 million, at the Company’s option until 18 months following the Term Loans Closing Date; and (iii) \$20.0 million which was available to us upon approval by the FDA of the NDA for MIPLYFFA for the treatment of NPC, at our option until December 31, 2024 and which has therefore expired (collectively, the “Term Loans”).

The principal amount of the Term Loans outstanding (the “Outstanding Principal Amount”) will bear interest at a rate equal to 3-Month Term SOFR plus 7.00% per annum. If the net product sales for the calendar year ending December 31, 2025, exceed \$100.0 million, the Outstanding Principal Amount will bear interest at 3-Month Term SOFR plus 6.00% per annum. If the net product sales for the calendar year ending December 31, 2025, do not exceed \$100.0 million, then for any subsequent period of four consecutive fiscal quarters ending on or after March 31, 2026, in which net product sales exceed \$125.0 million, the Outstanding Principal Amount will bear interest at 3-Month Term SOFR plus 6.50% per annum. In all cases, the 3-Month Term SOFR rate will be subject to a floor of 4.00% per annum. Interest will be payable quarterly in arrears on the last day of each calendar quarter. We have the option to pay up to 25% of the interest in-kind beginning on the Term Loans Closing Date, through and including June 30, 2026. The Term Loans will mature on the fifth anniversary of the Term Loans Closing Date. In connection with the Credit Agreement, we incurred approximately \$2.2 million of costs, which primarily consisted of underwriting, legal and other professional fees, and are included as a reduction to the carrying amount of the related debt liability and are deferred and amortized over the remaining life of the financing using the effective interest method.

The Credit Agreement contains customary affirmative and negative covenants by us, which among other things, will require us to provide certain financial reports to the Lenders, meet certain minimum net product sales amounts, and limit our ability to incur or guarantee additional indebtedness, engage in certain transactions, and effect a consolidation or merger without consent. In addition, as long as the line of credit remains active, we must maintain a minimum cash balance of \$20.0 million to ensure that we can meet our immediate capital needs. Our obligations under the Credit Agreement may be accelerated upon customary events of default, including non-payment of principal, interest, fees and other amounts, covenant defaults, insolvency, material judgments, or inaccuracy of representations and warranties. The Term Loans are secured by a first priority perfected lien on, and security interest in, substantially all of our current and future assets. The proceeds of the Term Loans were used to refinance certain of our previously existing indebtedness. We will use the remaining proceeds to pay fees and expenses related to the debt financing and fund the development and commercialization of MIPLYFFA and OLPRUVA.

Cash Flows

The following table summarizes our cash flows for the three months ended March 31, 2025, and 2024 (in thousands):

	Three months ended March 31,	
	2025	2024
Net cash used in operating activities	\$ (8,222)	\$ (16,165)
Net cash provided by investing activities	10,542	14,793
Net cash provided by financing activities	1,607	1,217
Effect of exchange rate changes on cash and cash equivalents	(372)	(45)
Net increase (decrease) in cash and cash equivalents	<u>\$ 3,555</u>	<u>\$ (200)</u>

Operating Activities

For the three months ended March 31, 2025, net cash used in operating activities of \$8.2 million consisted of a net loss of \$3.1 million and changes in working capital of \$6.8 million, partially offset by \$1.7 million in adjustments for non-cash items. Net loss was primarily attributable to our spending on research and development programs and operating costs; partially offset by revenue received from product sales of MIPLYFFA and OLPRUVA, royalties generated under the AZSTARYS License Agreement, and reimbursements received under the French AC. The changes in working capital consisted of \$7.3 million related to a change in accounts payable and accrued expenses, a \$0.2 million change in inventories, \$0.2 million related to a change in operating lease liabilities, \$2.1 million related to a change in accounts and other receivables, partially offset by an increase of \$0.6 million related to a change in other liabilities, \$0.3 million in prepaids and other assets, \$0.2 million related to a change in operating lease right-of-use assets, and \$1.9 million related to a change in discount and rebate liabilities. The adjustments for non-cash items primarily consisted of stock-based compensation expense of \$3.1 million, interest expense of \$0.7 million, and \$2.8 million related to depreciation, amortization and other items, partially offset by a change in the fair value of warrant and CVR liability of \$4.9 million.

For the three months ended March 31, 2024, net cash used in operating activities of \$16.2 million consisted of a net loss of \$16.6 million and \$0.2 million in changes in working capital; partially offset by \$0.6 million in adjustments for non-cash items. Net loss was primarily attributable to our spending on research and development programs and operating costs; partially offset by revenue received from product sales of OLPRUVA, reimbursements received under the French AC, and royalties or net sales milestone payments generated under the AZSTARYS License Agreement. The changes in working capital consisted of \$7.4 million related to a change in accounts payable and accrued expenses, \$0.1 million related to a change in operating lease liabilities, \$2.6 million related to a change in inventories, and \$0.3 million related to a change in other liabilities; partially offset by \$9.1 million related to a change in accounts and other receivables, \$1.0 million related to a change in discount and rebate liabilities, and \$0.1 million related to a change in operating lease right-of-use assets. The adjustments for non-cash items primarily consisted of stock-based compensation expense of \$2.1 million, interest expense of \$0.2 million, and \$1.9 million related to depreciation, amortization and other items; partially offset by a change in the fair value of warrant and CVR liability of \$3.6 million.

Investing Activities

For the three months ended March 31, 2025, net cash provided by investing activities was \$10.5 million, which was primarily attributable to maturities of investments of \$18.0 million, partially offset by \$7.4 million in purchases of investments.

For the three months ended March 31, 2024, net cash provided by investing activities was \$14.8 million, which was primarily attributable to maturities of investments.

Financing Activities

For the three months ended March 31, 2025, net cash provided by financing activities was \$1.6 million, which was primarily attributable to proceeds from the issuance of stock of \$2.0 million partially offset by payments of principal on insurance financing arrangements of \$0.4 million.

For the three months ended March 31, 2024, net cash provided by financing activities was \$1.2 million, which was primarily attributable to proceeds from the issuance of stock.

Future Funding Requirements

We believe our available cash and cash equivalents, together with our ability to generate operating cash flow and our access to short-term and long-term borrowings, are sufficient to fund our existing and planned capital requirements for at least the next twelve months and the foreseeable future.

We maintain the majority of our cash and cash equivalents in accounts with major U.S. and multi-national financial institutions, and our deposits at these institutions exceed insured limits. Market conditions can impact the viability of these institutions. In the event of a failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect our business and financial position.

Potential near-term sources of additional funding include:

- any royalties or net sales milestone payments generated under the AZSTARYS License Agreement;
- any reimbursements received for arimoclomol under the French AC;
- any product sales of OLPRUVA; and
- any product sales of MIPLYFFA.

We cannot guarantee that we will be able to generate sufficient proceeds from any of these potential sources to fund our operating expenses. We anticipate that our expenses will fluctuate substantially as we:

- continue our ongoing clinical trials and our product development activities for our pipeline of product candidates;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- continue research and development and clinical trials of our product candidates;
- seek to discover and develop additional product candidates either internally or in partnership with other pharmaceutical companies;
- adapt our regulatory compliance efforts to incorporate requirements applicable to marketed products;
- maintain, expand and protect our intellectual property portfolio; and
- incur additional legal, accounting and other expenses in operating as a public company.

To date, we have generated revenue from product sales of MIPLYFFA and OLPRUVA, reimbursements received under the French AC, royalties or net sales milestone payments generated under the AZSTARYS License Agreement, and consulting agreements. We expect that, for the foreseeable future, our sources of revenues will be from product sales of MIPLYFFA and OLPRUVA, reimbursements received under the French AC, royalties or net sales milestone payments generated under the AZSTARYS License Agreement, consulting agreements, and any other future arrangements related to one or more of our products or product candidates. We cannot guarantee that our current commercialization strategies, or any strategy we adopt in the future, will be successful. For instance, we received milestone payments under the AZSTARYS License Agreement, but we cannot guarantee that we will earn any additional milestone or royalty payments under this agreement in the future. We also cannot guarantee that we will continue to receive reimbursements under the French AC or successfully commercialize MIPLYFFA or OLPRUVA. We also expect to continue to incur significant additional costs associated with operating as a public company.

We have based our estimates of our cash needs and cash runway on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. In addition, we cannot guarantee that we will be able to generate sufficient proceeds from product sales of MIPLYFFA and OLPRUVA, reimbursements received under the French AC, royalties or net sales milestone payments generated under the AZSTARYS License Agreement, consulting agreements, or other funding transactions to fund our operating expenses. To meet any additional cash requirements, we may seek to sell additional equity or convertible securities that may result in dilution to our stockholders, issue additional debt or seek other third-party funding, including potential strategic transactions, such as licensing or collaboration arrangements. Because of the numerous risks and uncertainties associated with the development and commercialization of product candidates and products, we are unable to estimate the amounts of increased capital outlays and operating expenditures necessary to complete the commercialization and development of our partnered product or product candidates, should they obtain regulatory approval.

Adequate additional financing may not be available to us on acceptable terms, or at all. To the extent that we raise additional capital through the sale of equity or debt, the terms of these securities may restrict our ability to operate. If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may be required to relinquish valuable rights. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or altogether cease our research and development programs and/or commercialization efforts.

Critical Accounting Estimates

This management's discussion and analysis of our financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which we have prepared in accordance with accounting principles generally accepted in the United States. The preparation of our unaudited condensed consolidated financial statements requires us to make estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of our unaudited condensed consolidated financial statements, as well as the reported revenues and expenses during the reported periods. We evaluate these estimates on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting policies have not changed materially from those described in *Part II, Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations* of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 12, 2025.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and our chief financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2025. Based on the evaluation of our disclosure controls and procedures as of March 31, 2025, our chief executive officer and our chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during our fiscal quarter ended March 31, 2025, that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in routine legal proceedings, as well as demands, claims and threatened litigation, which arise in the normal course of our business. In connection with the AZSTARYS License Agreement with Commave, a dispute has arisen with Commave concerning the interpretation of certain provisions under the AZSTARYS License Agreement. On September 4, 2024, Commave filed a complaint against Zevra in the Court of Chancery of the State of Delaware (Case No. 2024-0920-LWW) alleging breach of contract and seeking injunctive relief, specific performance, declaratory relief, and damages regarding the parties' respective rights and obligations under the Agreement.

On February 12, 2025, our motion to dismiss was denied and the case is now in the discovery phase. We strongly disagree with Commave's allegations and believe this lawsuit is without merit.

The litigation is in its early stages. While we intend to vigorously defend against Commave's claims, the outcome of this matter is inherently uncertain. We cannot predict with certainty the timing or ultimate outcome of this litigation or its potential impact on our business, financial condition, or results of operations. At this time, we have not recorded any accrual for contingent liability associated with this matter.

The AZSTARYS License Agreement remains in effect during this litigation, and both parties continue to perform their respective obligations thereunder. However, there can be no assurance that this dispute will not have an adverse impact on our relationship with Commave or on Zevra's business.

We will continue to monitor developments in this matter and will assess the potential impact on our financial statements in future periods. We expect to incur significant legal expenses in connection with this litigation, which may materially affect our results of operations in future periods.

Other than as disclosed herein, we believe there is no litigation pending that would reasonably be expected to, individually or in the aggregate, have a material adverse effect on our results of operations or financial condition.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider all the risk factors and uncertainties described in Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 12, 2025, before investing in our common stock. Other than as described below, there have been no material changes to the risk factors described in that report. If any such risks materialize, our business, financial condition and results of operations could be seriously harmed. This Quarterly Report on Form 10-Q also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements because of the risk factors in our Annual Report on Form 10-K and below, and the other factors described in in this Quarterly Report on Form 10-Q.

