





Dear Fellow Shareholders:

As we reflect on 2025, I am pleased to share that this has been one of the most transformative and value creating years in Halozyme's history. Over the course of the year, we showcased our ability to execute across every dimension – strategically, operationally, and financially.

A YEAR OF RECORD PERFORMANCE

2025 was a record year for Halozyme. **We delivered 38% total revenue growth to reach \$1.4 billion**, driven by a **52% increase in royalty revenue to \$867.8 million**, reflecting increased global adoption of ENHANZE®-enabled therapies, led by Johnson & Johnson's DARZALEX® SC, Roche's Phesgo®, and argenx's VYVGART® Hytrulo.

ENHANZE® continued to demonstrate powerful momentum with global regulatory approvals of the subcutaneous formulation of Johnson & Johnson's Rybrevant®. With this addition, ten globally approved blockbuster products are now being commercialized with ENHANZE®.

Our partners also progressed the launches of **three recently approved ENHANZE®-enabled subcutaneous formulations of Ocrevus®, Opdivo®, and Tecentriq®**, each representing a major blockbuster opportunity resulting from the shorter duration, more convenient and accessible delivery option for patients and healthcare providers.

We were also very pleased to sign **three new ENHANZE® collaboration agreements in the fourth quarter of 2025 with Merus (now part of Genmab), Takeda, and Skye Bioscience**, further reinforcing the recognition across the biopharma industry that ENHANZE® is the gold standard for large-volume, rapid subcutaneous drug delivery.

In addition to these new partnerships, we also executed two new development agreements for our auto-injector technology and entered into a commercial and licensing supply agreement with Viartis for our validated small-volume auto-injector. These agreements expand the reach of our drug delivery solutions and underscore the increasing demand for innovation in both large- and small-volume subcutaneous administration.

\$1.4 billion
in total revenue

38% total revenue growth in 2025

\$867.8 million
in total royalty revenue

52% royalty revenue growth

EXPANDING OUR DRUG DELIVERY PORTFOLIO

In 2025, we took two major steps to expand our offering in subcutaneous drug delivery, adding two hyperconcentration technologies, Elektrofi's Hypercon™ and Surf Bio's technology. Both hyperconcentration technologies have long duration intellectual property protection into the mid-2040s, and expand our ability to create future new royalty revenue streams and strengthen the durability of our revenue well into the next decade and beyond.

With ENHANZE®, our auto-injectors, and two hyperconcentration technologies, we now offer the **broadest portfolio** in the industry for converting infused and large-volume therapies into efficient, more accessible subcutaneous treatments for delivery in the clinic or at-home. As a result, our technologies help overcome IV capacity challenges, reduce the treatment burden for patients, and expand patient access.

10 ENHANZE®-enabled products globally approved

Our extensive offering enables partners to develop a wide array of subcutaneous medicines, unlocks new commercial opportunities, expands addressable patient segments, and expands and extends our long-term royalty engine – further deepening the competitive moat surrounding our business.

A STRONG FINANCIAL OUTLOOK FOR 2026

Halozyme is entering 2026 with strong momentum, a diversified and durable revenue engine, and an expanded technology portfolio. Most importantly, we remain guided by our mission to improve patient experiences and outcomes through disruptive drug-delivery innovation.

Our financial strength helps accelerate execution of our long-term strategy.

For 2026, we project:

2026 Total Revenue	\$1.71-\$1.81 Billion	22-30% Growth
2026 Royalty Revenue	\$1.13-\$1.17 Billion	30-35% Growth
2026 Adjusted EBITDA	\$1.125-\$1.205 Billion	71-83% Growth
2026 Non-GAAP Diluted EPS	\$7.75-\$8.25	87-99% Growth

LOOKING AHEAD

As we look ahead, I could not be more energized by the momentum we have built or more confident in the long-term trajectory of the company. We have multiple levers and drivers of revenue that will position Halozyme for royalty revenue durability and exceptional value creation well into the 2040s. We will continue to leverage our strong cash flow to pursue strategic M&A that will enhance our long-term, high profitability revenue opportunity.

Halozyme is continuing to shape the future of drug delivery. By providing a comprehensive toolkit of advanced subcutaneous technologies, we are helping our partners bring more convenient and more accessible therapies to patients worldwide. Our commitment to innovation, proven operational excellence, and strong financial profile uniquely position us for durable, long-term value for patients, partners and shareholders alike.

Best Regards,


Helen Torley

Forward Looking Statements: Statements set forth in this annual report and letter to shareholders include forward-looking statements including, without limitation, statements concerning the Company's expected future growth and financial performance including, but not limited to, expected future revenues including potential revenue durability and future revenues from recently approved partnered products, Adjusted EBITDA and Non-GAAP diluted earnings per share, plans to pursue strategic merger and acquisition transactions, potential for lowering the treatment burden for patients treated with ENHANZE® and our other products and product candidates improving patient outcomes, expanding treatment access and lowering healthcare system costs, partner development programs and commercial opportunities, potential future demand for our products, potential contributions from recently completed acquisitions (including acquisition of potential, long duration intellectual property protection), approvals of partnered products and competitive advantages of our product offerings. These forward-looking statements are typically, but not always, identified through use of the words "expect," "believe," "enable," "may," "will," "could," "intends," "estimate," "project", "anticipate," "plan," "predict," "probable," "potential," "possible," "should," "continue," and other words of similar meaning and involve risk and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Actual results could differ materially from the expectations contained in these forward-looking statements as a result of several factors, including unexpected levels of revenues, expenditures and costs, unexpected results or delays in the execution of the Company's plans for M&A transactions, unexpected early expiration or termination of acquired intellectual property protection, unexpected results or delays in the development, regulatory review, commercialization or demand of the Company's partnered or proprietary products, and unexpected patient experiences or outcomes. These and other factors that may result in differences are discussed in greater detail in the Company's most recently filed Annual Report on Form 10-K filed with the Securities and Exchange Commission. Except as required by law, the Company undertakes no duty to update forward-looking statements to reflect events after the date of this annual report and letter to shareholders.

Note: This letter to shareholders contains product names, trademarks and registered trademarks that are the property of their respective owners.

Non-GAAP Financial Measures: In addition to disclosing financial measures prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), these materials contain certain non-GAAP financial measures. The Company reports Non-GAAP diluted earnings per share, Non-GAAP diluted shares, earnings before interest, taxes, depreciation, amortization ("EBITDA"), Adjusted EBITDA, Adjusted EBITDA Margin and expectations of those measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company calculates Non-GAAP diluted earnings per share excluding share-based compensation expense, amortization of debt discounts, intangible asset amortization, one-time items, if any, such as changes in contingent liabilities, inventory adjustments, impairment charges, transaction costs for business combinations, severance and share-based compensation acceleration expenses, intellectual property litigation costs, inducement expenses related to convertible notes, and certain adjustments to income tax expense. The Company calculates Non-GAAP diluted shares excluding the dilutive impact of convertible notes which is used in calculating Non-GAAP diluted earnings per share. The Company calculates EBITDA excluding interest, taxes, depreciation and amortization. The Company calculates Adjusted EBITDA excluding one-time items, if any, such as changes in contingent liabilities, inventory adjustments, impairment charges, transaction costs for business combinations, severance and share-based compensation acceleration expenses and intellectual property litigation costs. The Company uses Non-GAAP financial information in assessing what it believes is a meaningful and comparable set of financial performance measures to evaluate operating trends, as well as in establishing portions of our performance-based incentive compensation programs. The Company does not provide reconciliations for forward-looking adjusted measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, including adjustments that could be made for changes in contingent liabilities, share based compensation expense and the effects of any discrete income tax items. For the same reasons, the Company is unable to address the probable significance of the unavailable information. The Company provides Non-GAAP financial measures that it believes will be achieved; however, it cannot accurately predict all of the components of the adjusted calculations and the GAAP measures may be materially different than the Non-GAAP measures. Reconciliations between GAAP and Non-GAAP financial measures are included in these materials.

Note: This presentation contains product names, trademarks and registered trademarks are property of their respective owners.

GAAP to Non-GAAP Reconciliation: EBITDA and Adjusted EBITDA

	Twelve Months Ended December 31,	
	2025	2024
GAAP Net (Loss) Income	\$ 316,889	\$ 444,091
Adjustments		
Investment and other income, net	(21,474)	(24,356)
Interest expense	18,126	18,095
Income tax expense	149,986	113,041
Depreciation and amortization	88,051	81,312
EBITDA	551,578	632,183
Adjustments		
Transaction costs for business combinations ⁽¹⁾	14,604	—
Intellectual property litigation costs ⁽²⁾	16,683	—
Severance and share-based compensation acceleration expense ⁽³⁾	24,628	—
Impairment of intangible asset	48,700	—
Other one time items	1,447	—
Adjusted EBITDA	\$ 657,640	\$ 632,183

1. Amount represents incremental costs including legal and advisory fees incurred in association with the acquisition of Elektrofi, Inc. ("Elektrofi") and Surf Bio, Inc ("Surf Bio).
2. Adjustment relates to litigation costs incurred by Halozyme in connection with Halozyme's patent infringement litigation against Merck Sharp & Dohme Corp. ("Merck"). These charges are excluded because the Company does not believe they are reflective of the Company's ongoing business and operating results.
3. Amount represents severance costs and acceleration of unvested equity awards incurred in the Elektrofi and Surf Bio acquisition.

Dollar amounts, as presented, are rounded. Consequently, totals may not add up.

GAAP to Non-GAAP Reconciliation: Net Income and Diluted EPS

	Twelve Months Ended December 31,	
	2025	2024
GAAP Net (Loss) Income	\$ 316,889	\$ 444,091
Adjustments		
Inducement expense related to convertible notes	5,477	—
Share-based compensation	51,565	43,385
Amortization of debt discount	7,506	7,350
Amortization of intangible assets	76,662	71,049
Transaction costs for business combinations ⁽¹⁾	14,604	—
Intellectual property litigation costs ⁽²⁾	16,683	—
Severance and share-based compensation acceleration expense ⁽³⁾	24,628	—
Impairment of intangible asset	48,700	—
Other one time items	1,447	—
Income tax effect of above adjustments ⁽⁴⁾	(54,624)	(18,577)
Non-GAAP Net (Loss) Income	\$ 509,537	\$ 547,298
GAAP Diluted (LPS) EPS	\$ 2.56	\$ 3.43
Adjustments		
Inducement expense related to convertible notes	0.04	—
Share-based compensation	0.42	0.34
Amortization of debt discount	0.06	0.06
Amortization of intangible assets	0.62	0.55
Transaction costs for business combinations ⁽¹⁾	0.12	—
Intellectual property litigation costs ⁽²⁾	0.13	—
Severance and share-based compensation acceleration expense ⁽³⁾	0.20	—
Impairment of intangible asset	0.40	—
Other one time items	0.01	—
Income tax effect of above adjustments ⁽⁴⁾	(0.44)	(0.14)
Non-GAAP Diluted (LPS) EPS	\$ 4.15	\$ 4.23
GAAP Diluted Shares	123,904	129,424
Adjustments		
Adjustment for dilutive impact of Senior 2028 Convertible Notes ⁽⁵⁾	(1,018)	(74)
Non-GAAP Diluted Shares	122,886	129,350

1. Amount represents incremental costs including legal and advisory fees incurred in association with the Elektrofi and Surf Bio acquisition.
2. Adjustment relates to litigation costs incurred by Halozyme in connection with Halozyme's patent infringement litigation against Merck. These charges are excluded because the Company does not believe they are reflective of the Company's ongoing business and operating results.
3. Amount represents severance cost and acceleration of unvested equity awards incurred in the Elektrofi and Surf Bio acquisition.
4. Adjustments relate to taxes for the reconciling items, as well as excess benefits or tax deficiencies from share-based compensation, and the quarterly impact of other discrete items. Non-GAAP tax rate is impacted by the Acquired IPR&D expense, which is non-tax deductible.
5. Adjustment made for the dilutive effect of our Convertible Senior Notes due 2028 when the effects is not the same on a GAAP and non-GAAP basis for the reporting period

Dollar amounts, as presented, are rounded. Consequently, totals may not add up.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

(Mark One)

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

For the fiscal year ended December 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 001-32335



HALOZYME THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

88-0488686

(I.R.S. Employer Identification No.)