Significant political, trade, regulatory developments, and other circumstances beyond our control could delay, prevent or impair our development or commercialization efforts.

Trade policies, geopolitical disputes and other international conflicts can result in tariffs, sanctions and other measures that restrict international trade, and can materially adversely affect our business, particularly if these measures affect regions where manufacturing and product development activities take place or raw materials are sourced. For example, the U.S. government has recently imposed tariffs on certain foreign goods, and some foreign governments have threatened or instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products, which could increase the cost of goods needed to commercialize our products and continue development of our product candidates. The extent and duration of any tariffs and the resulting impact on general economic conditions and on our business are uncertain and depend on various factors, such as negotiations between the United States and other countries, the response of such countries, and exemptions or exclusions that may be granted. Countries may also adopt other measures, such as controls on imports or exports of goods, technology or data, that could adversely impact supply chains. As these tensions continue to rise, more targeted approaches on certain products, industries or companies could significantly impact our development and commercialization efforts. Further, such actions by the U.S. could result in other retaliatory actions by those countries which could impact our ability to profitably commercialize our products in those jurisdictions. As a result, our business, operations, and financial condition could be materially harmed.

Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on the management, research and development, clinical, financial and business development expertise of our senior leadership team, as well as the other members of our scientific and clinical teams. Although we have employment agreements with each of our executive officers, these agreements do not obligate them to continue working for our company and they may terminate their employment with us at any time. Our future performance will depend, in part, the successful transitions and integration of new senior level executives into their roles and the continuity of leadership among the larger workforce. If we do not successfully manage executive transitions, it could be viewed negatively by our customers, employees, investors, and other third-party partners, and could have an adverse impact on our business and results of operations.

Changes in U.S. immigration policies could impact our ability to attract and retain international talent. As a company with employees outside the U.S., restrictions or delays in immigration processing, visa issuance, or changes to work authorization requirements could hinder our ability to hire or retain qualified personnel needed for our operations. These challenges may increase our recruitment costs or delay key projects that require specialized expertise.

Recruiting and retaining qualified scientific and clinical personnel and, if we progress the development of our product candidate pipeline toward scaling up for commercialization, manufacturing and sales and marketing personnel, will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize our prodrug product candidates. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

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

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities By the Issuer and Affiliated Purchasers

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.

None.

(b) Material changes to the procedures by which security holders may recommend nominees to the board of directors.

None.

(c) Insider Trading Arrangements and Policies.

On March 21, 2025, Neil F. McFarlane, President and Chief Executive Officer, adopted a Rule 10b5- 1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5- 1(c) for the sale of up to 125,125 shares of the Company's common stock until March 19, 2026.

On March 26, 2025, Adrian W. Quartel, Chief Medical Officer, adopted a Rule 10b5- 1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5- 1(c) for the sale of up to 79,533 shares of the Company's common stock until March 31, 2026.

On March 27, 2025, R. LaDuane Clifton, Chief Financial Officer and Treasurer, adopted a Rule 10b5- 1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5- 1(c) for the sale of up to 14,000 shares of the Company's common stock until March 31, 2026.

On March 27, 2025, Joshua Schafer, Chief Commercial Officer, adopted a Rule 10b5- 1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5- 1(c) for the sale of up to 13,875 shares of the Company's common stock until March 31, 2026.

On March 27, 2025, Rahsaan Thompson, Chief Legal Officer, Secretary, and Compliance Officer, adopted a Rule 10b5- 1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5- 1(c) for the sale of up to 28,080 shares of the Company's common stock until March 31, 2026.

On March 27, 2025, Timothy J. Sangiovanni, Senior Vice President, Finance and Corporate Controller, adopted a Rule 10b5- 1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5- 1(c) for the sale of up to 4,750 shares of the Company's common stock until March 31, 2026.

Other than as disclosed above, during the three months ended March 31, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5- 1 trading arrangement" or "non-Rule 10b5- 1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

The following is a list of exhibits filed as part of this Form 10-Q (the SEC file number for all items incorporated by reference herein from reports on Forms 10-K, 10-Q, and 8-K is 001-36913):

Exhibit No.	Description
2.1*+ †	Asset Purchase Agreement dated February 26, 2025.
3.1	Amended and Restated Certificate of Incorporation of Zevra Therapeutics, Inc. (incorporated herein by reference to the Registrant's Current Report on Form 8-K as filed with the SEC on April 21, 2015).
3.1.1	Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Registrant, effective as of December 23, 2020 (incorporated herein by reference to Registrant's Current Report on Form 8-K as filed with the SEC on December 23, 2020).
3.1.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Zevra Therapeutics, Inc. (incorporated herein by reference to the Registrant's Current Report on Form 8-K as filed with the SEC on February 24, 2023).
3.2	Amended and Restated Bylaws, as currently in effect, of Zevra Therapeutics, Inc. (incorporated herein by reference to the Registrant's Current Report on Form 8-K as filed with the SEC on February 28, 2024).
4.1	Specimen stock certificate evidencing shares of Common Stock (incorporated herein by reference to the Registrant's Annual Report on Form 10-K as filed with the SEC on March 12, 2021).
10.1*	Tenth Amended and Restated Non-Employee Director Compensation Policy effective February 15, 2025.
31.1*	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
31.2*	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
32.1**	Certification of the Principal Executive Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of the Principal Financial Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104**	Cover page Interactive Data File (embedded within the Inline XBRL and combined in Exhibit 101)

* Filed herewith

** Furnished herewith

+ Certain portions of the exhibit, identified by the mark, "[*]", have been omitted because such portions contained information that is both (i) not material and (ii) the type that the Registrant treats as private or confidential.

† Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule will be furnished to the Securities and Exchange Commission upon request; provided, however, that the parties may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any document so furnished.

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.

Zevra Therapeutics, Inc.

Date: May 13, 2025

By: /s/ Neil F. McFarlane
Neil F. McFarlane
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 13, 2025

By: /s/ R. LaDuane Clifton
R. LaDuane Clifton, MBA, CPA
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Execution Version

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “*Agreement*”) is made and entered into as of February 26, 2025 (the “*Effective Date*”), by and between [***] (“*Buyer*”), Zevra Therapeutics, Inc., a corporation organized under the laws of Delaware (“*Seller*”), and solely with respect to Section 10.01(c), Zevra Denmark A/S, a Danish public limited company (“*Zevra DN*”). Buyer and Seller may hereinafter be referred to individually as a “*Party*” and collectively as the “*Parties*”.

RECITALS

WHEREAS, Seller is the holder of all right, title and interest in and to the Priority Review Voucher (as defined below);

WHEREAS, Seller and Buyer each (i) desire that Buyer purchase from Seller, and Seller sell, transfer and assign to Buyer, the Purchased Assets (as defined below), all on the terms set forth herein (such transaction, the “*Asset Purchase*”) and (ii) in furtherance thereof, have duly authorized, approved and executed this Agreement and the other transactions contemplated by this Agreement in accordance with all applicable Legal Requirements (as defined below); and

WHEREAS, Seller and Buyer desire to make certain representations, warranties, covenants and other agreements in connection with the Asset Purchase as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and their mutual undertakings hereinafter set forth, and intending to be legally bound, the Parties agree as follows:

**ARTICLE I.
DEFINITIONS**

Section 1.01 Certain Definitions. As used in this Agreement, the following terms shall have the meanings indicated below:

(a) “*Affiliate*” means with respect to any Person, any other Person which, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such first Person, for so long as such control exists, whether such Person is or becomes an Affiliate on or after the Effective Date. A Person shall be deemed to “control” another Person if it: (i) with respect to such other Person that is a corporation, owns, directly or indirectly, beneficially or legally, at least fifty percent (50%) or more of the outstanding voting securities or capital stock (or such lesser percentage which is the maximum allowed to be owned by such Person in a particular jurisdiction) of such other Person, or, with respect to such other Person that is not a corporation, has other comparable ownership interest; or (ii) has the power, whether pursuant to contract, ownership of securities or otherwise, to direct the management and policies of such other Person.

(b) “*Alternative Transaction*” means, other than the transactions contemplated by this Agreement, any proposal or offer from any Person or group of Persons (other than Buyer or its Affiliates or their respective Representatives) for any acquisition by, or transfer, assignment, encumbrance, license or other grant of rights or disposition to, such Person or group of Persons of any right, title or interest in or to the Purchased Assets; *provided*, that “*Alternative Transaction*” shall not include any debt or equity financing transaction of the Seller or any acquisition of substantially all of Seller’s assets or a majority of the direct or indirect equity interests in Seller (whether through a stock purchase, merger, sale of all or substantially all assets or otherwise) so long as such acquisition provides that this Agreement continues to be binding, enforceable and in full force and effect on the same terms in effect as of the Effective Date.

(c) “*Approval Letter*” means the letter from the FDA dated September 20, 2024, approving the Subject NDA, Reference ID 5449826, attached hereto as Exhibit A.

(d) “*Business Day*” means a day (i) other than Saturday or Sunday and (ii) on which commercial banks are open for business in New York, New York.

(e) “*Confidential Information*” means (i) any and all confidential and proprietary information, including but not limited to, data, results, conclusions, know-how, experience, financial information, plans and forecasts, that may be delivered, made available, disclosed or communicated by a Party or its Affiliates or their respective Representatives to the other Party or its Affiliates or their respective Representatives, related to the subject matter hereof or otherwise in connection with this Agreement and (ii) the terms, conditions and existence of this Agreement. “Confidential Information” will not include information that (A) at the time of disclosure, is generally available to the public, (B) after disclosure hereunder, becomes generally available to the public, except as a result of a breach of this Agreement by the recipient of such information, (C) becomes available to the recipient of such information from a Third Party that is not legally or contractually prohibited by the disclosing Party from disclosing such Confidential Information; or (D) was developed by or for the recipient of such information without the use of or reference to any of the Confidential Information of the disclosing Party or its Affiliates, as evidenced by the recipient’s contemporaneous written records. Notwithstanding anything herein to the contrary, all Confidential Information included within the Purchased Assets shall constitute Confidential Information of the Buyer from and after the Closing Date.

(f) “*Contract*” means any written or oral legally binding contract, agreement, instrument, commitment or undertaking (including leases, licenses, mortgages, notes, guarantees, sublicenses, subcontracts and purchase orders).

(g) “*Encumbrance*” means any lien, pledge, charge, mortgage, easement, encroachment, imperfection of title, title exception, title defect, right of possession, lease, security interest, encumbrance, right of negotiation or refusal, adverse claim, interference or other restriction on ownership, use or transfer.

(h) “*FDA*” means the United States Food and Drug Administration.

(i) “*FDCA*” means the United States Federal Food, Drug, and Cosmetic Act.

(j) “*Fraud*” means a party’s actual and intentional fraud under Delaware common law in the making of any representations and warranties made by such party as expressly set forth in Article IV or Article V hereof, as applicable.



(k) “**Fundamental Representations**” means the representations and warranties contained in Section 4.01, Section 4.02, Section 4.03(b)(i), Section 4.05, Section 4.07, Section 4.10, Section 4.11, Section 4.14 and Section 4.15.

(l) “**Governmental Entity**” means any supranational, national, state, municipal, local or foreign government, any court, tribunal, arbitrator, administrative agency, commission or other governmental official, authority or instrumentality, in each case whether domestic or foreign, any stock exchange or similar self-regulatory organization or any quasi-governmental or private body exercising any regulatory, taxing or other governmental or quasi-governmental authority.

(m) “**HSR Act**” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and the rules and regulations promulgated thereunder.

(n) “**Knowledge**” means, with respect to Seller, the actual knowledge of the facts and information of Neil McFarlane, Josh Schafer, LaDuane Clifton, Gerald Orehostky, and Rahsaan Thompson, after performing a reasonable inquiry with respect to such facts and information.

(o) “**Legal Requirements**” means any federal, state, foreign, local, municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity and any Orders applicable to a Party or to any of its assets, properties or businesses. Legal Requirements shall include, with respect to Seller, any responsibilities, requirements, parameters and conditions relating to the Priority Review Voucher set forth in (i) the Approval Letter, (ii) any other correspondence received by Seller or its Affiliates (including Zevra DN) from the FDA regarding the Priority Review Voucher, or (iii) Section 529 of the FDCA (21 U.S.C. § 360ff), including as interpreted by the FDA in FDA’s Draft Guidance, “Rare Pediatric Disease Priority Review Vouchers – Guidance for Industry” (July 2019).

(p) “**Liabilities**” means all debts, Taxes, liabilities and obligations, whether presently in existence or arising hereafter, accrued or fixed, absolute or contingent, matured or unmatured, determined or determinable, asserted or unasserted, known or unknown, including those arising under any Legal Requirement or any Contract.

(q) “**Notice of Intent to Use**” means notification to the FDA not later than ninety (90) days prior to the submission of a human drug application of the intent to use the Priority Review Voucher to obtain Priority Review of a human drug application, as described in 21 U.S.C. § 360ff(b)(4)(B)(i).

(r) “**Order**” means any order, decree, edict, injunction, writ, award or judgment of any Governmental Entity.

(s) “**Person**” means any natural person, company, corporation, limited liability company, general partnership, limited partnership, trust, proprietorship, joint venture, business organization or Governmental Entity.

(t) “**Pre-Closing Priority Review Fee**” has the meaning set forth in Section 7.05.

(u) “**Pre-Closing PRV Notice**” has the meaning set forth in Section 7.05.

(v) “**Priority Review**” means review and action on a human drug application by the FDA in accordance with the timelines set forth by the FDA for “priority review” applications in the then-current Prescription Drug User Fee Act goals letter, as described in FDA Draft Guidance, “Rare Pediatric Disease Priority Review Vouchers – Guidance for Industry” (July 2019).

(w) “**Priority Review Fee**” has the meaning set forth in Section 11.02.

(x) “**Priority Review Voucher**” means the priority review voucher issued by the United States Secretary of Health and Human Services, Food and Drug Administration, to Zevra DN, as evidenced in the Approval Letter, identified by priority review voucher number PRV NDA 214927, and subsequently transferred by Zevra DN to Seller.

(y) “**Proceeding**” means any action, arbitration, audit, hearing, investigation, proceeding, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Entity or arbitrator.

(z) “**Purchased Assets**” means (i) the Priority Review Voucher, and (ii) any and all rights, benefits and entitlements afforded to the holder of the Priority Review Voucher.

(aa) “**Regulatory Change**” means any term or condition that is not set forth in the Approval Letter imposed by the FDA on the Priority Review Voucher that (x) is not generally imposed on priority review vouchers under the FDCA, and (y) adversely impacts, in any material respect, the manner in which Buyer may use, receive, hold or otherwise exploit the Priority Review Voucher.

(bb) “**Representative**” means, with respect to a particular Person, any director, officer, manager, employee, agent, consultant, advisor, accountant, financial advisor, legal counsel or other representative of that Person.

(cc) “**Seller Notice of Transfer Submission**” has the meaning set forth in Section 3.5(e).

(dd) “**Subject NDA**” means NDA Number 214927, approved by the FDA on September 20, 2024, for MIPLYFFA (arimocloamol) for use in combination with miglustat for the treatment of neurological manifestations of Niemann-Pick disease type C in adults and pediatric patients two (2) years of age and older.

(ee) “**Target PRV Use Date**” has the meaning set forth in Section 7.05(e).

(ff) “**Tax**” or “**Taxes**” means any and all domestic and non-U.S., federal, state, provincial, local, municipal and other taxes, fees, levies, duties, tariffs, imposts and like assessments or charges of whatever kind, including taxes or charges on, or measured by or with respect to, gross or net income, gain, gross receipts, capital, franchise, windfall and other profits, sales, use, real or personal property, payroll, as well as any value added, ad valorem, transfer, license, withholding, employment, unemployment, excise, severance, stamp, occupation, municipal, municipal surcharge, environmental, social security, escheat, unclaimed property and other tax, together with any interest or any penalty thereon and addition thereto, whether disputed or not.



(gg) “**Tax Authority**” means, with respect to any Tax, the Governmental Entity having jurisdiction over the assessment, determination, collection or imposition of such Tax.

(hh) “**Third Party**” means any Person other than a Party and such Party’s Affiliates.

Other capitalized terms defined elsewhere in this Agreement and not defined in this Section 1.01 shall have the meanings assigned to such terms in this Agreement.

ARTICLE II. PURCHASE AND SALE

Section 2.01 Purchase and Sale; No Assumed Liabilities.

(a) Upon the terms and subject to the conditions of this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell, transfer, convey, assign and deliver to Buyer, at the Closing all of Seller’s right, title and interest in, to and under the Purchased Assets, in each case free and clear of all Encumbrances. Seller shall perform all actions necessary to facilitate the transfer of the Purchased Assets to Buyer.

(b) For the avoidance of doubt, (i) the sale, assignment, transfer and conveyance of the Purchased Assets from Seller to Buyer shall not include the transfer, conveyance or assumption of any Liabilities from Seller to Buyer, and (ii) Buyer shall not assume or be liable for any Liabilities of Seller or its Affiliates (fixed, contingent or otherwise, and whether or not accrued), including Liabilities relating to the Purchased Assets (other than such obligations as are imposed generally by applicable Legal Requirements solely on the holder of the Priority Review Voucher in respect of its use or transfer following the sale thereof pursuant to this Agreement, including, without limitation, the Priority Review Fee) (such Liabilities, “**Excluded Liabilities**”).

Section 2.02 Purchase Price. The total consideration (the “**Purchase Price**”) to be paid by Buyer to Seller for all of the Purchased Assets shall be One Hundred and Fifty Million Dollars (U.S. \$150,000,000) due and payable upon the Closing Date.

Section 2.03 Method of Payment. Payment of the Purchase Price to Seller shall be made in cash by wire transfer of immediately available funds to a bank account specified by Seller in writing to Buyer in the form of Valid Account Details no later than five (5) Business Days prior to the Closing Date. “**Valid Account Details**” means, with respect to any bank account, the valid (a) name of bank, (b) bank’s address, (c) account number, (d) account name and (e) ABA/Routing number.

Section 2.04 Tax Withholding. Buyer shall be entitled to deduct and withhold from the Purchase Price otherwise payable pursuant to this Agreement to Seller any amount required to be deducted or withheld therefrom on account of Taxes under applicable Legal Requirements relating to Taxes. Except where such deduction or withholding is a result of Seller’s failure to deliver to Buyer the certification set forth in Section 3.02(i), before making any such deduction or withholding, (i) Buyer shall provide to Seller ten (10) days’ notice of Buyer’s intention to make such deduction and withholding, and (ii) Buyer shall cooperate with Seller to the extent reasonable in efforts by Seller to obtain any available reduction of or relief from such deduction or withholding to the extent permitted by applicable Legal Requirements. Buyer shall remit to the appropriate Tax Authority any and all amounts so deducted or withheld in accordance with the applicable Legal Requirements.

ARTICLE III. CLOSING

Section 3.01 Closing. The consummation of the Asset Purchase (the “**Closing**”) shall be conducted telephonically or via email, facsimile transfer or other similar means of correspondence on such date to be mutually agreed upon by Buyer and Seller, which date shall be no later than the next succeeding Business Day after all of the conditions set forth in Article VI have been satisfied or waived (other than those conditions which, by their terms, are intended to be satisfied at the Closing, but subject to satisfaction or waiver of such conditions). The date on which the Closing actually takes place is referred to in this Agreement as the “**Closing Date.**”

Section 3.02 Transactions to be Effected at Closing. At the Closing,

(a) Seller shall deliver, or cause to be delivered, to Buyer an executed Bill of Sale substantially in the form attached hereto as Exhibit B;

(b) Seller shall deliver, or cause to be delivered, to Buyer an executed certificate from a duly authorized officer of the Seller certifying as to the matters set forth in Section 6.02(c);

(c) Buyer shall deliver, or cause to be delivered, to Seller an executed certificate from a duly authorized officer of the Buyer certifying as to the matters set forth in Section 6.03(c);

(d) Seller shall deliver, or cause to be delivered, to Buyer an executed certificate of the secretary or an assistant secretary (or equivalent duly authorized officer or other representative) of Seller certifying (i) that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Seller authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby, and (ii) as to the incumbency of each person executing this Agreement and any other document delivered in connection herewith on behalf of Seller and that the signature of each such person on this Agreement and such other document is such person’s genuine signature;

(e) Within one (1) Business Day following the Closing Date, Seller shall (on behalf of Buyer) submit, or cause to be submitted, to the FDA the separate notifications referred to in Section 3.02(g) and Section 3.02(h), respectively, as a submission to the Subject NDA through the FDA’s Electronic Submissions Gateway under the cover letter in the form attached as Exhibit C. Seller shall provide to Buyer, within two (2) Business Days following their submission to the FDA, confirmation from the FDA of successful submission and a complete copy of such submission (the “**Seller Notice of Transfer Submission**”). Buyer may also submit the duly executed letters provided to be delivered in Section 3.02(g) and Section 3.02(h) hereof to the FDA following Seller’s notification to Buyer of its submission, and Buyer’s receipt from Seller, of a copy of the Seller Notice of Transfer Submission.

(f) Buyer shall pay the Purchase Price to Seller by wire transfer of immediately available funds to an account or accounts designated in writing by Seller to Buyer in the form of Valid Account Details, such designation to occur at least five (5) Business Days prior to the Closing Date;



(g) Seller shall deliver to Buyer a letter addressed to Buyer, substantially in the form set forth on Exhibit D hereto and duly executed by Seller, acknowledging the transfer of the Priority Review Voucher from Seller to Buyer, in accordance with this Agreement;

(h) Buyer shall deliver to Seller a letter addressed to Seller, substantially in the form set forth on Exhibit E hereto and duly executed by Buyer, acknowledging the transfer of the Priority Review Voucher from Seller to Buyer, in accordance with this Agreement; and

(i) Seller shall deliver to Buyer a properly completed, validly executed, true and correct Internal Revenue Service Form W-9 certifying that Seller is not subject to backup withholding for United States federal income tax purposes.

Section 3.03 Title Passage. Upon the Closing, all of the right, title and interest of Seller in and to the Purchased Assets shall pass to Buyer.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer, as of the Effective Date and the Closing Date, as follows:

Section 4.01 Organization, Standing and Power. Seller is a corporation duly organized and validly existing under the laws of Delaware. Seller has the corporate power and authority to own, operate and lease its properties and to carry on its business as presently conducted and is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of its properties owned or leased or the nature of its activities make such qualification or licensing necessary, except where the failure to be so qualified or licensed would not, individually or in the aggregate, reasonably be expected to adversely affect any of the Purchased Assets or Seller's ability to consummate the transactions contemplated by this Agreement. Seller is not in violation of its certificate of incorporation or bylaws.