12390 El Camino Real

San Diego

California

(Address of principal executive offices)

92130

(Zip Code)

(858) 794-8889

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 Par Value	HALO	The NASDAQ Stock Market LLC

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2025 was approximately \$4.5 billion, based on the closing price on the NASDAQ Global Select Market reported for such date. Shares of common stock held by each officer and director and by each person who is known to own 10% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates of the registrant. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of outstanding shares (in thousands) of the registrant’s common stock, par value \$0.001 per share, was 118,017 as of February 10, 2026.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive Proxy Statement to be filed subsequent to the date hereof with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the registrant’s 2026 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

HALOZYME THERAPEUTICS, INC.
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Summary of Risk Factors

Our business is subject to a number of risks and uncertainties, including those described under the heading “Risk Factors” in Part I, Item 1A of this Annual Report on Form 10-K. These risks include the following:

Risks Related To Our Business

- Failure or delay in receiving and maintaining regulatory approval for our partnered or proprietary product candidates would substantially impact our ability to generate revenues or the timing of such revenues.
- Use of our partnered or proprietary products and product candidates could be associated with adverse events.
- Disruptions in the supply of bulk rHuPH20 or other components by our manufacturers or vendors could delay or suspend development or commercialization efforts and harm our business results associated with operations and collaborations.
- Inability of third parties to perform necessary services for our products, such as distribution, invoicing and storage services could impact our business performance.
- If we or any party to a key collaboration agreement fail to perform material obligations under such agreement, or if a key collaboration agreement is terminated for any reason, our business could suffer.
- Any adverse development regarding the rHuPH20 enzyme could substantially impact multiple areas of our business, including current and potential ENHANZE collaborations and revenues, as well as any proprietary programs.
- Additional applications of our ENHANZE technology or acquiring new technologies may require the use of additional resources, result in increased expense and ultimately may not be successful.
- Our partnered or proprietary product candidates may not receive regulatory approvals or their development may be delayed which may materially adversely affect our business, financial condition and results of operations.
- Failure of our third-party partners to supply certain proprietary materials that are essential components of partnered products or product candidates could delay development and commercialization efforts and/or harm our collaborations.
- If we or our partners fail to comply with regulatory requirements applicable to promotion, sale and manufacturing of approved products, regulatory agencies may act against us or them, which could harm our business.
- Failure of our auto-injector and specialty products business to perform could adversely impact our future business and operations.
- Workforce reduction at federal agencies and changes in United States (“U.S.”) trade policy, including tariffs and potential countermeasures by trading partners, could delay regulatory approval and increase our or our partners’ costs, disrupt global supply chains and have a material adverse impact on our business, financial condition, and results of operations.
- Pandemics or similar public health crises could adversely impact our business and results of operations.
- We may need to raise additional capital in the future and there can be no assurance that we will be able to do so.
- Failure by us to fulfill obligations under our debt instruments may cause repayment obligations to accelerate.
- Conversion of our Convertible Notes may dilute the ownership interest of existing stockholders or may otherwise depress the price of our common stock or adversely affect our financial condition and operating results.
- If proprietary or partnered product candidates are approved for commercialization but do not gain market acceptance resulting in commercial performance below that which was expected or projected, our business may suffer.
- Our ability to license our ENHANZE and device technologies depends on the validity of our patents.
- Developing, manufacturing and marketing pharmaceutical products for human use involves significant product liability risks for which we may have insufficient insurance coverage.
- Failure by our partners to achieve projected development or clinical goals in the timeframes expected may delay product commercialization, which may adversely affect our business, financial condition, and results of operations.
- Future strategic corporate transactions could disrupt our business and impact our financial condition.

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

Risks Related To Ownership of Our Common Stock

- The market price of our common stock is subject to significant volatility.
- Future transactions where we raise capital may negatively affect our stock price.
- Anti-takeover provisions in our charter documents, convertible note indentures and Delaware law may make an acquisition of us more difficult.

Risks Related to Our Industry

- Compliance with extensive government regulations for our and our partnered products is expensive and time consuming and may result in delay or cancellation of our or our partnered product sales, introductions or modifications.
- Because some of our and our partnered products and product candidates are considered to be drug/device combination products, the regulatory approval and post-approval requirements can be more complex.
- We may be subject to various federal and state healthcare laws, which could subject us to government investigation, litigation, and other penalties, which could adversely affect our ability to operate.
- We may be required to initiate or defend against legal proceedings related to intellectual property rights, which may result in substantial expense, delay and/or cessation of certain development and commercialization of our products.
- Off-label promotion or marketing of products inconsistent with U.S. Food and Drug Administration (“FDA”) requirements could result in significant liability.
- Compliance with regulatory requirements related to controlled substances will require additional time and expenses and may subject us to additional penalties for noncompliance, which could inhibit successful commercialization.
- Changes in intellectual property laws such as recent changes in the legal standards that govern the patentability and scope of biotechnology patents may adversely impact our business because we may lose the ability to obtain patent protection or enforce our intellectual property rights against competitors.
- If third-party reimbursement and customer contracts are not available, our proprietary and partnered products may not be accepted in the market resulting in commercial performance below that which was expected or projected.
- Changes in private and federal reimbursement policies and practices could lower pharmaceutical product prices and decrease our revenue.
- We face competition and rapid technological change that could result in the development of products by others that are competitive with our proprietary and partnered products, including those under development.

General Risks

- If we are unable to attract, hire and retain key personnel, our business could be negatively affected.
- Our operations might be interrupted by the occurrence of a natural disaster or other catastrophic event.
- Cyberattacks, security breaches or system breakdowns may disrupt our operations and harm our operating results and reputation.
- Violence, physical attacks or threats of violence directed toward company facilities or key company personnel may disrupt company operations and undermine investor confidence.

This Annual Report on Form 10-K contains “forward-looking statements” within the meaning of the “safe harbor” within the meaning of the Private Securities Litigation Reform Act of 1995, provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. All statements, other than statements of historical fact, included herein, including without limitation those regarding our future product development and regulatory events and goals, product collaborations, our business intentions and financial estimates and anticipated results, are, or may be deemed to be, forward-looking statements. Words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “estimate,” “think,” “may,” “could,” “will,” “would,” “should,” “continue,” “potential,” “likely,” “opportunity,” “project” and similar expressions or variations of such words are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements in this Annual Report on Form 10-K. Additionally, statements concerning future matters such as the development or regulatory approval of new partner products, enhancements of existing products or technologies, uncertainties in tariffs, trade and pharmaceutical pricing policies, tax legislation, timing and success of the launch of new products by us and our partners, third party performance under key collaboration agreements, the ability of our bulk drug and device part manufacturers to provide adequate supply for our partners, revenue, expense, cash burn levels and our ability to make timely repayments of debt, anticipated amounts and timing of share repurchases, anticipated profitability and expected trends and other statements regarding our plans and matters that are not historical are forward-looking statements.

Although forward-looking statements in this Annual Report on Form 10-K reflect the good faith judgment of our management, such statements reflect management’s current forecast of certain aspects of our future business and are based on currently available operating, financial and competitive information. Consequently, forward-looking statements are inherently subject to risks, uncertainties and assumptions that could cause actual results and outcomes to differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include without limitation those discussed under the heading “Risk Factors” in Part I, Item 1A, as well as those discussed elsewhere in this Annual Report on Form 10-K. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K. We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Annual Report on Form 10-K. Readers are urged to carefully review and consider the various disclosures made in this Annual Report on Form 10-K, which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

References to “Halozyme,” “the Company,” “we,” “our,” “ours,” and “us” refer to Halozyme Therapeutics, Inc., its wholly owned subsidiaries, Halozyme, Inc., Antares Pharma Inc., Antares Pharma Inc.’s two wholly-owned Swiss subsidiaries, Antares Pharma IPL AG and Antares Pharma AG, Halozyme Hypercon, Inc., Halozyme Hypercon Inc.’s wholly-owned subsidiary, Elektrofi Security Corp., and Halozyme Surf Bio, Inc. References to “Notes” refer to the notes to the consolidated financial statements included herein (refer to Item 8 of Part II of this Annual Report on Form 10-K).

PART I

Item 1. Business

Overview

Halozyme Therapeutics, Inc. is a biopharmaceutical company advancing disruptive solutions to improve patient experiences and outcomes for emerging and established therapies.

As the innovators of ENHANZE[®] drug delivery technology (“ENHANZE”) with our proprietary enzyme, rHuPH20, our commercially validated solution is used to facilitate the subcutaneous (“SC”) delivery of injected drugs and fluids, with the goal of improving the patient experience with rapid SC delivery and reduced treatment burden. We license our technology to biopharmaceutical companies to collaboratively develop products that combine ENHANZE with our partners’ proprietary compounds. We are also developing partner products with Hypercon[™] drug delivery technology (“Hypercon technology”) and developing the Surf Bio drug delivery technology to expand the breadth of our drug delivery technology portfolio. Hypercon technology is an innovative microparticle technology that has been demonstrated in non-clinical testing to enable hyperconcentration of drugs and biologics and reduce the injection volume for the same dosage, potentially expanding opportunities for at-home and health care provider administration. The Surf Bio hyperconcentration technology is being developed to create high antibody and biologic concentrations of up to 500 mg/mL, for delivery in a single auto-injector shot for at-home or in a health care provider’s office use. We also develop, manufacture and commercialize, for ourselves or with our partners, drug-device combination products using our advanced auto-injector technologies that are designed to provide commercial or functional advantages such as improved convenience, reliability and tolerability, and enhanced patient comfort and adherence.

Our ENHANZE partners’ approved products and product candidates are based on rHuPH20, our patented recombinant human hyaluronidase enzyme. rHuPH20 works by breaking down hyaluronan, a naturally occurring carbohydrate that is a major component of the extracellular matrix of the SC space. This temporarily reduces the barrier to bulk fluid flow allowing for improved and more rapid SC delivery of high dose, high volume injectable biologics, such as monoclonal antibodies and other large therapeutic molecules, as well as small molecules and fluids. We refer to the application of rHuPH20 to facilitate the delivery of other drugs or fluids as ENHANZE. We license our ENHANZE technology to form collaborations with biopharmaceutical companies that develop and/or market drugs requiring or benefiting from injection via the SC route of administration. In the development of proprietary intravenous (“IV”) drugs combined with our ENHANZE technology, data have been generated supporting the potential for ENHANZE to reduce patient treatment burden, as a result of shorter duration of SC administration with ENHANZE compared to IV administration. ENHANZE may enable fixed-dose SC dosing compared to weight-based dosing typically required for IV administration, extend the dosing interval for drugs that are already administered subcutaneously and potentially allow for lower rates of infusion-related reactions. ENHANZE may enable more flexible treatment options such as home administration by a healthcare professional or potentially the patient or caregiver. Lastly, certain proprietary drugs co-formulated with ENHANZE have been granted additional exclusivity, extending the patent life of the product beyond the patent expiry of the proprietary IV drug.

We currently have ENHANZE collaborations and licensing agreements with F. Hoffmann-La Roche, Ltd. and Hoffmann-La Roche, Inc. (“Roche”), Takeda Pharmaceuticals International AG and Baxalta US Inc. (“Takeda”), Pfizer Inc. (“Pfizer”), Janssen Biotech, Inc. (“Janssen”), AbbVie, Inc. (“AbbVie”), Eli Lilly and Company (“Lilly”), Bristol-Myers Squibb Company (“BMS”), argenx BVBA (“argenx”), ViiV Healthcare (the global specialist HIV Company majority owned by GlaxoSmithKline) (“ViiV”), Chugai Pharmaceutical Co., Ltd. (“Chugai”), Acumen Pharmaceuticals, Inc. (“Acumen”), Merus N.V. (“Merus”) and Skye Bioscience, Inc. (“Skye Bioscience”). In addition to receiving upfront licensing fees from our ENHANZE collaborations, we are entitled to receive event and sales-based milestone payments, revenues from the sale of bulk rHuPH20 and royalties from commercial sales of approved partner products co-formulated with ENHANZE. We currently earn royalties from the sales of ten commercial products including sales of five commercial products from the Roche collaboration, two commercial products from the Janssen collaboration and one commercial product from each of the Takeda, argenx and BMS collaborations.

Through our recent acquisition of Elektrofi, Inc. (“Elektrofi”), subsequently renamed Halozyme Hypercon, Inc. (“Hypercon”), we have Hypercon collaboration and license agreements with Janssen, Lilly, and argenx. In addition to receiving upfront license fees from our Hypercon collaborations, we are entitled to receive event and sales-based milestone payments and royalties from commercial sales for approved partner products co-formulated with Hypercon.

We have commercialized auto-injector products with Teva Pharmaceutical Industries, Ltd. (“Teva”). We have development programs including our auto-injectors with McDermott Laboratories Limited, an affiliate of Viatrix Inc. (“Viatrix”).

Our commercial portfolio of proprietary products includes Hylenex[®], utilizing rHuPH20, and XYOSTED[®], utilizing our auto-injector technology.

Our principal offices and research facilities are located at 12390 El Camino Real, San Diego, CA 92130. Our telephone number is (858) 794-8889 and our e-mail address is info@halozyme.com. Our website address is www.halozyme.com. Information found on, or accessible through, our website is not a part of, and is not incorporated into, this Annual Report on Form 10-K. Our periodic and current reports that we filed with the U.S. Securities and Exchange Commission (“SEC”) are available on our website at www.halozyme.com, free of charge, as soon as reasonably practicable after we have electronically filed such material with, or furnished them to, the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports.