Section 4.02 Due Authority. Seller has the requisite corporate power and authority to enter into, deliver and perform its obligations under, and consummate the transactions contemplated by, this Agreement. The execution, delivery and performance of this Agreement, and the consummation of the Asset Purchase, have been duly and validly approved and authorized by all necessary corporate action on the part of Seller, and this Agreement has been duly executed and delivered by Seller. This Agreement, upon execution by the Parties, will constitute a valid and binding obligation of Seller enforceable against Seller in accordance with its terms, subject only to the effect, if any, of (a) applicable bankruptcy and other similar laws affecting the rights of creditors generally and (b) rules of law governing specific performance, injunctive relief and other equitable remedies. The approval of Seller's stockholders is not required for the execution, delivery and performance of this Agreement, and the consummation of the Asset Purchase.

Section 4.03 Noncontravention. The execution and delivery by Seller of this Agreement does not, and the consummation of the transactions contemplated hereby, including the transfer of title to, ownership in, and possession of the Purchased Assets, will not, (a) result in the creation of any Encumbrance on any of the Purchased Assets or (b) conflict with, or result in any violation of or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, revocation, cancellation or acceleration of any obligation or loss of any benefit under, or require any consent, approval or waiver from any Person pursuant to, (i) any provision of the certificate of incorporation or bylaws of Seller, (ii) any Contract to which Seller is a party or by which it is bound which involves or affects in any way any of the Purchased Assets or (iii) except as may be required to comply with the HSR Act, any Legal Requirements applicable to Seller or any of the Purchased Assets (except, in the case of clauses (ii) and (iii) above, as would not, individually or in the aggregate, have an adverse effect on the ability of Seller to consummate the sale of the Purchased Assets at Closing and perform its other obligations under this Agreement or Buyer's ownership and rights with respect to any of the Purchased Assets after the Closing).

Section 4.04 No Consents. Except for the letters referenced in Section 3.02(g) and the filing of any Premerger Notification and Report Form required under the HSR Act, no filing, authorization, consent, approval, permit, order, registration or declaration, governmental or otherwise, is necessary to enable or authorize Seller to enter into, and to perform its obligations under, this Agreement.

Section 4.05 Title to Purchased Assets. Seller is the sole and exclusive owner of the Purchased Assets and owns and at the Closing will transfer to Buyer good and transferable title to the Purchased Assets free and clear of any Encumbrances. Seller has performed all actions necessary to perfect its ownership of, and its ability to transfer, the Purchased Assets pursuant to this Agreement. Neither Seller nor any of its Affiliates has sold, transferred, conveyed, assigned, or delivered any Purchased Assets (except that Zevra DN transferred to Seller all of its right, title and interest in and to the Purchased Assets as evidenced by the Bill of Sale between Zevra DN and Seller, dated as of November 10, 2024, as further described in Schedule 4.05), or offered to do so, to any Person, and Seller has the full and sole right to sell, transfer, convey, assign, and deliver the Purchased Assets to Buyer free and clear of all Encumbrances and, at the Closing, will sell, transfer, convey, assign and deliver to Buyer good and transferable title to the Purchased Assets free and clear of any Encumbrances.

Section 4.06 Contracts. Except for this Agreement, there is no Contract to which Seller or any Affiliate of Seller is a party that involves or affects the ownership of, licensing of, title to, or use of any of the Purchased Assets.

Section 4.07 Compliance With Legal Requirements. Seller and its Affiliates are, and at all times have been, in compliance in all material respects with each Legal Requirement that is or was applicable to (a) Seller's and its Affiliates' conduct, acts, or omissions with respect to any of the Purchased Assets or (b) any of the Purchased Assets. Seller and its Affiliates have not received any written notice or other written communication from any Person regarding any actual, alleged, possible or potential material violation of, or failure to comply with, any such Legal Requirement. Since the three (3) year period prior to the Closing Date and as it relates to the FDA approval of the Subject NDA, the Approval Letter, the Priority Review Voucher or the activities giving rise to such FDA approval of the Subject NDA, the Approval Letter or the Priority Review Voucher, neither Seller, any Affiliate of Seller, nor to the Knowledge of Seller, any Representative of Seller or any Affiliate of Seller, has made an untrue statement of material fact or a fraudulent statement to the FDA or any other Governmental Entity, failed to disclose a material fact or a fraudulent statement to the FDA or any other Governmental Entity or committed an act, made a statement or failed to make a statement that, at the time such disclosure was made, would reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," set forth in 56 Fed. Reg. 46191 (September 10, 1991) or for any other Governmental Entity to invoke any similar policy and which could reasonably be expected to result in a revocation of the Priority Review Voucher.

Section 4.08 Legal Proceedings. There is no pending, or to Seller's Knowledge, threatened Proceeding involving Seller or any of its Affiliates, nor has there been any Proceeding involving Seller or any of its Affiliates, and neither Seller nor any of its Affiliates are a party or subject to the provisions of any Order, in each case, (a) that involves or affects (or may involve or affect) the issuance of, continued validity of, ownership of, transfer or license of, title to, or use of any of the Purchased Assets (including any such Order that seeks to prohibit or limit in any respect, or place any conditions on, the ownership or use by Buyer or its Affiliates of any of the Purchased Assets, in each case, as a result of the transactions contemplated by this Agreement), or (b) that otherwise challenges or seeks to restrain, prohibit, prevent, enjoin, alter, or delay the consummation of the transactions contemplated by this Agreement.



Section 4.09 Governmental Authorizations. Seller is not required to hold any license, registration, or permit issued by any Governmental Entity to own, use or transfer the Purchased Assets, other than such licenses, registrations or permits that have already been obtained.

Section 4.10 Revocation; Regulatory Change. The Priority Review Voucher has been duly granted and issued and has not been terminated, cancelled or revoked and, to the Seller's Knowledge, there are no facts or circumstances that would reasonably be expected to give rise to a right of the FDA to revoke (or that would otherwise result in the revocation of) the Priority Review Voucher, or result in the redemption or transfer of the Priority Review Voucher (other than pursuant to the transactions contemplated by this Agreement), or that would reasonably be expected to preclude or interfere with the sale and transfer of the Purchased Assets to Buyer or Buyer's use of the Purchased Assets following the Closing to obtain Priority Review (other than as set forth in any Legal Requirements in existence on the date hereof). To the Knowledge of Seller, there is no term or condition imposed by the FDA on the Priority Review Voucher that is not set forth in the Approval Letter or provided for under applicable Legal Requirements. From the date that the Priority Review Voucher was issued until the Effective Date, there has not occurred any Regulatory Change.

Section 4.11 Marketed Product. Seller or any of its Affiliates has initiated or will initiate marketing in the United States of the product approved under the Subject NDA within the 365-day period beginning on the date of the FDA approval of the Subject NDA to the extent and in a manner required under applicable Legal Requirements so as to preclude the FDA from exercising its authority to revoke the Priority Review Voucher pursuant to 21 U.S.C. § 360ff(e)(1).

Section 4.12 Document Disclosure. Attached as Schedule 4.12 is a true, correct and complete list of all documents for which true, correct and complete copies have been made available to Buyer as of the close of business on the last Business Day immediately preceding the Closing Date, which list includes any and all communications between Seller or its Affiliates (including Zevra DN), on the one hand, and the FDA, on the other hand, with respect to the Purchased Assets.

Section 4.13 Intent to Use. Neither Seller nor any of its Affiliates has filed or submitted, or Permitted any Third Party to file or submit, to the FDA a Notice of Intent to Use the Priority Review Voucher.

Section 4.14 No Broker. Except for Cantor, the fees and expenses of which shall be paid by Seller, there is no investment banker, broker, finder or other intermediary which has been authorized to act on behalf of Seller who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

Section 4.15 Taxes. Seller and its Affiliates have timely paid all amounts of Tax required to be paid on or prior to the date hereof, if a failure to pay such Tax could reasonably be expected to result in a lien on any of the Purchased Assets. There are no liens on account of Taxes on the Purchased Assets and no material audits, controversies or claims by a Governmental Entity pending or threatened against Seller with respect to Taxes relating to the Purchased Assets.

Section 4.16 No Other Representations. Neither Seller nor any of its Representatives is making any representation or warranty of any kind or nature whatsoever, oral or written, express or implied, except as otherwise expressly set forth in this Article IV, and Seller hereby disclaims any such other representations and warranties.

ARTICLE V. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller, as of the Effective Date and the Closing Date, as follows:

Section 5.01 Organization, Standing and Power. Buyer is a limited liability company duly organized and validly existing under the laws of Delaware. Buyer has the corporate power and authority to own, operate and lease its properties and to carry on its business as presently conducted and is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of its properties owned or leased or the nature of its activities make such qualification or licensing necessary, except where the failure to be so qualified or licensed would not, individually or in the aggregate, reasonably be expected to adversely affect Buyer's ability to consummate the transactions contemplated by this Agreement. Buyer is not in violation of its certificate of incorporation or bylaws.

Section 5.02 Authority. Buyer has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement, and the consummation of the Asset Purchase, have been duly and validly approved and authorized by all necessary corporate action on the part of Buyer, and this Agreement has been duly executed and delivered by Buyer. This Agreement, upon execution by the Parties, will constitute a valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, subject only to the effect, if any, of (a) applicable bankruptcy and other similar laws affecting the rights of creditors generally and (b) rules of law governing specific performance, injunctive relief and other equitable remedies.

Section 5.03 Noncontravention. The execution and delivery by Buyer of this Agreement does not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in any violation of or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, revocation, suspension, cancellation or acceleration of any obligation or loss of any benefit under, or require any consent, approval or waiver from any Person pursuant to, (a) any provision of the certificate of incorporation or bylaws of Buyer, (b) any Contract to which Buyer is a party or by which it is bound which involves or affects in any way the Asset Purchase or (c) except as may be required to comply with the HSR Act, any Legal Requirements applicable to Buyer.

Section 5.04 No Consents. Except for the letters referenced in Section 3.02 and the filing of any Premerger Notification and Report Form required under the HSR Act, no filing, authorization, consent, approval, permit, order, registration or declaration, governmental or otherwise, is necessary to enable or authorize Buyer to enter into, and to perform its obligations under, this Agreement.

Section 5.05 Financing. Buyer has, and will at Closing have, sufficient funds to consummate the transactions contemplated by this Agreement.

Section 5.06 No Broker. Buyer has not engaged, retained or entered into an agreement with any investment banker, broker, finder or other intermediary who has been authorized to act on behalf of Buyer who would be entitled to any fee or commission payable by Seller in connection with the transactions contemplated by this Agreement.

Section 5.07 Non-Reliance. Neither Seller nor any of its Affiliates nor any of their Representatives makes, or has made any representation or warranty, oral or written, express or implied, as to the accuracy or completeness of any information concerning the Purchased Assets contained herein or made available in connection with Buyer's investigation of the foregoing, except as expressly set forth in this Agreement, and Seller, its Affiliates and their Representatives expressly disclaim any and all liability that may be based on such information or errors therein or omissions therefrom. Buyer has not relied and is not relying on any statement, representation or warranty, oral or written, express or implied (including any representation or warranty as to merchantability or fitness for a particular purpose), made by Seller, any of its Affiliates or any of their Representatives, except as expressly set forth in Article IV. Neither Seller nor its Affiliates nor any of their Representatives shall have or be subject to any liability to Buyer or any other Person resulting from the distribution to Buyer, or Buyer's use of, any information, documents or materials made available to Buyer, whether orally or in writing, in any presentations, due diligence discussions or in any other form in expectation of, or in connection with, the Asset Purchase, other than as expressly set forth in this Agreement.

ARTICLE VI. CONDITIONS TO CLOSING

Section 6.01 Conditions Precedent of Buyer and Seller. Each Party's obligations to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing Date, of each of the following conditions precedent:

(a) HSR Act. The applicable waiting period under the HSR Act relating to the transactions contemplated by this Agreement shall have expired or been terminated.

(b) No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction or other material Order issued or promulgated by a Governmental Entity preventing the consummation of the transactions contemplated by this Agreement shall be in effect, and there shall not be any applicable Legal Requirement that makes consummation of the transactions contemplated by this Agreement illegal.

(c) No Governmental Litigation. There shall not be any Proceeding commenced or pending by a Governmental Entity seeking to prohibit, limit, delay, or otherwise restrain the consummation of this Agreement and/or the transactions contemplated hereby.

Section 6.02 Buyer's Conditions Precedent. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing Date, of each of the following conditions precedent:

(a) Accuracy of Representations. Each of the representations and warranties made by Seller in this Agreement (other than the Fundamental Representations) shall be true and correct (without giving effect to any limitation or qualification as to "materiality" (including the word "material") or "material adverse effect" set forth therein) in all material respects at and as of the Effective Date and as of the Closing Date (or, if made as of a specified period or date, as of such period or date). Each of the Fundamental Representations shall be true and correct in all respects at and as of the Effective Date and as of the Closing Date (or, in each case, if made as of a specified period or date, as of such period or date).

(b) Performance of Covenants. All of the covenants and obligations that Seller is required to comply with or to perform hereunder at or prior to the Closing Date shall have been complied with and performed in all material respects.

(c) Closing Certificate. Seller shall have delivered to Buyer a certificate, dated the Closing Date and duly executed by Seller, certifying that the conditions set forth in Section 6.02(a) and Section 6.02(b) have been satisfied.

(d) No Regulatory Change. Since the Effective Date there shall not have occurred and remain in effect any Regulatory Change.

Section 6.03 Seller's Conditions Precedent. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing Date, of each of the following conditions precedent:

(a) Accuracy of Representations. Each of the representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects at and as of the Closing Date (or, if made as of a specified period or date, as of such period or date), except to the extent that such representations and warranties are qualified by the term "material", or words of similar import, in which case such representations and warranties (as so written, including the terms "material", or words of similar import) shall be true and correct in all respects at and as of the Closing Date (or, if made as of a specified period or date, as of such period or date).

(b) Performance of Covenants. All of the covenants and obligations that Buyer is required to comply with or to perform hereunder at or prior to the Closing Date shall have been complied with and performed in all material respects.

(c) Closing Certificate. Buyer shall have delivered to Seller a certificate, dated the Closing Date and duly executed by Buyer, certifying that the conditions set forth in Section 6.03(a) and Section 6.03(b) have been satisfied.

ARTICLE VII. PRE-CLOSING COVENANTS AND AGREEMENTS

Section 7.01 Antitrust Notification.

(a) The Parties shall use their commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable Legal Requirements to consummate the transactions contemplated by this Agreement. Without limiting the foregoing, Seller and Buyer shall file, or shall cause their ultimate parent entities as defined in the HSR Act to file, as soon as practicable (but not later than five (5) Business Days) after the Effective Date, any notifications required under the HSR Act, and shall respond as promptly as practicable to all inquiries or requests received from the Federal Trade Commission, the Antitrust Division of the U.S. Department of Justice or any other Governmental Entity for additional information or documentation. In connection therewith, the Parties shall, or shall cause their respective Affiliates to, (i) furnish to the other Party such necessary information and reasonable assistance as the other Party may reasonably request in connection with its preparation of any filing or submission that is necessary under the HSR Act, and (ii) keep the other Party reasonably apprised of the status of any communications with, and any inquiries or requests for additional information from the applicable Governmental Entity.

(b) Subject to applicable confidentiality restrictions or restrictions required by applicable Legal Requirements, each Party will notify the other promptly upon the receipt of (a) any comments or questions from any Governmental Entity in connection with any filings made pursuant to Section 7.01 or the transactions contemplated by this Agreement and (b) any request by any Governmental Entity for information or documents relating to an investigation of the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, each Party shall provide to the other (or the other's respective advisors) upon request copies of all correspondence between such Party and any Governmental Entity relating to the transactions contemplated by this Agreement. The Parties may, as they deem advisable and necessary, designate any competitively sensitive materials provided to the other under this Section 7.01 as "outside counsel only." Such materials and the information contained therein shall be given only to outside counsel of the recipient and will not be disclosed by such outside counsel to employees, officers, or directors of the recipient without the advance written consent of the Party providing such materials. In addition, to the extent reasonably practicable, all discussions, telephone calls, and meetings with a Governmental Entity regarding the transactions contemplated by this Agreement shall include representatives of both Parties to the extent permitted by such Governmental Entity. Subject to applicable Legal Requirements, the Parties will consult and cooperate with each other in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, and proposals made or submitted to any Governmental Entity regarding the transactions contemplated by this Agreement by or on behalf of any Party. Notwithstanding anything herein to the contrary, Buyer shall have, except where prohibited by applicable Legal Requirement, sole and complete responsibility for determining the strategy for obtaining consents and approvals of any Governmental Entity, having in good faith considered comments made by Seller.

(c) Notwithstanding the foregoing, nothing in this Agreement shall require, or be construed to require, the Parties or any of their respective Affiliates to offer or agree to (a) (i) sell, hold, hold separate, divest, license, discontinue or limit, before or after the Closing Date, any assets, businesses, equity holdings, intellectual property, or other interests or (ii) any conditions relating to, or changes or restrictions in, the operations of any such assets, businesses, equity holdings, intellectual property or interests (including but not limited to any requirements to enter into new Contracts or modify or terminate existing Contracts), including with respect to the Purchased Assets and use of the Priority Review Voucher to obtain Priority Review of a product candidate of Buyer or its Affiliates or any other benefit associated with the Purchased Assets or (b) any material modification or waiver of the terms and conditions of this Agreement.

(d) Buyer shall bear all filing fees related to any notifications under the HSR Act.

Section 7.02 Regulatory Change Notification. Until the earlier of the Closing or the termination of this Agreement, Seller shall provide Buyer with prompt written notification of the occurrence of any Regulatory Change of which Seller becomes aware.

Section 7.03 Efforts. During the period from the Effective Date and continuing until the earlier of the termination of this Agreement or the Closing Date (the "**Pre-Closing Period**"), except as otherwise expressly contemplated by this Agreement or with such other Party's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, each Party shall not, and shall cause its Affiliates not to, knowingly take or permit any action that, or omit to take any action the absence of which, could reasonably be expected to prevent or materially delay the satisfaction of the conditions set forth in Article VI.

Section 7.04 No Solicitation. During the Pre-Closing Period, Seller shall not and shall cause its controlled Affiliates not to, nor shall it authorize or instruct any of its other Affiliates or its or their Representatives to, (i) solicit, initiate, facilitate or encourage any inquiries, proposals or offers with respect to, or the submission of, any Alternative Transaction by any Person (other than Buyer or its Affiliates or their respective Representatives) or any inquiry, proposal or offer that is reasonably likely to lead to an Alternative Transaction, (ii) engage, continue or participate in any discussions or negotiations regarding, or take any other action intended or reasonably expected to facilitate the making of any inquiry, proposal or offer to Seller that constitutes, or may reasonably be expected to lead to, any Alternative Transaction by any Person (other than Buyer or its Affiliates or their respective Representatives) other than to state that they are not permitted to have discussions, (iii) accept any inquiry, proposal or offer from any Person (other than Buyer) in respect of an Alternative Transaction, or (iv) resolve to propose or agree to do any of the foregoing.

Section 7.05 Notice of Intent to Use. Buyer may, on or after the Effective Date and prior to the Closing, submit a Notice of Intent to Use the Priority Review Voucher substantially in the form attached hereto as Exhibit F to the FDA of its intent to use the Priority Review Voucher to obtain Priority Review of a human drug application of Buyer's choice in accordance with the applicable provisions of the FDCA and the Priority Review Voucher (a "**Pre-Closing PRV Notice**").

(a) Upon the Effective Date, Seller shall deliver, or cause to be delivered, to Buyer a letter, substantially in the form attached hereto as Exhibit G and duly executed by Seller, addressed to the FDA confirming the Parties' agreement, subject to approval under the HSR Act, to transfer the Priority Review Voucher to Buyer and confirming that Seller has authorized Buyer to submit a Pre-Closing PRV Notice.

(b) Buyer may submit a copy of the letter referred to in Section 7.05(a) to the FDA together with, or in support of, any Pre-Closing PRV Notice.

(c) Buyer shall notify Seller within three (3) Business Days of (i) any Pre-Closing PRV Notice given to the FDA and (ii) the date falling at least ninety (90) days after the date of such Pre-Closing PRV Notice that is specified by Buyer in a notice to the FDA as being the date on which Buyer intends to submit its new drug application to which that Pre-Closing PRV Notice relates (the "**Target PRV Use Date**"). For the avoidance of doubt, subject to the requirements of the FDCA and the Approval Letter, the Target PRV Use Date shall be determined by Buyer in Buyer's sole discretion.

(d) The Parties shall, or shall cause their respective Affiliates to, keep the other Party reasonably apprised of the status of any communications with, and any inquiries or requests for additional information from, the FDA in connection with any Pre-Closing PRV Notice. The Parties acknowledge and agree that (i) neither Party makes any representation or warranty that the FDA will accept the submission by Buyer prior to the Closing of such Pre-Closing PRV Notice or otherwise agree that such submission by Buyer prior to the Closing will allow the Buyer to submit a human drug application as defined in section 735(1) of the FDCA (21 U.S.C. § 379g(1)) for Priority Review within 90 days of submission by Buyer prior to the Closing of such Pre-Closing PRV Notice, (ii) it is not a condition to either Party's obligation to consummate the Closing that the FDA has so accepted such submission by Buyer or otherwise so agreed that such submission by Buyer will so allow Buyer to so submit such human drug application, (iii) if the FDA accepts the Pre-Closing PRV Notice submitted by Buyer then Buyer alone shall be responsible for payment of the priority review user fee described in section 529(c) of the FDC Act (21 U.S.C. § 360ff(c)) (the "**Pre-Closing Priority Review Fee**"), and (iv) if due to an inability to obtain the expiration or termination of the waiting period under the HSR Act or a failure to satisfy or waive any other pre-closing condition described in this Agreement (other than if such inability or failure is caused by a breach by Seller of any of its representations, warranties covenants or obligations under this Agreement), or for any other reason (other than a breach by Seller of any of its representations, warranties covenants or obligations under this Agreement), the Priority Review Voucher ultimately is not transferred to Buyer, Seller shall not assume or be liable for any Liabilities of Buyer or its Affiliates in connection with the Pre-Closing PRV Notice, or be otherwise required to reimburse any costs incurred by Buyer or its Affiliates in connection with the Pre-Closing PRV Notice, including payment of the Pre-Closing Priority Review Fee.