Our Technology

rHuPH20 can be applied as a drug delivery platform to increase dispersion and absorption of other injected drugs and fluids, potentially reducing treatment burden. For example, rHuPH20 has been used to convert drugs that must be delivered intravenously into SC injections or to reduce the number of SC injections needed for effective therapy. When ENHANZE technology is applied subcutaneously, the rHuPH20 acts locally and transiently, with a tissue half-life of less than 30 minutes. Hyaluronan at the local site reconstitutes its normal density within two days and, therefore, the effect of rHuPH20 on the architecture of the SC space is temporary.

The Hypercon technology is an innovative microparticle approach enabling hyperconcentration of monoclonal antibodies, certain complex proteins and peptides while maintaining syringeability, which is the ability to inject smoothly and easily. Hypercon technology enables biologic product formulation concentrations of ~500 mg/ml, which can be up to four to five times higher than standard aqueous solution formulations for biologics today. The increased concentration reduces the volume of injection for the same dosage and has the potential to create more opportunities for at-home and health care provider office SC delivery, including via small volume auto-injector or with Halozyme’s innovative high volume auto-injector.

The Surf Bio technology is an innovative, polymer-enabled approach enabling hyperconcentration SC of monoclonal antibodies, other biologics and small molecules while maintaining syringeability. Surf Bio technology enables concentrations of up to 500 mg/mL. By achieving these high concentrations, the Surf Bio technology reduces the injection volume required for a given dose and has the potential to enable short SC injections that can be administered at home or in a health care provider’s office, including via prefilled syringes or standard auto-injectors.

The pressure-assisted auto-injector technology is a form of parenteral drug delivery that continues to gain acceptance and demand among the medical and patient community. Encompassing a variety of sizes and designs, our technology operates by using pressure to force the drug, in solution or suspension, through the skin and deposits the drug into the SC or intramuscular tissue. We have designed disposable, pressure-assisted auto-injector devices to address acute and chronic medical needs, such as rheumatoid arthritis and psoriasis, allergic reactions, testosterone deficiency. Our current platforms include the high-volume auto-injector, VIBEX[®], VIBEX[®] QuickShot[®], and Vai[™] auto-injectors and multi-dose pen injectors. Our current auto-injectors offer a dose capacity ranging from 0.5 mL to 2.25 mL, and our high-volume auto-injector technology extends that dose capacity to at least 10mL. They are designed for speed and patient comfort and accommodate for highly viscous drug products. They are customizable for fill volumes and needle lengths to meet our partners’ needs for reliability requirements, including for emergency use applications.

Our Strategy

We are a leader in converting IV biologics to SC delivery and extending the dosing interval of SC drugs, using our commercially-validated ENHANZE technology. Our ENHANZE technology also has the potential for SC delivery of small molecules and other therapeutic modalities including those developed as long-acting injectables and other therapies that might benefit from larger dose/larger volume SC delivery. We collaborate with leading pharmaceutical and biotechnology companies to help them develop products that combine our ENHANZE technology with their proprietary compounds. We target large, attractive markets, where ENHANZE-enabled SC delivery has the potential to deliver competitive differentiation and other important benefits to our partners, such as larger injection volumes administered rapidly, extended dosing intervals, and reduced treatment burden and healthcare costs. In addition, ENHANZE has been demonstrated to enable the combination of two therapeutic antibodies in a single injection, as well as the development of new co-formulation intellectual property. We leverage our strategic, technical, regulatory and alliance management skills in support of our partners’ efforts to develop new SC delivered products. We currently have thirteen collaborations with ten currently approved products and additional product candidates in development using our ENHANZE technology. We intend to work with our existing partners to expand our collaborations to add new targets and develop targets and product candidates under the terms of the operative collaboration agreements. We will also continue our efforts to enter into new collaborations to derive additional revenue from our proprietary technology.

With our recent acquisitions, our goal is to extend the number of partners and products being developed and commercialized by offering the Hypercon and Surf Bio technologies to further expand our drug delivery portfolio.

We also support leading pharmaceutical companies by assisting in the development of, and supplying, auto-injector devices and auto-injector drug combination products. We leverage our engineering, regulatory and manufacturing skills to support our partners' plans. We intend to extend the range of auto-injectors available to current and new partners. In 2023, we completed a successful Phase I clinical study using a high-volume auto-injector. It is our goal to further extend the number of partners for the current auto-injectors and add new partners for our high-volume auto-injector that utilizes our ENHANZE technology.

Product and Product Candidates

The following table summarizes our marketed proprietary products and product candidates under development and our marketed partnered products and product candidates under development with our partners:

PRODUCT, COLLABORATION PRODUCTS AND PRODUCT CANDIDATES	THERAPEUTIC AREA	INDICATION	PHASE	PHASE	PHASE	FILED	APPROVED
			1	2	3		
PROPRIETARY APPROVED PRODUCTS							
HYLENEX® recombinant (hyaluronidase human injection)	Various	Adjuvant for subcutaneous fluid delivery for dispersion & absorption of other injected drugs		Approved in the U.S.			
XYOSTED® (testosterone enanthate) injection (CIII)	Urology	Testosterone Replacement Therapy		Approved in the U.S.			
ENHANZE® PARTNER APPROVED PRODUCTS							
Roche							
Herceptin® SC (trastuzumab) (OUS) Herceptin Hylecta™ (trastuzumab and hyaluronidase-oysk) (U.S.)	Oncology	Breast Cancer		Approved in the U.S., EU, China and other countries outside the U.S. (OUS)			
Phesgo® (pertuzumab/trastuzumab/hyaluronidase-zzfx) (OUS) and (pertuzumab/trastuzumab)(EU)	Oncology	Breast Cancer		Approved in the U.S., EU, OUS, Japan and China			
MabThera® SC (rituximab) (OUS) RITUXAN HYCELA™ (rituximab/hyaluronidase human) (U.S.)	Oncology	Multiple Blood Cancers		Approved for NHL in EU and OUS Approved for CLL in EU and OUS Approved for DLBCL, CLL and FL in the U.S. Approved for DLBCL in China			
Tecentriq® SC (atezolizumab) (EU/U.K.) Tecentriq Hybreza™ (atezolizumab) (U.S.)	Oncology	Certain Types of Lung, Liver, Skin, and Soft Tissue Cancer		Approved in the U.S., EU and the U.K.			
OCREVUS® SC (Ocrelizumab) (EU/U.K.) OCREVUS ZUNOVO™ (Ocrelizumab) (U.S.)	Neurology	Multiple Sclerosis		Approved in the U.S., EU and the U.K.			
Takeda							
HYQVIA® (Immune Globulin Infusion 10% (Human) with Recombinant Human Hyaluronidase)	Immunology	Primary Immunodeficiency Secondary Immunodeficiencies (EU and Japan)		Approved in the U.S., EU, OUS and Japan			
		Chronic Inflammatory Demyelinating Polyneuropathy Multifocal Motor Neuropathy (Japan)		Approved in the U.S., EU and Japan			
Janssen							
DARZALEX FASPRO® (daratumumab hyaluronidase human-fih) (U.S./China) DARZALEX SC® (daratumumab) (EU/OUS)	Oncology	Multiple Myeloma		Approved for Multiple Myeloma in the U.S., EU, Japan and OUS			
DARZQURO® (daratumumab) (Japan) DARZALEX SC® (daratumumab) (EU/OUS)	Hematology	AL Amyloidosis		Approved for AL Amyloidosis in the U.S., EU, Japan, China and OUS			
DARZALEX SC® (daratumumab) (EU/OUS) DARZALEX FASPRO® (daratumumab hyaluronidase human-fih) (U.S.)	Oncology	Smoldering Multiple Myeloma		Approved for Smoldering Multiple Myeloma in the EU, U.S. and OUS			
RYBREVANT SC® (amivantamab) (EU) RYBREVANT FASPRO (amivantamab and hyaluronidase-lpuj) (U.S./China) RYBROFAZ® (Japan)	Oncology	Non-Small Cell Lung Cancer		Approved in the U.S., EU, Japan and China			
argenx							
VYVGART® Hytrulo (efgartigimod alfa and hyaluronidase-qvfc) (U.S.) VYVGART® SC (efgartigimod alfa) (EU) VYVDURA® (efgartigimod alfa and hyaluronidase-qvfc) (Japan) VYVGART® Hytrulo (efgartigimod alfa SC injection) (China)	Autoimmunity	Generalized Myasthenia Gravis		Approved in the U.S., EU, Japan and China			
VYVGART® Hytrulo (efgartigimod alfa and hyaluronidase-qvfc) (U.S.) VYVGART® SC (efgartigimod alfa) (EU) VYVDURA® (efgartigimod alfa and hyaluronidase-qvfc) (Japan) VYVGART® Hytrulo (efgartigimod alfa SC injection) (China)	Autoimmunity	Chronic Inflammatory Demyelinating Polyneuropathy		Approved in the U.S., EU, Japan and China			
BMS							
Opdivo® Qvantig (nivolumab and hyaluronidase-nvhy) (U.S.) Opdivo® SC (nivolumab and hyaluronidase) (EU)	Oncology	Certain types of Kidney, Skin, Lung, Colorectal, Head and Neck, Urothelial, Liver, Esophageal and Stomach Cancer		Approved in the U.S. and EU			
DEVICE PARTNER APPROVED PRODUCTS							
Teva							
Epinephrine Injection USP (generic equivalent to EpiPen® and EpiPen® Jr.)	Allergy and Immunology	Anaphylaxis		Approved in the U.S.			
Teriparatide Injection (generic version of Forsteo®) (EU) Teriparatide Injection (generic version of Forsteo®) (U.S.)	Endocrinology	Osteoporosis		Approved in the U.S. and EU			

PRODUCT, COLLABORATION PRODUCTS AND PRODUCT CANDIDATES	THERAPEUTIC AREA	INDICATION	PHASE 1	PHASE 2	PHASE 3	FILED	APPROVED
ENHANZE™ PARTNER PRODUCT CANDIDATES							
Takeda TAK-881 (immune globulin subcutaneous 20% (human))	Immunology	Primary immunodeficiency					
Janssen Daratumumab	Hematology Oncology	AL Amyloidosis Multiple Myeloma Multiple Myeloma Multiple Myeloma					
Amivantamab	Oncology	Solid Malignancies					
Argenx ARGX-113 (efgartigimod)	Autoimmunity	Myositis Antibody Mediated Rejection Ocular Myasthenia Gravis Primary Sjogren's Disease Systemic Sclerosis					
ARGX-117	Autoimmunity	Multifocal Motor Neuropathy					
ARGX-121	Autoimmunity	Undisclosed					
ARGX-213	Autoimmunity	Undisclosed					
ViiV VH4524184 Undisclosed	Infectious Diseases Undisclosed	HIV Treatment Undisclosed					
Acumen ACU193 (sabinmetug)	Neurology	Alzheimer's disease					
DEVICE PARTNER PRODUCT CANDIDATES							
Viatrix Selatogrel (QuickShot® Auto Injector)	Cardiology	Acute Myocardial Infarction					

Proprietary Products and Product Candidates

Hylenex Recombinant (hyaluronidase human injection)

We market and sell Hylenex recombinant which is a formulation of rHuPH20 that facilitates SC administration for achieving hydration, increases the dispersion and absorption of other injected drugs and, in SC urography, to improve resorption of radiopaque agents. Hylenex recombinant is currently the number one prescribed branded hyaluronidase.

XYOSTED (testosterone enanthate) Injection

We market and sell our proprietary product XYOSTED for SC administration of testosterone replacement therapy in adult males for conditions associated with a deficiency or absence of endogenous testosterone (primary hypogonadism or hypogonadotropic hypogonadism). XYOSTED is the only FDA-approved SC testosterone enanthate product for once-weekly, at-home self-administration and is approved and marketed in the U.S. in three dosage strengths, 50 mg, 75 mg and 100 mg.

ATRS - 1902

We were previously developing a drug device combination product for the endocrinology market for patients who require supplemental hydrocortisone, identified as ATRS-1902. In December 2025, we made a strategic decision to discontinue the development of ATRS-1902.

Partnered Products

ENHANZE Collaborations

Roche Collaboration

In December 2006, we and Roche entered into a collaboration and license agreement under which Roche obtained a worldwide license to develop and commercialize product combinations of rHuPH20 and up to twelve Roche target compounds (the “Roche Collaboration”). Under this agreement, Roche initially elected a total of eight targets, two of which are exclusive.

In September 2013, Roche launched a SC formulation of Herceptin (trastuzumab) (Herceptin® SC) in Europe for the treatment of patients with human epidermal growth factor receptor 2-positive breast cancer followed by launches in additional countries. This formulation utilizes our ENHANZE technology and is administered in two to five minutes, compared to 30 to 90 minutes with the standard IV form. Herceptin SC has since received approval in Canada, the U.S. (under the brand name Herceptin Hylecta™) and China.

In June 2020, the FDA approved the fixed-dose combination of Perjeta® (pertuzumab) and Herceptin for SC injection (Phesgo®) utilizing ENHANZE technology for the treatment of patients with human epidermal growth factor receptor 2-positive breast cancer. Phesgo has since received approval in Europe and China. In September 2023, Chugai (a member of the Roche Group) announced that it had obtained regulatory approval for Phesgo from the Ministry of Health, Labour and Welfare in Japan. We receive royalties for Phesgo sales in Japan as part of our licensing agreement with Roche. In April 2025, Roche received a positive opinion from the European Medicines Agency’s Committee for Medicinal Products for Human Use recommending an update to the European Union (“EU”) label for Phesgo for human epidermal growth factor receptor 2-positive breast cancer. Administration of Phesgo outside of a clinical setting (such as in a person’s home) by a healthcare professional will be possible, once safely established in a clinical setting.

In June 2014, Roche launched MabThera® SC in Europe for the treatment of patients with common forms of non-Hodgkin lymphoma, followed by launches in additional countries. This formulation utilizes our ENHANZE technology and is administered in approximately five minutes compared to the approximate one and a half to four hour IV infusion. In May 2016, Roche announced that the European Medicines Agency approved MabThera SC to treat patients with chronic lymphocytic leukemia. In June 2017, the FDA approved Genentech’s RITUXAN HYCELA®, a combination of rituximab using ENHANZE technology (approved and marketed under the MabThera SC brand in countries outside the U.S. and Canada), for chronic lymphocytic leukemia and two types of non-Hodgkin lymphoma, follicular lymphoma and diffuse large B-cell lymphoma. In March 2018, Health Canada approved a combination of rituximab and ENHANZE (approved and marketed under the brand name RITUXAN® SC) for patients with chronic lymphocytic leukemia. In April 2024, MabThera SC was approved by the China National Medical Products Administration to treat diffuse large B-cell lymphoma.

In September 2017 and October 2018, we entered into agreements with Roche to develop and commercialize additional exclusive targets using ENHANZE technology. The upfront license payment may be followed by event-based payments subject to Roche's achievement of specified development, regulatory and sales-based milestones. In addition, Roche will pay royalties to us if products under the collaboration are commercialized.

In August 2023, Roche announced the approval of TECENTRIQ SC with ENHANZE by the Medicines and Healthcare products Regulatory Agency in the United Kingdom (the "UK"). In January 2024, Roche received European Commission marketing authorization for TECENTRIQ SC. In September 2024, Roche announced the FDA approved TECENTRIQ HYBREZA with ENHANZE. TECENTRIQ SC enables SC delivery in approximately seven minutes, compared with 30-60 minutes for IV infusion, and is approved for all adult indications of TECENTRIQ IV.

In June 2024, Roche announced the European Commission granted marketing authorization in the EU for OCREVUS SC as a twice a year ten-minute SC injection for the treatment of relapsing multiple sclerosis and primary progressive multiple sclerosis. In July 2024, Roche announced the Medicines and Healthcare products Regulatory Agency approved OCREVUS SC in the UK. In September 2024, Roche announced the FDA approved OCREVUS ZUNOVO with ENHANZE.

In December 2025, Roche nominated a new undisclosed non-exclusive target to be studied using ENHANZE.

Takeda Collaboration

In September 2007, we and Takeda entered into a collaboration and license agreement under which Takeda obtained a worldwide, exclusive license to develop and commercialize product combinations of rHuPH20 with GAMMAGARD LIQUID (HYQVIA®) (the "Takeda Collaboration"). HYQVIA is indicated for the treatment of Primary Immunodeficiency Disorders associated with defects in the immune system.

In May 2013, the European Commission granted Takeda marketing authorization in all EU Member States for the use of HYQVIA as replacement therapy for adult patients with Primary Immunodeficiency and secondary immunodeficiencies. Takeda launched HYQVIA in the first EU country in July 2013 and has continued to launch in additional countries. In May 2016, Takeda announced that HYQVIA received a marketing authorization from the European Commission for a pediatric indication.

In September 2014, HYQVIA was approved by the FDA for treatment of adult patients with Primary Immunodeficiency. HYQVIA is the first SC immune globulin treatment approved for adult Primary Immunodeficiency patients with a dosing regimen requiring only one infusion up to once per month (every three to four weeks) and one injection site per infusion in most patients, to deliver a full therapeutic dose of immune globulin.

In September 2020, Takeda announced the European Medicines Agency approved a label update for HYQVIA broadening its use and making it the first and only facilitated SC immunoglobulin replacement therapy in adults, adolescents and children with an expanded range of secondary immunodeficiencies.

In October 2021, Takeda initiated a Phase 1 single-dose, single-center, open-label, three-arm study to assess the tolerability and safety of immune globulin SC (human), 20% solution with ENHANZE (TAK-881) at various infusion rates in healthy adult subjects. In October 2023, Takeda initiated a Phase 2/3 study to evaluate pharmacokinetic measures, safety, and tolerability of SC administration of TAK-881 in adult and pediatric participants with Primary Immunodeficiency Diseases.

In April 2023, Takeda announced the FDA approved the supplemental Biologics License Application to expand the use of HYQVIA to treat Primary Immunodeficiency in children. In December 2024, Takeda announced the Ministry of Health, Labour and Welfare in Japan approved HYQVIA SC with ENHANZE for patients with agammaglobulinemia or hypogammaglobulinemia disorders characterized by very low or absent levels of antibodies and an increased risk of serious recurring infection caused by Primary Immunodeficiency or secondary immunodeficiencies.

In January 2024, Takeda received FDA and European Commission approval for HYQVIA for the treatment of chronic inflammatory demyelinating polyneuropathy in adults with stable chronic inflammatory demyelinating polyneuropathy. In June 2024, Takeda announced Health Canada approved HYQVIA as replacement therapy for primary humoral immunodeficiency and secondary humoral immunodeficiency in pediatric patients two years of age and older. In March 2025, Takeda announced Health Canada expanded the marketing authorization for HYQVIA to include chronic inflammatory demyelinating polyneuropathy as a maintenance therapy after stabilization with intravenous immunoglobulin to prevent relapse of neuromuscular disability and impairment in adults. In June 2025, Takeda announced the Ministry of Health, Labour and Welfare in Japan approved HYQVIA SC with ENHANZE for treatment of patients with chronic inflammatory demyelinating polyneuropathy and multifocal motor neuropathy.

In December 2025, we and Takeda entered into a new global collaboration and exclusive license agreement which provides Takeda with access to ENHANZE for use with vedolizumab, marketed globally as ENTYVIO®, for the treatment of adults with moderately to severely active Crohn's disease or ulcerative colitis, which are the two main forms of inflammatory bowel disease.

Pfizer Collaboration

In December 2012, we and Pfizer entered into a collaboration and license agreement, under which Pfizer has the worldwide license to develop and commercialize products combining our rHuPH20 enzyme with Pfizer proprietary biologics in primary care and specialty care indications. Pfizer currently has one non-exclusive target.

Janssen Collaboration

In December 2014, we and Janssen entered into a collaboration and license agreement, under which Janssen has the worldwide license to develop and commercialize products combining our rHuPH20 enzyme with Janssen proprietary biologics directed to up to five targets. Targets may be selected on an exclusive basis. Janssen elected CD38 and initiated several Phase 3 studies, Phase 2 studies and Phase 1 studies of DARZALEX[®] (daratumumab), directed at CD38, using ENHANZE technology in patients with amyloidosis, smoldering myeloma and multiple myeloma.

In May 2020, Janssen launched the commercial sale of DARZALEX FASPRO[®] (DARZALEX utilizing ENHANZE technology) in the U.S. in four regimens across five indications in multiple myeloma patients, including newly diagnosed, transplant-ineligible patients as well as relapsed or refractory patients. As a fixed-dose formulation, DARZALEX FASPRO can be administered over three to five minutes, significantly less time than DARZALEX IV, which requires multi-hour infusions. In June 2020, Janssen received European marketing authorization and launched the commercial sale of DARZALEX SC utilizing ENHANZE in the EU. Subsequent to these approvals, Janssen received several additional regulatory approvals for additional indications and patient populations in the U.S., EU, Japan and China. Beginning with the U.S., Janssen has marketing authorization for DARZALEX FASPRO in combination with bortezomib, thalidomide, and dexamethasone in newly diagnosed multiple myeloma patients who are eligible for autologous stem cell transplant, in combination with bortezomib, cyclophosphamide and dexamethasone for the treatment of adult patients with newly diagnosed AL amyloidosis, in combination with pomalidomide and dexamethasone for patients with multiple myeloma after first or subsequent relapse, and in combination with Kyprolis[®] (carfilzomib) and dexamethasone for patients with relapsed or refractory multiple myeloma who have received one to three prior lines of therapy. In the EU, Janssen has marketing authorization for DARZALEX SC in combination with bortezomib, cyclophosphamide and dexamethasone in newly diagnosed adult patients with AL amyloidosis and in combination with pomalidomide and dexamethasone in adult patients with relapsed or refractory multiple myeloma. In Japan, Janssen has marketing authorization for the SC formulation of DARZALEX (known as DARZQURO) for the treatment of multiple myeloma and systemic AL amyloidosis. In China, Janssen has marketing authorization for DARZALEX SC for the treatment of primary light chain amyloidosis, in combination with bortezomib, cyclophosphamide and dexamethasone in newly diagnosed patients.

In July 2024, Janssen announced the FDA approved DARZALEX FASPRO in combination with bortezomib, lenalidomide and dexamethasone for induction and consolidation treatment and with lenalidomide for maintenance treatment of adult patients who are newly diagnosed with multiple myeloma and are eligible for autologous stem cell transplant, with approval also received from the European Commission in October 2024. In April 2025, Janssen received European Commission approval for an indication extension of DARZALEX SC in combination with bortezomib, lenalidomide, and dexamethasone for the treatment of adult patients with newly diagnosed multiple myeloma regardless of transplant eligibility. In July 2025, Janssen announced European Commission approval of a new indication for DARZALEX SC (daratumumab) co-formulated with ENHANZE, as a monotherapy for the treatment of adult patients with smoldering multiple myeloma at high-risk of developing multiple myeloma. In November 2025, Janssen announced the FDA approved DARZALEX FASPRO (daratumumab and hyaluronidase-fihj) co-formulated with ENHANZE, as single treatment of adult patients with high-risk smoldering multiple myeloma. In January 2026, Janssen announced the FDA approved DARZALEX FASPRO (daratumumab and hyaluronidase-fihj) in combination with bortezomib, lenalidomide and dexamethasone for the treatment of adult patients with newly diagnosed multiple myeloma who are ineligible for autologous stem cell transplant.

In December 2019, Janssen elected epidermal growth factor receptor and mesenchymal-epithelial transition factor as a bispecific antibody (amivantamab) target on an exclusive basis, which is being studied in solid tumors. In September 2022, following a Phase 1 study, Janssen initiated a Phase 3 study of lazertinib and amivantamab with ENHANZE in patients with epidermal growth factor receptor-mutated advanced or metastatic non-small cell lung cancer (PALOMA-3). In November 2022, Janssen initiated a Phase 2 study of amivantamab with ENHANZE in multiple regimens in patients with advanced or metastatic solid tumors including epidermal growth factor receptor-mutated non-small cell lung cancer (PALOMA-2). The administration time for SC amivantamab was reduced to approximately five minutes from approximately five hours per day for the first IV amivantamab infusion and an average of 2.3 hours for subcutaneous infusions and showed a five-fold reduction in infusion-related reactions. SC amivantamab also demonstrated longer overall survival, progression-free survival and duration of response. In April 2025, Janssen received European Commission marketing authorization of the SC formulation of RYBREVANT (amivantamab) with ENHANZE, in combination with LAZCLUZE (lazertinib), for the first-line treatment of adult patients with advanced non-small cell lung cancer with epidermal growth factor receptor exon 19 deletions or exon 21 L858R substitution mutations. RYBREVANT (amivantamab) is approved as a monotherapy for adult patients with advanced non-small cell lung cancer with activating epidermal growth factor receptor exon 20 insertion mutations after the failure of

platinum-based therapy. In December 2025, Janssen announced the FDA approved RYBREVANT FASPRO (amivantamab and hyaluronidase-lpuj) for the treatment of patients with epidermal growth factor receptor-mutated locally advanced or metastatic non-small cell lung cancer. In December 2025, Janssen received approval from the Ministry of Health, Labour and Welfare in Japan for RYBROFAZ (amivantamab) with ENHANZE for the first-line treatment of adult patients with advanced non-small cell lung cancer. In December 2025, Janssen received approval from the National Medical Products Administration in China for RYBREVANT FASPRO for the first-line treatment of adult patients with advanced non-small cell lung cancer.