(e) Notwithstanding anything to the contrary herein, none of Buyer, its Affiliates or its or their Representatives, on the one hand, or Seller, its Affiliates or its or their Representatives, on the other hand, shall, prior to the Closing, take any action, make any filing or provide any notice which will or would reasonably be expected to result in the use, termination, cancellation or revocation of the Priority Review Voucher (including the submission of a human drug application which uses or redeems the Priority Review Voucher) or would otherwise adversely affect the future value, use or transferability of, or either Buyer's or Seller's, as applicable, rights in, the Priority Review Voucher following any termination of this Agreement; *provided* that, notwithstanding the foregoing, this Section 7.05(e) shall not prohibit any such Person from taking any action, making any filing or providing any notice in a manner expressly contemplated by this Agreement.

(f) Buyer may withdraw any Pre-Closing PRV Notice at any time by notice to FDA.

Section 7.06 Exclusivity. Until the earlier of the Closing or the termination of this Agreement, Seller shall not (a) transfer or assign the Priority Review Voucher to any Person other than Buyer or enter into any Contract with respect thereto, or (b) encumber or otherwise grant or allow to exist any Encumbrance on the Priority Review Voucher (other than pursuant to this Agreement).

ARTICLE VIII. INDEMNIFICATION

Section 8.01 Indemnification.

(a) Indemnification by Seller. From and after the Closing, Seller will indemnify, defend and hold Buyer and its Affiliates, and their respective Representatives, successors and assigns (each, a "**Buyer Indemnitee**") harmless for, from and against any and all Liabilities, losses, damages, claims, costs and expenses (including reasonable attorneys' fees) (collectively, "**Damages**"), whether or not arising from, relating to, or otherwise in connection with a claim of a Third Party (each, a "**Third Party Claim**"), which any Buyer Indemnitee may suffer, incur, sustain, or become subject to, to the extent arising from, relating to or otherwise in connection with (i) any breach of, or inaccuracy in, any of Seller's representations and warranties made under this Agreement or any certificate delivered by Seller hereunder; (ii) any breach of, or failure to perform, any of Seller's (or Zevra DN's) covenants or obligations made under this Agreement or any certificate delivered by Seller hereunder; or (iii) arising out of any Excluded Liabilities.

(b) Indemnification by Buyer. From and after the Closing, Buyer will indemnify, defend and hold Seller and its Affiliates, and their respective Representatives, successors and assigns (each, a "**Seller Indemnitee**") harmless for, from and against any and all Damages, whether or not arising from, relating to or otherwise in connection with a Third Party Claim, which any Seller Indemnitee may suffer, incur, sustain, or become subject to, to the extent arising from, relating to or otherwise in connection with (i) any breach of, or inaccuracy in, any of Buyer's representations and warranties made under this Agreement or any certificate delivered by Buyer hereunder; or (ii) any breach of, or failure to perform, any of Buyer's covenants or obligations made under this Agreement or any certificate delivered by Buyer hereunder.

Section 8.02 Indemnification Procedures.

(a) A Person entitled to indemnification pursuant to Section 8.01 will hereinafter be referred to as an "**Indemnitee**." A Party obligated to indemnify an Indemnitee hereunder will hereinafter be referred to as an "**Indemnitor**."

(b) A claim for indemnification for any matter not involving a Third Party Claim may be asserted by written notice to the Indemnitor. Such notice shall include the facts constituting the basis for such claim for indemnification, the Sections of this Agreement upon which such claim for indemnification is then based and an estimate, to the extent known, of the amount of Damages suffered or reasonably expected to be suffered by the Indemnitee; *provided* that the failure to give such notification or any deficiency in such notification will not relieve such Indemnitor from any obligation under this Article VIII, except (i) to the extent such failure to give such notification or such deficiency in such notification actually and materially prejudices such Indemnitor or (ii) as provided in Section 8.01. If the Indemnitor does not notify the Indemnitee within twenty (20) Business Days following its receipt of such notice that the Indemnitor rejects liability in the specified amount for the indemnity claimed by the Indemnitee under Section 8.01(a) or Section 8.01(b), as applicable, such indemnity claim specified by the Indemnitee in such notice shall be deemed accepted by the Indemnitor, in which case, the Indemnitee will be obligated to promptly pay the Indemnitee the full amount (subject, however, to the limitations set forth in Section 8.03) set forth in such notice with respect to such indemnity claim under this Article VIII in accordance with the terms hereof.

(c) In the event of any instituted or asserted Third Party Claim against an Indemnitee, Indemnitee shall inform Indemnitor of such Third Party Claim as soon as reasonably practicable after such Third Party Claim arises; *provided* that the failure to give such notification or any deficiency in such notification will not relieve such Indemnitor from any obligation under this Article VIII, except (i) to the extent such failure to give such notification or such deficiency in such notification actually and materially prejudices such Indemnitor or (ii) as provided in Section 10.01.

(d) The Indemnitor shall have the right to defend, at its sole cost and expense (with counsel reasonably selected by the Indemnitor and approved by the Indemnitee, such approval not to be unreasonably withheld or delayed), a Third Party Claim by all appropriate proceedings, which proceedings shall be prosecuted diligently by the Indemnitor to a final conclusion or settled at the discretion of the Indemnitor; *provided, however*, that the Indemnitor may not assume control of defense to a Third Party Claim (i) unless it covenants to the Indemnitee in writing within ten (10) Business Days after the Indemnitee has given written notice of the Third Party Claim to the Indemnitor to indemnify, defend and hold harmless the Indemnitee from and against the entirety of any and all Damages that the Indemnitee may suffer resulting from or arising out of the Third Party Claim (subject, however, to the limitations set forth in Section 8.03), (ii) in which equitable relief other than monetary damages is sought, (iii) if such Third Party Claim is brought by a Governmental Entity or is otherwise related to or arises in connection with any FDA, Tax or criminal or regulatory enforcement matter, (iv) if the Indemnitee has been advised in writing by outside counsel that a legal conflict or potential legal conflict exists between the Indemnitee and the Indemnitor in connection with conducting the defense of the Third Party Claim, or (v) settlement of, an adverse Order with respect to, or conduct of the defense of the Third Party Claim by the Indemnitor is, in the good faith judgment of the Indemnitee, likely to be materially adverse to the Indemnitee's or its Affiliates' reputation or continuing business interests (including its relationships with current or potential customers, licensors, distributors, suppliers, or other parties material to the conduct of its business); *provided, further, however*, that the Indemnitor may not enter into any compromise or settlement unless (i) such compromise or settlement includes as an unconditional term thereof, the giving by each claimant or plaintiff to the Indemnitee of a release from all liability in respect of such Third Party Claim; and (ii) the Indemnitee consents to such compromise or settlement, which consent shall not be unreasonably withheld or delayed unless such compromise or settlement involves (A) any admission of legal wrongdoing by the Indemnitee, (B) any payment by the Indemnitee that is not indemnified hereunder or (C) the imposition of any equitable relief against the Indemnitee, in which case ((A) – (C)) the Indemnitee may withhold its consent in its sole discretion. If a good faith and diligent defense is not being or ceases to be materially conducted by the Indemnitor, the Indemnitee shall have the right, at the expense of the Indemnitor, upon at least ten (10) Business Days' prior written notice to the Indemnitor of its intent to do so, to undertake the defense of such Third Party Claim for the account of the Indemnitor (with counsel reasonably selected by the Indemnitee and approved by the Indemnitor, such approval not to be unreasonably withheld or delayed). If the Indemnitee is defending such Third Party Claim, the Indemnitee shall keep the Indemnitor apprised of all material developments with respect to such Third Party Claim and promptly provide the Indemnitor with copies of all correspondence and documents exchanged by the Indemnitee and the opposing party(ies) to such litigation. If the Indemnitor has elected to defend such Third Party Claim or if the Indemnitor has otherwise acknowledged in writing its responsibility for indemnifying a Third Party Claim, the Indemnitee may not compromise or settle such litigation without the prior written consent of the Indemnitor, such consent not to be unreasonably withheld or delayed.

(e) The Indemnitee may participate in, but not control, any defense or settlement of any Third Party Claim controlled by the Indemnitor pursuant to this Section 8.02 and shall bear its own costs and expenses with respect to such participation; *provided, however*, that the Indemnitor shall bear such costs and expenses (i) if counsel for the Indemnitor or counsel for the Indemnitee shall have reasonably determined that counsel for the Indemnitor may not properly represent both the Indemnitor and the Indemnitee or (ii) if such participation is requested by the Indemnitor.

Section 8.03 Limitations on Indemnification. Notwithstanding anything to the contrary contained in this Agreement, the maximum aggregate amount of indemnifiable Damages that may be recovered from (a) Seller pursuant to Section 8.01(a) shall equal the Purchase Price, and (b) Buyer pursuant to Section 8.01(b) shall equal the Purchase Price. Notwithstanding anything to the contrary set forth herein, except to the extent actually awarded against an Indemnitee pursuant to an Order with respect to a Third Party Claim and except for another Party's fraud, no Party shall have any liability under any provision of this Agreement (including this Article VIII) for any punitive, incidental, special or indirect damages or damages for or otherwise based on business interruption, diminution of value, loss of future revenue, profits or income, or loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement. Nothing in this Section 8.03 shall operate to limit or exclude in any way Seller's liability for any and all Excluded Liabilities.

Section 8.04 Additional Indemnification Matters. The right of indemnification provided under this Article VIII shall not be affected by any knowledge acquired (or capable of being acquired) at any time, whether before or after the Closing, with respect to the accuracy or inaccuracy of, or compliance or noncompliance with, any representation, warranty, covenant, or agreement contained herein. Notwithstanding anything to the contrary herein, for the purposes of this Article VIII, for the purposes of determining the amount of Damages, each representation or warranty made by a Party will be deemed made without any qualifications or limitations as to materiality and, without limiting the foregoing, the word "material" and words of similar import will be deemed deleted from any such representation or warranty.

Section 8.05 Exclusive Remedy. From and after the Closing, except in the case of fraud and as otherwise provided in Section 11.09, the sole and exclusive remedy of any Indemnitee for any Damages that such Indemnitee may at any time suffer or incur, or become subject to, as a result of, or in connection with this Agreement, including any inaccuracy, violation or breach of any representation and warranty contained in this Agreement by any Party, or any failure by any Party to perform or comply with any covenant or agreement that, by its terms, was to have been performed, or complied with, under this Agreement, shall be indemnification in accordance with this Article VIII (subject to the applicable qualifications and limitations set forth in this Agreement).

ARTICLE IX. TERMINATION

Section 9.01 Termination Prior to Closing. Notwithstanding any contrary provisions of this Agreement, this Agreement and the respective obligations of the Parties to consummate the transactions contemplated by this Agreement may be terminated and abandoned at any time before the Closing only as follows:

(a) upon the mutual written consent of Buyer and Seller; or

(b) by either Party, by written notice to the other Party if the Closing has not occurred on or before 11:59 p.m., Eastern Standard Time, on the date that is ninety (90) days following the Effective Date (the "Outside Date"); *provided, however*, that the right to terminate this Agreement under this Section 9.01(b) shall not be available to any Party whose material breach of any provision set forth in this Agreement is the primary cause of the failure of the Closing to occur on or before such date;

(c) by Buyer or Seller, if (i) any Law having the effect referred to in Section 6.01(b) has been enacted, issued, promulgated, enforced or entered or (ii) any order, injunction or decree having the effect referred to in Section 6.01(b), is in effect and has become final and non-appealable;

(d) by Buyer, if Buyer is not in material breach of its obligations under this Agreement and there has been a violation or breach by Seller of any of its representations, warranties, covenants or other agreements contained in this Agreement, which has prevented or would prevent the satisfaction of any condition to the obligations of Buyer at the Closing set forth in Section 6.02, and (i) such violation or breach has not been waived by Buyer, (ii) Buyer has provided written notice to Seller of such violation or breach setting forth the allegations of violation or breach in reasonable detail, and (iii) such violation or breach cannot be or has not been cured by Seller within twenty (20) Business Days after receiving written notice thereof from Buyer (*provided* that in no event shall such twenty (20) Business Day extend beyond the Outside Date); or



(e) by Seller, if Seller is not in material breach of its obligations under this Agreement and there has been a violation or breach by Buyer of any of its representations, warranties, covenants or other agreements contained in this Agreement, which has prevented or would prevent the satisfaction of any condition to the obligations of Seller at the Closing set forth in Section 6.03 and (i) such violation or breach has not been waived by Seller, (ii) Seller has provided written notice to Buyer of such violation or breach setting forth the allegations of violation or breach in reasonable detail, and (iii) such violation or breach cannot be or has not been cured by Buyer within twenty (20) Business Days after receiving written notice thereof from Seller (*provided* that in no event shall such twenty (20) Business Day extend beyond the Outside Date).