AbbVie Collaboration

In June 2015, we and AbbVie entered into a collaboration and license agreement, under which AbbVie has the worldwide license to develop and commercialize products combining our rHuPH20 enzyme with AbbVie proprietary biologics. AbbVie currently has the right to select up to nine targets. Targets may be selected on an exclusive basis.

Lilly Collaboration

In December 2015, we and Lilly entered into a collaboration and license agreement, under which Lilly has the worldwide license to develop and commercialize products combining our rHuPH20 enzyme with Lilly proprietary biologics. Lilly currently has the right to select up to three targets. Targets may be selected on an exclusive basis.

BMS Collaboration

In September 2017, we and BMS entered into a collaboration and license agreement, which became effective in November 2017, under which BMS had the worldwide license to develop and commercialize products combining our rHuPH20 enzyme with BMS products directed at up to eleven targets. Targets may be selected on an exclusive basis or non-exclusive basis. BMS has designated multiple immuno-oncology targets including programmed death 1 and has an option to select three additional targets by September 2026. In December 2024, BMS announced the FDA approved Opdivo® Qvantig (nivolumab and hyaluronidase-nvhy) with ENHANZE for SC use in most previously approved adult, solid IV Opdivo (nivolumab) indications. Opdivo Qvantig is the first and only SC administered programmed death 1 inhibitor. In May 2025, BMS received European Commission approval of Opdivo SC, the subcutaneous formulation of Opdivo (nivolumab) developed with ENHANZE, for use across multiple adult solid tumors.

In March 2023, BMS initiated a Phase 3 study to demonstrate the drug exposure levels of nivolumab and relatlimab fixed-dose combination with ENHANZE is not inferior to IV administration in participants with previously untreated metastatic or unresectable melanoma (RELATIVITY-127). BMS has decided not to advance the subcutaneous nivolumab plus relatlimab program.

argenx Collaboration

In February 2019, we and argenx entered into an agreement for the right to develop and commercialize one exclusive target, the human neonatal Fc receptor FcRn, which includes argenx's lead asset efgartigimod (ARGX-113), and an option to select two additional targets using ENHANZE technology. In May 2019, argenx nominated a second target to be studied using ENHANZE technology, a human complement factor C2 associated with the product candidate ARGX-117, which is being developed to treat severe autoimmune diseases in Multifocal Motor Neuropathy. In October 2020, we and argenx entered into an agreement to expand the collaboration relationship, adding three targets for a total of up to six targets under the collaboration. In September 2024, argenx nominated four additional targets under its global collaboration and license agreement that provides them with exclusive access to our ENHANZE drug delivery technology for these targets, for a total of six targets.

In June 2023, argenx received FDA approval under the brand name VYVGART® Hytrulo for the SC injection with ENHANZE for the treatment of generalized myasthenia gravis in adult patients who are anti-acetylcholine receptor antibody positive. In November 2023, argenx received European Commission approval of VYVGART SC for the treatment of generalized myasthenia gravis, which also provides the option for patient self-administration. In January 2024, argenx received Japan approval for VYVDURA® (efgartigimod alfa and hyaluronidase-qvfc) co-formulated with ENHANZE for the treatment of adult patients with generalized myasthenia gravis including options for self-administration. In July 2024, argenx announced the National Medical Products Administration approved the Biologics License Application of efgartigimod alfa SC (efgartigimod SC) for generalized myasthenia gravis patients in China.

In July 2023, argenx reported positive data from the ADHERE study evaluating VYVGART Hytrulo with ENHANZE in adults with chronic inflammatory demyelinating polyneuropathy. In June 2024, argenx announced the FDA approved VYVGART Hytrulo with ENHANZE for the treatment of chronic inflammatory demyelinating polyneuropathy. In November 2024, Zai Lab Limited (argenx commercial partner for China) announced the National Medical Products Administration approval of VYVGART Hytrulo for the treatment of patients with chronic inflammatory demyelinating polyneuropathy. In December 2024, argenx announced the Ministry of Health, Labour and Welfare in Japan approved VYVDURA for the treatment of patients with chronic inflammatory demyelinating polyneuropathy. In June 2025, argenx announced European Commission approval of VYVGART SC with ENHANZE for the treatment of adult patients with progressive or relapsing

active chronic inflammatory demyelinating polyneuropathy after prior treatment with corticosteroids or immunoglobulins. VYVGART SC injection is available as a vial or prefilled syringe and can be administered by a patient, caregiver, or healthcare professional.

In April 2025, argenx received FDA approval of VYVGART Hytrulo prefilled syringe for self-injection for the treatment of adult patients with generalized myasthenia gravis who are anti-acetylcholine receptor antibody positive and adult patients with chronic inflammatory demyelinating polyneuropathy. In September 2025, argenx announced the Ministry of Health, Labour and Welfare in Japan approved VYVDURA prefilled syringe for self-injection for the treatment of adult patients with generalized myasthenia gravis and adult patients with chronic inflammatory demyelinating polyneuropathy.

argenx is currently conducting the following studies with the goal of expanding approved indications for efgartigimod with ENHANZE: Phase 2/3 (ALKIVIA) study in active idiopathic inflammatory myopathy (Myositis), Phase 2 (Shamrock) study for kidney transplant recipients with antibody mediated rejection, Phase 3 (ADAPT oculus) study for adult patients with ocular myasthenia gravis, Phase 3 (Unity) study in patients with moderate-to-severe Primary Sjogren's Disease and Phase 2 (eSScape) study in adults with Systemic Sclerosis.

In May 2025, argenx initiated a Phase 1 study to evaluate ARGX-213 with ENHANZE.

In the fourth quarter of 2025, the ongoing argenx ARGX-121 Phase 1 program was expanded to include an SC-arm evaluating ARGX-121 with ENHANZE in healthy adults.

ViiV Healthcare Collaboration

In June 2021, we and ViiV entered into a global collaboration and license agreement that gives ViiV exclusive access to our ENHANZE technology for four specific small and large molecule targets for the treatment and prevention of HIV. These targets are integrase inhibitors, reverse transcriptase inhibitors limited to nucleoside reverse transcriptase inhibitors and nucleoside reverse transcriptase translocation inhibitors, capsid inhibitors and broadly neutralising monoclonal antibodies, that bind to the gp120 CD4 binding site.

In the third quarter of 2023, ViiV initiated a Phase 1 study with ENHANZE for an undisclosed program. In March 2024, ViiV initiated a Phase 1 study of VH4524184 with ENHANZE to evaluate the safety, tolerability, and pharmacokinetic measures in healthy adults.

In September 2024, we and ViiV expanded the existing global collaboration and license agreement, providing ViiV exclusive access to our ENHANZE drug delivery technology for one additional undisclosed target.

Chugai Collaboration

In March 2022, we and Chugai entered into a global collaboration and license agreement that gives Chugai exclusive access to ENHANZE technology for an undisclosed target. In May 2022, Chugai initiated a Phase 1 study to evaluate the pharmacokinetic measures, pharmacodynamics, and safety of a targeted antibody administered subcutaneously with ENHANZE. Chugai has notified us that they have terminated this program and are evaluating other potential target programs with ENHANZE.

Acumen Collaboration

In November 2023, we and Acumen entered into a global collaboration and non-exclusive license agreement that provides Acumen access to ENHANZE for a single target. Acumen intends to explore the potential use of ENHANZE for ACU193, Acumen's clinical stage monoclonal antibody candidate to target Amyloid- β Oligomers for the treatment of early Alzheimer's disease. In May 2024, Acumen initiated a Phase 2 IV study for ACU193. In July 2024, Acumen initiated a Phase 1 study of sabirnetug (ACU193) with ENHANZE to compare the pharmacokinetic measures between SC and IV administrations in healthy volunteers. In March 2025, Acumen announced top-line results from this study that demonstrated weekly SC administration of sabirnetug was well-tolerated with systematic exposure supporting further clinical development.

Merus Collaboration

In November 2025, we and Merus entered into a non-exclusive global collaboration and license agreement that provides Merus access to ENHANZE for the development and potential commercialization of SC formulation of petosemtamab, an epidermal growth factor receptor and leucine-rich repeat-containing G-protein coupled receptor 5 bispecific antibody, for the treatment of head and neck cancer.

Skye Bioscience Collaboration

In December 2025, we and Skye Bioscience entered into a non-exclusive global collaboration and license agreement that provides Skye Bioscience access to ENHANZE for the development and potential commercialization of SC formulation of nimacimab for the treatment of obesity.

Hypercon Collaborations

argenx Collaboration

In April 2021, we and argenx entered into a collaboration and license agreement that provides argenx the right to develop and commercialize one target directed at the human neonatal fragment crystallizable receptor, including efgartigimod as well as an option to nominate a second target using Hypercon technology.

Lilly Collaboration

In October 2023, we and Lilly entered into a research collaboration and exclusive license agreement that provides Lilly the right to develop and commercialize three initial targets as well as options to nominate up to two additional targets using Hypercon technology.

Janssen Collaboration

In December 2023, we and Janssen entered into a collaboration and exclusive license agreement that provides Janssen with the right to develop and commercialize an initial target as well as options to nominate up to four additional targets using Hypercon technology.

Device and Other Drug Product Collaborations

Teva License, Development and Supply Agreements

In July 2006, we entered into an exclusive license, development and supply agreement with Teva for an epinephrine auto-injector product to be marketed in the U.S. and Canada. We are the exclusive supplier of the device, which we developed, for Teva's generic Epinephrine Injection USP products, indicated for emergency treatment of severe allergic reactions including those that are life threatening (anaphylaxis) in adults and certain pediatric patients. Teva's Epinephrine Injection, utilizing our patented VIBEX[®] injection technology, was approved by the FDA as a generic drug product with an AB rating, meaning that it is therapeutically equivalent to the branded products EpiPen[®] and EpiPen Jr[®] and therefore, subject to state law, substitutable at the pharmacy.

In December 2007, we entered into a license, development and supply agreement with Teva under which we developed and supply a disposable pen injector for teriparatide. Under the agreement, we received an upfront payment and development milestones, and are entitled to receive royalties on net product sales by Teva in territories where commercialized.

We are the exclusive supplier of the multi-dose pen, which we developed, used in Teva's generic teriparatide injection product. In 2020, Teva launched Teriparatide Injection, the generic version of Lilly's branded product Forsteo[®] featuring our multi-dose pen platform, for commercial sale in several countries outside of the U.S. In November 2023, Teva announced FDA approval of the generic version of Forsteo, featuring our multi-dose auto-injector pen platform for the treatment of osteoporosis among certain women and men.

Pfizer Agreement

In August 2018, we entered into a development agreement with Pfizer to jointly develop a combination drug device rescue pen utilizing the QuickShot auto-injector and an undisclosed Pfizer drug. Pfizer has provided the intellectual property rights for further development of the product to us and has retained an option to assist in the marketing, distribution and sale if we complete development of the product and submit for regulatory approval. We are continuing to evaluate the next steps for this program.

Viatrix Agreement

In November 2019, we entered into a global development agreement with Idorsia Pharmaceuticals Ltd. ("Idorsia") which was subsequently assigned to McDermott Laboratories Limited, an affiliate of Viatrix, in February 2025 to develop a novel, drug-device product containing selatogrel. A new chemical entity, selatogrel, is being developed for the treatment of a suspected acute myocardial infarction in adult patients with a recent history of acute myocardial infarction.

In August 2021, Idorsia initiated a multi-center, double-blind, randomized, placebo-controlled, parallel-group Phase 3 study to evaluate the efficacy and safety of self-administered SC selatogrel for prevention of all-cause death and treatment of acute myocardial infarction in subjects with a recent history of acute myocardial infarction.

In December 2025, we entered into a commercial license and supply agreement with Viatrix under which we license and supply an auto-injector product for self-administered SC selatogrel for the treatment of acute myocardial infarction in adult patients.

Patents and Intellectual Proprietary Rights

Patents and other intellectual proprietary rights are essential to our business. Our success will depend in part on our ability to obtain patent protection for our inventions, to preserve our trade secrets and to operate without infringing the proprietary rights of third parties. Our strategy is to actively pursue patent protection in the U.S. and certain foreign jurisdictions for technology that we believe to be proprietary to us and that offers us a potential competitive advantage.

Halozyme Patent Portfolio

Our Halozyme patent portfolio includes patents and pending applications that we own solely and, in some cases, jointly with several licensees in the U.S., Europe and other countries in the world. In general, patents have a term of 20 years from the application filing date or earlier claimed priority date. We continue to file and prosecute patent applications to strengthen and grow our patent portfolio pertaining to the drug delivery technologies we license and the drugs and drug delivery devices we provide. Our patent portfolio primarily covers compositions of matter, formulations, methods of use, administration and manufacture, and drug delivery devices. We have multiple patents and patent applications throughout the world pertaining to our recombinant human hyaluronidase and methods of use and manufacture, including an issued U.S. patent which expires in 2027, an issued European patent which expires in 2029, and additional patents that are valid into 2029, which we believe cover the products and product candidates under our ENHANZE collaborations and Hylenex recombinant. We have multiple patents and patent applications throughout the world pertaining to our modified human-derived hyaluronidases and methods of use, including issued U.S. patents which expire between 2032-2034, and issued European and other foreign patents which expire in 2032, which we license as our MDASE patents. We also have a large and diverse number of patents and patent applications throughout the world covering the Hypercon and Surf Bio hyperconcentration technologies, with multiple issued U.S. and foreign patents having expiration dates into the mid 2040's. In addition, we have, under prosecution throughout the world, multiple patent applications that relate specifically to individual product candidates under development, and jointly owned patent applications relating to our collaborations with several licensees (including, but not limited to, patent applications covering co-formulations and methods of treatment or use that if granted will be valid into the 2040s), the expiration of which can only be definitely determined upon maturation into our issued patents. We believe our patent filings represent a barrier to entry for potential competitors looking to utilize these hyaluronidases, other drugs and drug delivery devices.

Other Proprietary Rights

In addition to patents, we rely on trade secrets, proprietary know-how, regulatory exclusivities and continuing technological innovation to protect our products and technologies. We protect our trade secrets, proprietary know-how and innovation, in part, by maintaining physical security of our sites and electronic security of our information technology systems and utilizing confidentiality and proprietary information agreements. Our policy is to require our employees, directors, consultants, advisors, partners, outside scientific partners and sponsored researchers, other advisors and other individuals and entities to execute confidentiality agreements upon the start of employment, consulting or other contractual relationships with us. These agreements provide that all confidential information developed or made known to the individual or entity during the course of the relationship is to be kept confidential and not disclosed to third parties except in specific circumstances. In the case of employees and some other parties, the agreements provide that all discoveries and inventions conceived by the individual will be our exclusive property. In certain instances, partners with which we have entered into development agreements may have rights to certain technology developed in connection with such agreements. Despite the use of these agreements and our efforts to protect our intellectual property, there is a risk of unauthorized use or disclosure of information. Furthermore, our trade secrets may otherwise become known to, or underlying technology may be independently developed by, our competitors.

We also file trademark applications to protect the names of our products and product candidates. These applications may not mature to registration and may be challenged by third parties. We are pursuing trademark protection in a number of different countries around the world.

Research and Development Activities

Our research and development expenses consist primarily of costs associated with the product development, quality and regulatory work required to maintain the ENHANZE, Hypercon technology and the Surf Bio technology platforms, expenses associated with testing of new high-volume auto-injectors, activities and support for our partners in their development and manufacturing of product candidates performed on behalf of our partners, compensation and other expenses for research and development personnel, supplies and materials, facility costs and depreciation. We charge all research and development expenses to operations as they are incurred.

Manufacturing

ENHANZE

We do not have our own manufacturing facility for our product and our partners' products and product candidates, or the capability to package our products. We have engaged third parties to manufacture bulk rHuPH20 and Hylenex.

We have existing supply agreements with contract manufacturing organizations Avid Bioservices, Inc. ("Avid"), Catalent Indiana LLC ("Catalent") and Lonza Sales AG ("Lonza") to produce supplies of bulk rHuPH20. Avid and Catalent currently produce and we anticipate Lonza will eventually produce bulk rHuPH20 under current Good Manufacturing Practices for clinical and commercial uses. Catalent currently produces bulk rHuPH20 for use in Hylenex and collaboration products and product candidates. Avid currently produces bulk rHuPH20 for use in collaboration products and product candidates. We rely on their ability to successfully manufacture these batches according to product specifications. It is important for our business for Catalent and Avid to (i) retain their status as current Good Manufacturing Practices-approved manufacturing facilities; (ii) successfully scale up bulk rHuPH20 production; and/or (iii) manufacture the bulk rHuPH20 required by us and our partners for use in our proprietary and collaboration products and product candidates. In addition to supply obligations, Avid and Catalent also provide support for data and information used in the chemistry, manufacturing and controls sections for FDA and other regulatory filings.

We have a commercial manufacturing and supply agreement with Patheon Manufacturing Services, LLC ("Patheon") under which Patheon will provide the final fill and finishing steps in the production process of Hylenex recombinant.

Devices

We also use third parties to manufacture our auto-injector technology products and product candidates, including the products and related components we supply to our partners. For our products and product candidates, we verify that they are manufactured in accordance with FDA's current Good Manufacturing Practices for drug products and the FDA's current Quality System Regulations for medical devices and equivalent provisions in the EU and elsewhere, which are required as part of the overall obligations necessary, in the EU for instance, to obtain a CE-mark. We enter into quality agreements with our third-party manufacturers which require compliance with current Good Manufacturing Practices, Quality System Regulations and foreign equivalents, to the extent applicable. We use third-party service providers to manufacture, assemble and package our products and product candidates under our direction. We monitor and evaluate manufacturers and suppliers to assess compliance with regulatory requirements and our internal quality standards and benchmarks. We perform quality reviews of manufacturing for all of our product candidates and products, and quality releases for all of our product candidates and products that we sponsor or commercialize.

We use third-party manufacturers to manufacture and supply certain components, drugs, final assembly and finished product. Below is a summary of our key production, manufacturing, assembly and packaging arrangements with third-party manufacturers for products commercialized by us and our partners:

- Phillips-Medisize Corporation, an international outsource provider of design and manufacturing services, produces commercial quantities of components of our QuickShot auto-injector device for XYOSTED and other partnered products and our VIBEX epinephrine auto-injector product with Teva.
- ComDel Innovation, Inc., a domestic provider of integrated solutions for product development, tooling, and manufacturing, produces commercial quantities of components for the VIBEX epinephrine and teriparatide auto-injector products with Teva.
- Fresenius Kabi and Pharmaceuics International Inc. supply commercial quantities of pre-filled syringes of testosterone for XYOSTED.
- Sharp Corporation, an international contract packaging company, assembles and packages XYOSTED auto-injector products.
- Nolato Contour, Inc. produces commercial quantities of components of our QuickShot auto-injector device for XYOSTED.

In addition, our Minnetonka, Minnesota facility supports our administrative functions, product development and quality operations and provides additional assembling and warehousing capabilities for XYOSTED and some of our partnered products.

Our Boston, Massachusetts facilities support our research and development, quality operations and administrative functions for our Hypercon technology.

Sales, Marketing and Distribution

We have two teams of sales specialists, one that provide hospital and surgery center customers with the information needed to obtain formulary approval for, and support utilization of, Hylenex recombinant and one that supports the promotion of our testosterone product XYOSTED. Our commercial activities also include marketing and related services and commercial support services such as commercial operations, managed markets and commercial analytics. We also employ third-party vendors, such as advertising agencies, market research firms and suppliers of marketing and other sales support related services to assist with our commercial activities.

We sell XYOSTED and Hylenex recombinant in the U.S. to wholesale pharmaceutical distributors, who sell Hylenex to hospitals and XYOSTED to other end-user customers. We engage Integrated Commercialization Solutions, a division of AmerisourceBergen Specialty Group, a subsidiary of AmerisourceBergen, to act as our exclusive distributor for commercial shipment and distribution of Hylenex recombinant to our customers in the U.S. We also contract with numerous wholesale distributors, including Cardinal Health 105, Inc., also known as Specialty Pharmaceutical Services (“Cardinal”), McKesson Corporation and Cencora Inc. (formerly known as AmerisourceBergen Corporation) to distribute XYOSTED, to retail pharmacies as well as the Veterans Administration and other governmental agencies.

In addition to shipping and distribution services, these distributors and third-party logistics providers Cardinal, and Knipper Health, Inc. (“Knipper”) provide us with other key services. Cardinal provides us with services related to logistics, warehousing, returns and inventory management, sales reports, contract administration, chargebacks processing and accounts receivable management. Knipper provides us with the same services except chargeback processing. We also use a division of Cardinal for sample administration. In addition, we utilize these third parties to perform various other services for us relating to regulatory monitoring. In exchange for these services, we pay fees to certain distributors based on a percentage of wholesale acquisition cost. We have also contracted with several specialty pharmacies to support fulfillment of certain prescriptions. In addition, we use third parties to perform various other services for us relating to regulatory monitoring, including adverse event reporting, safety database management and other product maintenance services.

Competition

The pharmaceutical industry is characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary therapeutics. We face competition from a number of sources, some of which may target the same indications as our product or product candidates, including large pharmaceutical companies, smaller pharmaceutical companies, biotechnology companies, academic institutions, government agencies and private and public research institutions, many of which have greater financial resources, drug development experience, sales and marketing capabilities, including larger, well established sales forces, manufacturing capabilities, experience in obtaining regulatory approvals for product candidates and other resources than us.

ENHANZE

Our ENHANZE technology may face increasing competition from alternate approaches and/or emerging technologies to deliver medicines SC. For example, Alteogen Inc. has developed ALT-B4, a modified human hyaluronidase that has been licensed for use in SC formulations. In addition, our partners face competition in the commercialization of the product candidates for which the partners seek marketing approval from the FDA and other regulatory authorities.

Hylenex Recombinant

Hylenex recombinant is currently the only FDA-approved recombinant human hyaluronidase on the market. The competitors for Hylenex recombinant include Amphastar Pharmaceuticals, Inc.’s product, Amphadase[®], a bovine (bull) hyaluronidase.

XYOSTED

In the U.S., there are several different formulations for testosterone replacement therapy including intramuscular injection, transdermal patches and gels, oral formulations and nasal gels. Potential competition in the U.S. testosterone replacement market includes transdermal solutions such as AbbVie’s AndroGel[®] 1% and 1.62%, Perrigo’s generic AndroGel[®] Topical Gel 1.62%, Lilly’s Axiron[®], as well as Endo, Inc.’s (“Endo”) Testim[®] and Fortesta[®] (and the authorized generic). Other forms of testosterone replacement therapy include injectables such as Endo’s Aveed[®] and Pfizer’s Depo[®]-Testosterone, surgically implanted Testopel[®] pellets by Endo and intranasal Natesto[®]. JATENZO[®] by Tolmar Pharmaceuticals, Inc., TLANDO[®] by Verity Pharmaceuticals Inc. and Kyzatrex by Marius Pharmaceuticals, Inc. all represent oral formulations of testosterone.

Devices

We have a wide range of competitors depending upon the branded or generic marketplace, the therapeutic product category, and the product type, including dosage strengths and route of administration. Our competitors include established specialty pharmaceutical companies, major brand name and generic manufacturers of pharmaceuticals such as Teva, Viatris, Lilly and Endo, as well as a wide range of medical device companies that sell a single or limited number of competitive products or participate in only a specific market segment. Our competitors also include third party contract medical device design and development companies such as Scandinavian Health Ltd., Ypsomed AG, West Pharmaceutical and Owen Mumford Ltd. Many of our competitors have greater financial and other resources than we have, such as more commercial resources, larger research and development staffs and more extensive marketing and manufacturing organizations. Smaller or early stage emerging companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies.

Government Regulations

The FDA and comparable regulatory agencies in foreign countries regulate the manufacture and sale of the pharmaceutical products that we or our partners have developed or that our partners currently are developing. The FDA has established guidelines and safety standards that are applicable to the laboratory and preclinical evaluation and clinical investigation of therapeutic products and stringent regulations that govern the manufacture and sale of these products. The process of obtaining regulatory approval for a new therapeutic product usually requires a significant amount of time and substantial resources.

Regulatory obligations continue post-approval and include the reporting of adverse events when a drug is utilized in the broader patient population. Promotion and marketing of drugs is also strictly regulated, with penalties imposed for violations of FDA regulations, the Lanham Act and other federal and state laws, including the federal anti-kickback statute.

We currently intend to continue to seek, through our partners, approval to market products and product candidates in foreign countries, which may have regulatory processes that differ materially from those of the FDA. Our partners may rely upon independent consultants to seek and gain approvals to market our proposed products in foreign countries or may rely on other pharmaceutical or biotechnology companies to license our proposed products. We cannot guarantee that approvals to market any of our partners' products can be obtained in any country. Approval to market a product in any one foreign country does not necessarily indicate that approval can be obtained in other countries.

From time to time, legislation is drafted and introduced in Congress that could significantly change the statutory provisions governing the approval, manufacturing and marketing of drug products. In addition, FDA regulations and guidance may be revised or reinterpreted by the agency or reviewing courts in ways that may significantly affect our business and development of our partners' product candidates and any products that we may commercialize. It is impossible to predict whether additional legislative changes will be enacted, or FDA regulations, guidance or interpretations changed, or what the impact of any such changes may be.

Information about our Executive Officers

Information concerning our executive officers, including their names, ages and certain biographical information can be found in Part III, Item 10, *Directors, Executive Officers and Corporate Governance*. This information is incorporated by reference into Part I of this report.