Section 9.02 Effect of Termination. In the event of the termination of this Agreement as provided in Section 9.01: (a) written notice thereof shall forthwith be given to the other Party specifying the provision hereof pursuant to which such termination is made, (b) this Agreement shall forthwith become null and void (except for the provisions of this Section 9.02, Section 10.03, Article I and Article XI, which shall survive any such termination), (c) if a Pre-Closing PRV Notice was submitted by Buyer to the FDA prior to such termination, Buyer shall promptly (i) withdraw any such Pre-Closing PRV Notice, (ii) provide Seller with a copy of such withdrawal, (iii) confirm in writing to Seller that the Priority Review Voucher was not, at any time, used by Buyer or its Affiliates in connection with any human drug application prior to such withdrawal, and (d) there shall be no liability on the part of Buyer or Seller except for damages resulting from any breach of this Agreement prior to termination of this Agreement by Buyer or Seller.

ARTICLE X. ADDITIONAL COVENANTS

Section 10.01 Further Assurances.

(a) The Parties shall cooperate reasonably with each other in connection with any steps required to be taken as part of their respective obligations under this Agreement, including without limitation any notifications or filings required to be made to the FDA in connection with the transfer of the Purchased Assets, and shall (i) furnish upon request to each other such further information, (ii) execute and deliver to each other such other documents, and (iii) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the transactions contemplated by this Agreement, including the use by Buyer, its Affiliates or their respective successors and assigns of the Priority Review Voucher in accordance with its terms and applicable Legal Requirements.

(b) Without limiting the foregoing, Buyer and Seller agree to cooperate and assist each other with respect to all filings or notifications to any Governmental Entity related to the transfer and assignment of the Purchased Assets.

(c) Without limiting the foregoing, Seller and Zevra DN each (i) acknowledges and agrees that Zevra DN previously transferred to Seller all of its right, title and interest in and to the Purchased Assets as evidenced by the Bill of Sale between Zevra DN and Seller, dated as of November 10, 2024, and (ii) further agrees that, from and after the Effective Date (and continuing following the Closing), shall cooperate reasonably with each other and with Buyer with respect to all filings or notifications to the FDA related to the transfer and assignment of the Purchased Assets (whether pursuant to such Bill of Sale or the Asset Purchase hereunder), and shall (A) furnish upon request to each other such further information, (B) execute and deliver to each other such other documents, and (C) do such other acts and things, all as Buyer or such other Person may reasonably request for the purpose of carrying out the intent of this Agreement and the transactions contemplated by this Agreement (including with respect to the submission to the FDA of the Pre-Closing PRV Notice if Buyer so elects pursuant to Section 7.05(b)), including the use by Buyer, its Affiliates or their respective successors and assigns of the Priority Review Voucher in accordance with its terms and applicable Legal Requirements.

Section 10.02 Compliance with Legal Requirements. Following the Effective Time, Seller shall, and shall cause its Affiliates and each of their respective successors in interest and assigns to the product approved under the Subject NDA to, at all times comply with all Legal Requirements applicable to the Purchased Assets, including any and all Legal Requirements applicable to the validity, use or transfer of the Priority Review Voucher. Seller shall promptly forward to Buyer any communications or notices it or its Affiliates receive from any Governmental Entity in respect of or otherwise impacting the Purchased Assets.

Section 10.03 Marketing. Seller shall, and shall cause its Affiliates and each of their respective successors in interest and assigns to, within the three hundred and sixty-five (365) day period beginning on the date of the FDA approval of the Subject NDA, market in the United States the product approved under the Subject NDA to the extent and in a manner required under applicable Legal Requirements to preclude the FDA from exercising its authority to revoke the Priority Review Voucher pursuant to Section 529(e)(1) of the FDCA.

Section 10.04 Nondisclosure.

(a) Subject to disclosures permitted or contemplated by Section 10.05, with respect to Confidential Information received from a Party, the other Party will (i) keep such Confidential Information confidential, (ii) not use any such Confidential Information for any reason other than to carry out the intent and purpose of this Agreement, and (iii) not disclose any such Confidential Information to any Person, except in each case as otherwise expressly permitted by this Agreement or with the prior written consent of the disclosing Party.

(b) Each Party may disclose Confidential Information of the other Party only to its Representatives on a need-to-know basis.

(c) Each Party will (i) enforce the terms of this Section 10.03 as to its Representatives, (ii) take such action to the extent necessary to cause its Representatives to comply with the terms and conditions of this Section 10.03, and (iii) be responsible and liable for any breach of this Section 10.03 by it or its Representatives.

(d) If a Party becomes compelled by a court or is requested by a Governmental Entity to make any disclosure that is prohibited or otherwise constrained by this Section 10.03, such Party shall provide the disclosing Party with prompt notice of such compulsion or request so that it may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Section 10.03. In the absence of a protective order or other remedy, the Party subject to the requirement to disclose may disclose that portion (and only that portion) of the Confidential Information that, based upon advice of its counsel, it is legally compelled to disclose or that has been requested by such Governmental Entity; *provided, however*, that such Party shall use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded by any Person to whom any Confidential Information is so disclosed.

(e) Nothing herein shall prohibit or otherwise restrict the disclosure of any Confidential Information by or on behalf of Buyer or its Affiliates to the FDA or other Governmental Entity to the extent required by the FDA or such other Governmental Entity to enable the use or transfer of the Priority Review Voucher; *provided*, that Buyer, its Affiliates and their respective Representatives shall use commercially reasonable efforts to obtain confidential treatment for any such disclosures.



Section 10.05 Disclosures Concerning this Agreement. The press release with respect to the execution of this Agreement that is attached as Exhibit G hereto shall be issued by Seller on or on the next Business Day following the Effective Date. Buyer and Seller agree not to (and to ensure that their respective Affiliates do not) issue any other press releases or public announcements concerning this Agreement, or that identifies the other Party as party to this Agreement or the acquiror of the Priority Review Voucher, without the prior written consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), except as required by a Governmental Entity or applicable Legal Requirement (including the rules and regulations of any stock exchange or trading market on which a Party's (or its parent entity's) securities are traded); *provided* that the Party intending to disclose such information shall use reasonable efforts to provide the other Party with advance notice of such required disclosure, and an opportunity to review and comment on such proposed disclosure (which comments shall be considered in good faith by the disclosing Party). Notwithstanding the foregoing, without prior submission to or approval of the other Party, either Party may issue press releases or public announcements which incorporate only such information concerning this Agreement as was included in a press release or public disclosure which was previously disclosed under the terms of this Agreement or which contains only non-material factual information regarding this Agreement. Each Party acknowledges that the other Party, or the other Party's parent entity, as a publicly traded company is legally obligated to make timely disclosures of material events relating to its business. The Parties acknowledge that either or both Parties may be obligated to file a copy of this Agreement with the United States Securities and Exchange Commission; *provided* that if a Party is obligated to so file a copy of this Agreement, such Party shall prepare a proposed redacted version thereof and request confidential treatment thereof, and the other Party may promptly provide its comments and additional proposed redactions, if any, thereon, which comments and proposed redactions, if any, shall be considered in good faith by the Party required to so file a copy of this Agreement.

Section 10.06 Expenses. Whether or not the Asset Purchase and the other transactions contemplated by this Agreement are consummated, and except as otherwise expressly set forth in this Agreement, each of the Parties shall bear its own fees and expenses incurred or owed in connection with the purchase and sale of the Purchased Assets, this Agreement and the transactions contemplated hereby.

ARTICLE XI. GENERAL PROVISIONS

Section 11.01 Survival. The representations and warranties of Seller and Buyer contained in this Agreement, and liability for the breach thereof, shall survive the Closing and shall remain in full force and effect for a period of eighteen (18) months following the Closing Date; *provided, however*, that (a) all covenants that by their terms was to be performed at or prior to the Closing and all Fundamental Representations and any claims for Fraud shall survive the Closing Date and remain in full force and effect until the later of (i) the date that is six (6) years after the Closing Date, and (ii) the expiration of the applicable statute of limitations, and (b) covenants which are by their terms to be performed following the Closing shall survive the Closing and remain in full force and effect until performed in accordance with their terms. Notwithstanding the foregoing, if written notice of a claim has been given in the manner required by Section 8.02 prior to the expiration of the applicable survival period by the Party seeking indemnification for such claim, then the relevant covenants, representations and warranties of the other Party shall survive as to such claim until such claim has been finally resolved pursuant to Article VIII.

Section 11.02 Transfer Taxes and Fees. Any and all sales, excise, use, value-added and similar taxes, fees or duties assessed or incurred by reason of the sale by Seller and the purchase by Buyer of the Purchased Assets hereunder ("**Transfer Taxes**") shall be borne fifty percent (50%) by Buyer on the one hand, and fifty percent (50%) by Seller on the other hand, regardless of which Party such taxes, fees or duties are assessed against. The party that is primarily responsible for the filing of any Tax return or other documentation with respect to Transfer Taxes shall promptly prepare and file such Tax return or documentation, as applicable, and the other party shall provide such cooperation in connection therewith as may be reasonably requested by the filing party. Buyer, its Affiliates, or any Buyer transferee of the Priority Review Voucher shall be solely responsible for the payment of the priority review fee described in 21 U.S.C. § 360ff(c) (the "**Priority Review Fee**") and all other user fees applicable to the human drug application for which the Priority Review Voucher is redeemed, following the Closing. For the avoidance of doubt, following the Closing, Seller shall have no liability or obligation for any such fees.

Section 11.03 Notices. Any notice or other communication required or permitted to be delivered to any Party shall be in writing and shall be deemed properly delivered, given and received: (a) when delivered by hand; (b) on the date sent by e-mail of a PDF document (with confirmation of transmission) if sent prior to 5:00 p.m. in the time zone of the intended recipient on a Business Day, and otherwise on the next Business Day or (c) upon such Party's receipt after being sent by registered mail, by courier or express delivery service; or (d) upon confirmation of receipt during normal business hours on a Business Day or, if received after normal business hours, on the next Business Day, after being sent by facsimile, in any case to the address or facsimile number set forth beneath the name of such Party below (or to such other address as such Party shall have specified in a written notice given to the other Party in accordance with this Section 11.03):

(a) if to Buyer, to:

[***]
Attention: [***]
Email: [***]

[***]Attention: [***]
Email: [***]

with a copy (which shall not constitute notice) to:

Covington & Burling LLP
620 Eighth Avenue
New York, NY 10018
Attention: Stephen A. Infante
Email: [***]

(b) if to Seller, to:

Zevra Therapeutics, Inc.
1180 Celebration Blvd., Suite 103
Celebration, FL 34747
Attention: Chief Legal Officer
Email: [***]

with a copy (which shall not constitute notice) to:

Latham & Watkins LLP
10250 Constellation Blvd., Suite 1100
Los Angeles, CA 90067
Attention: Andrew Clark
Email: [***]

Section 11.04 Construction.