Human Capital Management

The experience, expertise and dedication of our employees drive the progress and accomplishments of Halozyme.

As of February 10, 2026, we had 423 full-time employees. None of our employees are unionized and we believe our employee relations to be good.

Recognizing the value of our employees and the contributions they make in achieving our business objectives and overall success, we focus on creating and providing an inclusive and safe work environment where employees are respected and rewarded for their contributions, work together as one team, have opportunities to grow and develop their careers, and support the communities in which we work. We also believe this approach to human capital management is essential to attracting and retaining employees in the highly competitive biotechnology and pharmaceutical labor market. To achieve this supportive working environment, our human capital management efforts focus on:

Corporate Values and Ethics

The foundation of our human capital management strategy is contained in our corporate Operating Principles and our Code of Conduct and Ethics (the “Code of Conduct”), both of which provide uniform guidance to all our employees regarding expectations for performance and proper workplace behavior.

Our Operating Principles emphasize working as one team, respecting and valuing fellow team members, innovation and accountability. Our Operating Principles help create an environment in which all employees are proud and motivated to contribute their valued talents to achieving corporate goals and objectives, and emphasize personal accountability as a means to fulfill our commitments to patients, partners, shareholders and each other.

Our Board of Directors adopted and regularly reviews the Code of Conduct, which applies to all of our employees, officers and directors. Adherence to the Code of Conduct helps ensure that all employees can feel a part of an organization that emphasizes adherence to laws and policies covering the industry in which we work. Our Code of Conduct also emphasizes each employee’s accountability for making decisions and taking actions in a highly ethical manner with a focus on honesty, fairness and integrity and treating all fellow employees in a respectful and inclusive manner. We have established a reporting hotline that enables employees to file anonymous reports of any suspected violations of the Code of Conduct. We believe that providing an ethical environment in which to work is vital to our efforts to attract, retain and develop our employees.

Inclusion

We seek to have an inclusive workforce where individuals of all backgrounds and experiences feel heard, valued and empowered. All have the opportunity to drive innovation, strengthen collaboration, and take actions to serve patients. Through our hiring practices, we seek to support and expand our workforce diversity. Our Elevate leadership training program equips leaders with tools to recognize and mitigate unconscious bias, foster trust, and lead in ways that promote inclusion and a sense of belonging across teams.

Professional Development for Employees at All Levels

We are firmly committed to employee development as an essential driver of our future growth and overall success of Halozyme. We understand that high performing employees are always seeking a challenge and are always looking for ways to broaden, deepen and develop their skills and grow professionally. To support individual employee growth and development, managers work with the employee to create an individual development plan providing the employees the opportunity and accountability to document their career goals and discuss the actions necessary to achieve those goals.

We have three internal training programs: (i) our senior leader development program is focused on advancing business acumen and leadership skills, (ii) our Elevate management development program is focused on strengthening people management capabilities, and (iii) our learning and development curriculum for the entire organization is focused on personal, professional, team and leadership development opportunities and grounded in our established leadership attributes which identify the knowledge, skills, abilities and behaviors that contribute to individual and organizational performance. In addition, everyone attends or participates in compliance, harassment prevention, and safety training and we offer education assistance for college and university courses, training seminars and educational conference attendance opportunities to all employees.

We underscore our commitment to professional development by allocating 12 hours of dedicated learning time per employee annually. During this time, employees have the autonomy to select from various learning modalities, from instructor-facilitated offerings to digital platforms, to suit their individual learning preferences.

To monitor progress, we review our succession plan for key leadership positions as part of our annual talent review and identify development opportunities to help ensure potential successor readiness.

Employee Engagement

Employee engagement is central to our performance-driven culture. We believe that when employees feel connected, valued, and heard, they are energized to do their best work and that directly impacts our ability to deliver for patients and stakeholders.

We have teams in place at each of our sites to help foster a deep sense of engagement on an ongoing basis. Our C.A.R.E. Squad, a cross-functional volunteer team, continues to bring our “One Team” culture to life through initiatives focused on Celebration, Appreciation, Recognition, and Engagement. From company-wide events to random acts of kindness, the C.A.R.E. Squad fosters unity and purpose across our sites.

We prioritize open communication as a foundation of trust. Employees have direct access to leadership through skip-level meetings with our Chief Executive Officer (“CEO”) and senior leaders, bi-weekly all-employee meetings, and weekly newsletters that share strategic and operational updates.

To continuously improve, we conduct periodic employee engagement surveys with high participation rates. Our most recent employee survey identified collaboration as an areas of opportunity. We have taken several steps to further strengthen our workplace experience, including hosting our inaugural “Making the Difference” celebration. As part of this company-wide event, we deepened awareness of what individual groups do, created connections and increased belonging across teams, while also celebrating company milestones and hearing powerful stories from patients. We also introduced our Operating Principles to guide our daily activities, launched leadership training to empower decision-making at the right levels, and placed a renewed focus on individual development plans to support career growth and advancement.

Compensation and Benefits

Our compensation and benefits programs, with oversight from the Compensation Committee of our Board of Directors, are designed to attract, retain and reward employees through competitive salaries, annual bonus eligibility, long-term incentive awards, an Employee Stock Purchase Plan, a 401(k) Plan, healthcare and insurance benefits, health savings and flexible spending accounts, paid time off, family leave, and employee assistance programs. Each year we benchmark our salaries and benefits and confirm we are satisfied with the competitiveness of our total compensation offering. We also provide a variety of peer-to-peer and corporate recognition programs to celebrate and recognize our employees for their hard work and contributions.

Employee Health and Safety

We are committed to protecting the health and safety of our employees, visitors, clients, and the public. Health and safety practices are integrated into our business processes and align with our Corporate Sustainability program philosophy and requirements. We maintain robust health and safety management systems and have established procedures that reduce the risk of injury and ensure compliance with applicable laws and regulations. Continuous improvement is a key component of our health and safety efforts. We establish objectives and performance targets and periodically review results both with our internal safety committee as well as at the Executive and Board level to ensure our high standards are maintained. Our leadership team is active and engaged in supporting our health and safety program. Our employees are empowered and responsible for integrating health and safety into their daily work activities and we have experienced health and safety professionals on staff to guide these efforts.

Corporate Citizenship

At Halozyme, we value community engagement. We are committed to driving a positive impact within the communities where we live and work, and we provide our employees with multiple opportunities to contribute to the community, including providing company-wide community service days.

Our commitment to community activities is an important element of our culture and over the past several years we have actively supported organizations that are making strides in the following areas:

- Advocacy and support for patients and healthcare;
- Addressing and reducing health disparities;
- Promoting STEM (Science, Technology, Engineering and Mathematics) education;
- Delivering humanitarian services (e.g., food drives, home builds, meal services);
- Protecting and improving the environment (e.g., lagoon cleanup events, park restoration); and
- Supporting children in underserved communities (e.g. school supply drives, holiday adopt-a-family).

Item 1A. Risk Factors

Risks Related To Our Business

If our partnered or proprietary product candidates do not receive and maintain regulatory approvals, or if approvals are not obtained in a timely manner, such failure or delay would substantially impact our ability to generate revenues.

Approval from the FDA or equivalent health authorities is necessary to design, develop, test, manufacture and market pharmaceutical products and medical devices in the U.S. and the other countries in which we anticipate doing business have similar requirements. The process for obtaining FDA and other regulatory approvals is extensive, time-consuming, risky and costly, and there is no guarantee that the FDA or other regulatory bodies will approve any applications that may be filed with respect to any of our partnered or proprietary product candidates, or that the timing of any such approval will be appropriate for the desired product launch schedule for a product candidate. We and our partners may provide guidance as to the timing for the filing and acceptance of such regulatory approvals, but such filings and approvals may not occur when we or our partners expect, or at all. The FDA or other foreign regulatory agency may refuse or delay approval of our partnered or proprietary product candidates for failure to collect sufficient clinical or animal safety data and require additional clinical or animal safety studies which may cause lengthy delays and increased costs to our or our partners' development programs. Any such issues associated with rHuPH20 could have an adverse impact on future development of our partners' products which include rHuPH20, future sales of Hylenex recombinant, or our ability to maintain our existing ENHANZE collaborations or enter into new ENHANZE collaborations.

We and our partners may not be successful in obtaining approvals for any additional potential products in a timely manner, or at all.

Refer to the risk factor titled "*Our partnered or proprietary product candidates may not receive regulatory approvals or their development may be delayed for a variety of reasons, including delayed or unsuccessful clinical trials, regulatory requirements or safety concerns*" for additional information relating to the approval of product candidates.

Additionally, even with respect to products which have been approved for commercialization, in order to continue to manufacture and market pharmaceutical and medical device products, we or our partners must maintain our regulatory approvals. If we or any of our partners are unsuccessful in maintaining the required regulatory approvals, our revenues would be adversely affected.

Use of our partnered or proprietary products and product candidates could be associated with adverse events or product recalls.

As with most pharmaceutical and medical device products, our partnered or proprietary products and product candidates could be associated with adverse events which can vary in severity (from minor reactions to death) and frequency (infrequent to very common) or product recalls. Adverse events associated with the use of our partnered or proprietary products or product candidates may be observed at any time, including in clinical trials or when a product is commercialized, and any such adverse events may negatively affect our or our partners' ability to obtain or maintain regulatory approval or market such products and product candidates. Adverse events such as toxicity or other safety issues associated with the use of our partnered or proprietary products and product candidates could require us or our partners to perform additional studies or halt development or commercialization of these products and product candidates or expose us to product liability lawsuits which will harm our business. We or our partners may be required by regulatory agencies to conduct additional animal or human studies regarding the safety and efficacy of our pharmaceutical products or product candidates which we have not planned or anticipated. There can be no assurance that we or our partners will resolve any issues related to any product or product candidate adverse events to the satisfaction of the FDA or any regulatory agency in a timely manner or ever, which could harm our business, prospects and financial condition.

To the extent that a product fails to conform to its specifications or comply with the applicable laws or regulations, we or our partners may be required to or may decide to voluntarily recall the product or regulatory authorities may request or require that we recall a product even if there is no immediate potential harm to a patient. Any recall of our products or their components that we supply to our partners could materially adversely affect our business by rendering us unable to sell those products or components for some time and by adversely affecting our reputation. Recalls are costly and take time and effort to administer. Even if a recall only initially relates to a single product, product batch, or a portion of a batch, recalls may later be expanded to additional products or batches or we or our partners may incur additional costs and need to dedicate additional efforts to investigate and rule out the potential for additional impacted products or batches. Moreover, if any of our partners recall a product due to an issue with a product or component that we supplied, they may claim that we are responsible for such issue and may seek to recover the costs related to such recall or be entitled to certain contractual remedies from us. Recalls may further result in decreased demand for our partnered or proprietary products, could cause our partners or distributors to return products to us for which we may be required to provide refunds or replacement products, or could result in product shortages. Recalls may also require regulatory reporting and prompt regulators to conduct additional inspections of our or our partners' or

contractors' facilities, which could result in findings of noncompliance and regulatory enforcement actions. A recall could also result in product liability claims by individuals and third-party payers. In addition, product liability claims or other safety issues could result in an investigation of the safety or efficacy of our products, our manufacturing processes and facilities, or our marketing programs conducted by the FDA or the authorities of the EU member states and other jurisdictions. Such investigations could also potentially lead to a recall of our products or more serious enforcement actions, limitations on the indications for which they may be used, or suspension, variation, or withdrawal of approval. Any such regulatory action by the FDA, the European Medicines Agency or the competent authorities of the EU member states could lead to product liability lawsuits as well.

If our contract manufacturers or vendors are unable or unwilling for any reason to manufacture and supply to us bulk rHuPH20 or other raw materials, reagents, components or devices in the quantity and quality required by us or our partners for use in the production of our proprietary or partnered products and product candidates, our and our partners' product development and commercialization efforts could be delayed or stopped and our business results associated with operations and our collaborations could be harmed.