(a) The Parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be applied in the construction or interpretation of this Agreement.

(b) As used in this Agreement, the words “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation” and the word “or” is not intended to be exclusive unless expressly indicated otherwise. The words “will” and “shall” have the same meaning. “Extent” in the phrase “to the extent” means the degree to which a subject or other thing extends, and such phrase does not mean simply “if.”

(c) The words “hereof,” “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Except as otherwise indicated, (i) all references in this Agreement to “Articles,” “Sections,” “Schedules” or “Exhibits” are intended to refer to Articles, Sections, Schedules or Exhibits of this Agreement, and (ii) references in any Section to any clause are references to such clause of such Section.

(d) Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word “or” is used in the inclusive sense (and/or).

(e) Whenever this Agreement refers to a number of days, unless otherwise specified, such number refers to calendar days.

(f) The captions, table of contents and headings in this Agreement are for convenience of reference only and in no way define, describe, extend, or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement.

(g) Unless otherwise specified, (i) references to any applicable law or other Legal Requirement shall be deemed to refer to such law or Legal Requirement as amended from time to time and to any rules, regulations or interpretations promulgated thereunder and (ii) references to any agreement or Contract are to that agreement or Contract as amended, modified, supplemented, extended or renewed from time to time in accordance with the terms hereof and thereof.

Section 11.05 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission or facsimile shall be sufficient to bind the Parties to the terms and conditions of this Agreement.

Section 11.06 Entire Agreement. This Agreement, including all exhibits and schedules attached hereto and the Confidentiality Agreement by and between the Parties (or, in the case of Buyer, its Affiliate), dated January 29, 2025, sets forth the entire understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements and understandings among or between the Parties relating to the subject matter hereof.

Section 11.07 Assignment. No Party will have the right to assign this Agreement, in whole or in part, by operation of law or otherwise, without the other Party’s express prior written consent. Any attempt to assign this Agreement without such consent, will be null and void. Notwithstanding the foregoing, any Party may assign this Agreement, in whole or in part, without the consent of the other Party: (a) to a Third Party that succeeds to all or substantially all of its assets or business related to this Agreement (whether by sale, merger, operation of law or otherwise); or (b) to an Affiliate of such Party. Notwithstanding the foregoing, Buyer may assign this Agreement, in whole or in part, without Seller’s consent, to any purchaser, transferee, or assignee of any of the Purchased Assets. For the avoidance of doubt, no assignment made pursuant to this Section 11.07 shall relieve the assigning Party of any of its obligations under this Agreement. Subject to the foregoing, this Agreement will bind and inure to the benefit of each Party’s successors and permitted assigns.

Section 11.08 Severability. If any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall be interpreted so as reasonably to effect the intent of the Parties. The Parties shall use commercially reasonable efforts to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that shall achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

Section 11.09 Remedies Cumulative. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a Party shall be deemed cumulative with and not exclusive of any other remedy conferred hereby or by law or equity upon such Party, and the exercise by a Party of any one remedy shall not preclude the exercise of any other remedy and nothing in this Agreement shall be deemed a waiver by any Party of any right to specific performance or injunctive relief. The Parties agree that irreparable harm would occur in the event that the transactions contemplated hereby are not consummated in accordance with the terms of this Agreement, and that money damages or other legal remedies would not be an adequate remedy for any such harm. Accordingly, the Parties acknowledge and hereby covenant and agree that in the event of any breach or threatened breach of the covenants, agreements, or obligations set forth in this Agreement, then in addition to any other remedy available at law or in equity, the non-breaching Party will be entitled to seek an injunction or injunctions to prevent or restrain any breaches or threatened breaches of this Agreement, and to specifically enforce the terms and provisions of this Agreement to enforce compliance with the covenants, agreements, and obligations under this Agreement. Each Party hereby covenants and agrees not to raise, and irrevocably waives, any objections to the availability of such relief that a remedy at law would be adequate and that a bond or other security will be required.

Section 11.10 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of law. The Parties irrevocably and unconditionally submit to the exclusive jurisdiction of the state and federal courts in Delaware solely and specifically for the purposes of any action or proceeding arising out of or in connection with this Agreement.

Section 11.11 WAIVER OF JURY TRIAL. EACH PARTY, TO THE EXTENT PERMITTED BY LAW, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS IT CONTEMPLATES. THIS WAIVER APPLIES TO ANY ACTION OR LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE.

Section 11.12 Amendment; Extension; Waiver. Subject to the provisions of applicable Legal Requirements, the Parties may amend this Agreement at any time pursuant to an instrument in writing signed on behalf of each of the Parties. At any time, any Party may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of the other Party, (b) waive any inaccuracies in the representations and warranties made to such Party contained herein or (c) waive compliance with any of the agreements or conditions for the benefit of such Party contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. Without limiting the generality or effect of the preceding sentence, no delay in exercising any right under this Agreement shall constitute a waiver of such right, and no waiver of any breach or default shall be deemed a waiver of any other breach or default of the same or any other provision in this Agreement.

Section 11.13 Representation By Counsel; Interpretation. Seller and Buyer each acknowledge that it has been represented by its own legal counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law, or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it, has no application and is expressly waived.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed on behalf of each of the parties hereto as of the date first above written.

]By: /s/[]_____

Name: [***]_____

Title: [***]IN WITNESS WHEREOF, this Agreement has been executed on behalf of each of the parties hereto as of the date first above written.

ZEVRA THERAPEUTICS, INC.

By: /s/ Neil F. McFarlane_____

Name: Neil F. McFarlane_____

Title: President and Chief Executive Officer

IN WITNESS WHEREOF, this Agreement has been executed on behalf of each of the parties hereto as of the date first above written.

SOLELY WITH RESPECT TO SECTION 10.01(c):

ZEVRA DENMARK A/S

By: /s/ R. LaDuane Clifton

Name: R. LaDuane Clifton

Title: Chief Executive Officer

EXHIBIT A

APPROVAL LETTER

[See Attached]

EXHIBIT B

FORM OF BILL OF SALE

[See Attached]

EXHIBIT C

Priority Review Voucher Transfer

[See Attached]

EXHIBIT D

SELLER'S TRANSFER ACKNOWLEDGMENT LETTER

[See Attached]

EXHIBIT E

BUYER'S TRANSFER ACKNOWLEDGMENT LETTER

[See Attached]

EXHIBIT F

PRE-CLOSING PRV NOTICE

[See Attached]

EXHIBIT G

Seller's Pre-Closing FDA Letter

[See Attached]

EXHIBIT H

PRESS RELEASE

[See Attached]

**Schedule 4.05
Title to Purchased Assets**

[See Attached]

Schedule 4.12
Document Disclosure

[See Attached]

Zevra Therapeutics, Inc.
Tenth Amended and Restated
Non-Employee Director Compensation Policy
Effective: February 15, 2025

Each member of the board of directors (the “**Board**”) of Zevra Therapeutics, Inc. (the “**Company**”) who is not also an employee of the Company or any subsidiary of the Company shall be entitled to the following compensation for service on the Board and its committees:

Cash Compensation

Cash compensation shall be paid in the following annual amounts. Payments shall be made in quarterly installments in arrears on the last day of each calendar quarter in which service occurred and shall be *prorated* as appropriate for a director who does not serve for the full quarter. For the avoidance of doubt, the cash compensation set forth below shall apply for the entire quarter in which the policy becomes effective.

1. Annual Board Service Retainer:
 - a. All non-employee directors: \$45,000
 - b. Chair of the Board, if not an employee (for the avoidance of doubt, in lieu of (and not in addition to the retainer for all non-employee directors)): \$95,000
 - c. Lead independent director, if any (in addition to the retainer for all non-employee directors): \$15,000
2. Annual Committee Member Service Retainer:
 - a. Member of the Audit Committee: \$10,000
 - b. Member of the Compensation Committee: \$7,500
 - c. Member of the Nominating and Corporate Governance Committee: \$5,000
3. Annual Committee Chair Service Retainer, which amounts are, for the avoidance of doubt, in lieu of (and not in addition to) the amounts set forth in Section 2 above:
 - a. Chair of the Audit Committee: \$22,500
 - b. Chair of the Compensation Committee: \$15,000
 - c. Chair of the Nominating and Corporate Governance Committee: \$12,500

Equity Compensation

The equity compensation set forth below will be granted under the Company’s 2014 Equity Incentive Plan, or, as the case may be, any successor equity incentive plan approved by the stockholders of the Company (in each case, as amended and/or restated, the “**Plan**”). All stock options granted under this policy will be nonqualified stock options using the Company’s standard form of Nonqualified Stock Option Agreement under the Plan, with an exercise price per share equal to the last reported sale price of the Company’s common stock on the NASDAQ Global Select Market on the date of grant or, if such grant date is not a trading date, on the last trading date prior to the grant date, and with a term of ten (10) years from the date of grant (subject to earlier termination in connection with a termination of service as provided in the Plan).

Annual Grant: On the date of each annual stockholders meeting of the Company, each director who continues to serve as a non-employee member of the Board following such stockholders meeting will automatically, and without further action by the Board or the Compensation Committee of the Board, be granted a stock option for 30,000 shares of common stock (the “**Annual Grant**”). The stock options will vest and become exercisable in full on the earlier of (1) the first anniversary of the grant date, (2) the date that is one day prior to the first annual stockholders meeting occurring after the grant date or (3) immediately prior to a “Change in Control” as defined in the Plan, subject in each case to the director’s continued service on such vesting date.

New Director Grant: At beginning of the first term of each non-employee member of the Board, each such non-employee member of the Board will automatically, without further action by the Board or the Compensation Committee of the Board, be granted a stock option for 45,000 shares of common stock (the “**New Director Grant**”). Such New Director Grant will be made on the first day of each new director’s first term and will vest and become exercisable as follows: (1) in three equal installments on the each of the dates that are one day prior to the first three annual stockholder meetings occurring after the grant date, or (2) immediately prior to a Change in Control, subject in each case to the director’s continued service on such vesting date.

CERTIFICATION

I, Neil F. McFarlane, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Zevra Therapeutics, 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.

May 13, 2025

/s/ Neil F. McFarlane

Name: Neil F. McFarlane

Title: President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, R. LaDuane Clifton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Zevra Therapeutics, 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.

May 13, 2025

/s/ R. LaDuane Clifton

Name: R. LaDuane Clifton, MBA, CPA

Title: Chief Financial Officer and Treasurer
(Principal Financial Officer)

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE 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 on Form 10-Q of Zevra Therapeutics, Inc., (the "Company") for the quarterly period ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Neil F. McFarlane, Principal 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. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 13, 2025

/s/ Neil F. McFarlane

Name: Neil F. McFarlane

Title: President and Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350, is not being "filed" by the Company as part of the Report or as a separate disclosure document and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

**CERTIFICATION OF THE PRINCIPAL 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 on Form 10-Q of Zevra Therapeutics, Inc., (the "Company") for the quarterly period ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, R. LaDuane Clifton, Principal 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. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 13, 2025

/s/ R. LaDuane Clifton

Name: R. LaDuane Clifton, MBA, CPA

Title: Chief Financial Officer and Treasurer
(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350, is not being "filed" by the Company as part of the Report or as a separate disclosure document and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.