We rely on a number of third parties in our supply chain for the supply and manufacture of our partnered and proprietary products, and the availability of such products depends upon our ability to procure the raw materials, components, packaging materials and finished products from these third parties, some of which are currently our single source for the materials necessary for certain of our products. We have entered into supply agreements with numerous third-party suppliers. For example, we have existing supply agreements with contract manufacturing organizations Avid Bioservices, Inc. ("Avid") and Catalent Indiana LLC ("Catalent") to produce bulk rHuPH20. These manufacturers produce bulk rHuPH20 under current Good Manufacturing Practices for use in Hylenex recombinant, and for use in partnered products and product candidates. We rely on their ability to successfully manufacture bulk rHuPH20 according to product specifications. In addition to supply obligations, our contract manufacturers will also provide support for the chemistry, manufacturing and controls sections for FDA and other regulatory filings. We also rely on vendors to supply us with raw materials to produce reagents and other materials for bioanalytical assays used to support our partners' clinical trials. If any of our contract manufacturers or vendors: (i) is unable to retain its status as an FDA approved manufacturing facility; (ii) is unable to otherwise successfully scale up production to meet corporate or regulatory authority quality standards; (iii) is unable to procure the labor, raw materials, reagents or components necessary to produce our proprietary products, including bulk rHuPH20 and Hylenex recombinant, our bioanalytical assays or our partnered products or (iv) fails to manufacture and supply our partnered and proprietary products, including bulk rHuPH20 in the quantity and quality required by us or our partners for use in Hylenex and partnered products and product candidates for any other reason, our business will be adversely affected. In addition, a significant change in such parties' or other third-party manufacturers' business or financial condition could adversely affect their abilities or willingness to fulfill their contractual obligations to us. We have not established, and may not be able to establish, favorable arrangements with additional bulk rHuPH20 manufacturers and suppliers of the ingredients necessary to manufacture bulk rHuPH20 should the existing manufacturers and suppliers become unavailable or in the event that our existing manufacturers and suppliers are unable or unwilling to adequately perform their responsibilities. We have attempted to mitigate the impact of a potential supply interruption including through the establishment of excess bulk rHuPH20 inventory where possible, but there can be no assurances that this safety stock will be maintained or that it will be sufficient to address any delays, interruptions or other problems experienced by any of our contract manufacturers. Any delays, interruptions or other problems regarding the ability or willingness of our contract manufacturers to supply bulk rHuPH20 or the ability or willingness of other third-party manufacturers, to supply other raw materials or ingredients necessary to produce our other proprietary or partnered products on a timely basis could: (i) cause the delay of our partners' clinical trials or otherwise delay or prevent the regulatory approval of our partners' product candidates; (ii) delay or prevent the effective commercialization of proprietary or partnered products and product candidates; and/or (iii) cause us to breach contractual obligations to deliver bulk rHuPH20 to our partners. Such delays could damage our relationship with our partners, and they could have a material adverse effect on royalties and thus our business and financial condition. Additionally, we rely on third parties to manufacture, prepare, fill, finish, package, store and ship our proprietary and partnered products and product candidates on our behalf. If the third parties we identify fail to perform their obligations, the progress of partners' clinical trials could be delayed or even suspended and the commercialization of our partnered or proprietary products could be delayed or prevented.

In addition, our Minnetonka, Minnesota facility supports our administrative functions, product development and quality operations and provides additional assembly and warehousing capabilities, and therefore is subject to relevant risks comparable to those of our third-party manufacturers. For example, we may not be able to begin product manufacturing and production due to a number of different reasons including, but not limited to, inability to obtain necessary supplies and materials, labor and expertise. To the extent we rely on our ability to manufacture and ship any of our proprietary and partnered products, our inability to do so could have a material adverse impact on our business, financial condition and results of operations.

We rely on third parties to perform necessary services for our products including services related to the distribution, invoicing, rebates and contract administration, co-pay program administration, sample distribution and administration, storage and transportation of our products. If anything should impede their ability to meet their commitments this could impact our business performance.

Depending on the product, we have retained third-party service providers to perform a variety of functions related to the distribution, invoicing, rebates and contract administration, co-pay program administration, sample distribution and administration, storage and transportation of our products, key aspects of which are out of our direct control. We place substantial reliance on these providers as well as other third-party providers that perform services for us, including, depending on the product, entrusting our inventories of products to their care and handling. We also may rely on third parties to administer our drug price reporting and rebate payments and contracting obligations under federal programs. Despite our reliance on third parties, we have responsibilities for compliance with the applicable legal and program requirements. By example, in certain states, we are required to hold licenses to distribute our products in these states and must comply with the associated state laws. Moreover, if these third-party service providers fail to meet expected deadlines, or otherwise do not carry out their contractual duties to us or encounter physical damage or a natural disaster at their facilities, our ability to deliver products to meet commercial demand would be significantly impaired. In addition, we may use third parties to perform various other services for us relating to regulatory monitoring, including adverse event reporting, safety database management and other product maintenance services. If our employees or any third-party service providers fail to comply with applicable laws and regulations, we and/or they may face regulatory or False Claims Act enforcement actions. Moreover, if the quality or accuracy of the data maintained by these service providers is insufficient, our ability to continue to market our products could be jeopardized or we and/or they could be subject to regulatory sanctions. We do not currently have the internal capacity to perform all of these important commercial functions, and we may not be able to maintain commercial arrangements for these services on reasonable terms.

If we or any party to a key collaboration agreement fail to perform material obligations under such agreement, or if a key collaboration agreement is terminated for any reason, our business could suffer.

We have entered into multiple collaboration agreements under which we may receive significant future payments in the form of milestone payments, target designation fees, maintenance fees and royalties. We are heavily dependent on our partners to develop and commercialize product candidates subject to our collaborations in order for us to realize any financial benefits, including recognizing revenues from milestones, royalties and product sales from these collaborations. Our partners may not devote the attention and resources to such efforts that we would ourselves, change their clinical development plans, promotional efforts or simultaneously develop and commercialize products in competition to those products we have licensed to them. Any of these actions may not be visible to us immediately and could negatively impact our ability to forecast and our ability to achieve the benefits and recognize revenue we receive from such collaboration. In addition, in the event that a party fails to perform under a key collaboration agreement, or if a key collaboration agreement is terminated, the reduction in anticipated revenues could negatively impact our operations and the assumptions we used to recognize revenues which could result in a restatement of previously recorded revenues. In addition, the termination of a key collaboration agreement by one or more of our partners could have a material adverse impact on our ability to enter into additional collaboration agreements with new partners on favorable terms, if at all. In certain circumstances, the termination of a key collaboration agreement would require us to revise our corporate strategy going forward and may lead us to reevaluate the applications and value of our technology.

Hylenex and our partners' ENHANZE products and product candidates rely on the rHuPH20 enzyme, and any adverse development regarding rHuPH20 could substantially impact multiple areas of our business, including current and potential ENHANZE collaborations, as well as any proprietary programs.

rHuPH20 is a key technological component of Hylenex and our ENHANZE technology and most of our ENHANZE partnered products and product candidates, including the current and future products and product candidates under our ENHANZE collaborations. We derive a substantial portion of our revenues from our ENHANZE collaborations. Therefore, if there is an adverse development for rHuPH20 (e.g., an adverse regulatory determination relating to rHuPH20, if we are unable to obtain sufficient quantities of rHuPH20, if we are unable to obtain or maintain material proprietary rights to rHuPH20 or if we discover negative characteristics of rHuPH20), multiple areas of our business, including current and potential collaborations, as well as proprietary programs would be substantially impacted. For example, elevated anti-rHuPH20 antibody titers were detected in the registration trial for HYQVIA as well as in a former partner's product in a Phase 2 clinical trial with rHuPH20, but have not been associated, in either case, with any adverse events. We monitor for antibodies to rHuPH20 in our collaboration and proprietary programs, and although we do not believe at this time that the incidence of non-neutralizing anti-rHuPH20 antibodies in either the HYQVIA program or the former partner's program will have a significant impact on our proprietary product and our partners' product and product candidates, there can be no assurance that there will not be other such occurrences in the foregoing programs or that concerns regarding these antibodies will not also be raised by the FDA or other health authorities in the future, which could result in delays or discontinuations of our Hylenex commercialization activities, the

development or commercialization activities of our ENHANZE partners, or deter our entry into additional ENHANZE collaborations with third parties.

Our business strategy is focused on growth of our ENHANZE and auto-injector technologies, our commercial products and potential growth through acquisition. Currently, ENHANZE is the largest revenue driver and as a result there is a risk for potential negative impact from adverse developments. Future expansion of our strategic focus to additional applications of our ENHANZE technology or by acquiring new technologies may require the use of additional resources, result in increased expense and ultimately may not be successful.

We routinely evaluate our business strategy, and may modify this strategy in the future in light of our assessment of unmet medical needs, growth potential, resource requirements, regulatory issues, competition, risks and other factors. As a result of these strategic evaluations, we may focus our resources and efforts on one or a few programs or fields and may suspend or reduce our efforts on other programs and fields. For example, in the fourth quarter of 2019, we decided to focus our resources on our ENHANZE technology and our commercial product, Hylenex. By focusing primarily on these areas, we increase the potential impact on us if one of our partner programs does not successfully complete clinical trials, achieve commercial acceptance or meet expectations regarding sales and revenue. We may also expand our strategic focus by seeking new therapeutics applications of our technology or by acquiring new technologies which may require the use of additional resources, increased expense and would require the attention of senior management. For example, we acquired Antares (in May 2022), Elektrofi (in November 2025), and Surf Bio (in December 2025), as a means to grow and diversify the sources of our revenues. There can be no assurance that these acquisitions or any such future investment of resources in new technologies will ultimately result in additional approved proprietary or partnered products or commercial success of new therapeutic applications of our technology.

Our partnered or proprietary product candidates may not receive regulatory approvals or their development may be delayed for a variety of reasons, including delayed or unsuccessful clinical trials, regulatory requirements or safety concerns. If we or our partners fail to obtain, or have delays in obtaining, regulatory approvals for any product candidates, our business, financial condition and results of operations may be materially adversely affected.

Clinical testing of pharmaceutical products is a long, expensive and uncertain process, and the failure or delay of a clinical trial can occur at any stage, including the patient enrollment stage. Even if initial results of preclinical and nonclinical studies or clinical trial results are promising, our partners may obtain different results in subsequent trials or studies that fail to show the desired levels of dose safety and efficacy, or we or our partners may not obtain applicable regulatory approval for our products for a variety of other reasons. Preclinical, nonclinical, and clinical trials for proprietary or partnered product candidates could be unsuccessful, which would delay or preclude regulatory approval and commercialization of the product candidates. In the U.S. and other jurisdictions, regulatory approval can be delayed, limited or not granted for many reasons, including, among others:

- during the course of clinical studies, the final data from later Phase 3 studies may differ from data observed in early phase clinical trials, and clinical results may not meet prescribed endpoints for the studies or otherwise provide sufficient data to support the efficacy of our partners' product candidates;
- clinical and nonclinical test results may reveal inferior pharmacokinetic measures, adverse events or unexpected safety issues associated with the use of our partners' product candidates;
- regulatory review may not find that the data from preclinical testing and clinical trials justifies approval;
- regulatory authorities may require that we or our partners change our studies or conduct additional studies which may significantly delay or make continued pursuit of approval commercially unattractive;
- a regulatory agency may reject our and our partners' trial data or disagree with their interpretations of either clinical trial data or applicable regulations;
- a regulatory agency may require additional safety monitoring and reporting through Risk Evaluation and Mitigation Strategies including conditions to assure safe use programs and we or a partner may decide to not pursue regulatory approval for a such a product;
- a regulatory agency may not approve our manufacturing processes or facilities, or the processes or facilities of our partners, our contract manufacturers or our raw material suppliers;
- failure of our or our partners' contract research organization, or CRO, to properly perform the clinical trial in accordance with the written protocol, our contractual obligations with them or applicable regulatory requirements;
- a regulatory agency may identify problems or other deficiencies in our existing manufacturing processes or facilities, or the existing processes or facilities of our partners, our contract manufacturers or our raw material suppliers;
- a regulatory agency reviewing our or our partners' products may not have adequate staffing to conduct its review in a timely manner;

- a regulatory agency may change its formal or informal approval requirements and policies, act contrary to previous guidance, adopt new regulations or raise new issues or concerns late in the approval process; or
- a proprietary or partnered product candidate may be approved only for indications that are narrow or under conditions that place the product at a competitive disadvantage, which may limit the sales and marketing activities for such product candidate or otherwise adversely impact the commercial potential of a product.

If a proprietary or partnered product candidate is not approved in a timely fashion or approval is not obtained on commercially viable terms, or if development of any product candidate is terminated due to difficulties or delays encountered in the regulatory approval process, it could have a material adverse impact on our business, financial condition and results of operation and we would become more dependent on the development of other proprietary or partnered product candidates and/or our ability to successfully acquire other technologies. There can be no assurances that any proprietary or partnered product candidate will receive regulatory approval in a timely manner, or at all. There can be no assurance that partners will be able to gain clarity as to the FDA's requirements or that the requirements may be satisfied in a commercially feasible way, in which case our ability to enter into collaborations with third parties or explore other strategic alternatives to exploit an opportunity will be limited or may not be possible.

We anticipate that certain proprietary or partnered products will be marketed, and perhaps manufactured, in foreign countries. The process of obtaining regulatory approvals in foreign countries is subject to delay and failure for the reasons set forth above, as well as for reasons that vary from jurisdiction to jurisdiction. The approval process varies among countries and jurisdictions and can involve additional testing. The time required to obtain approval in foreign countries may differ from that required to obtain FDA approval. Foreign regulatory agencies may not provide approvals on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other foreign countries or jurisdictions or by the FDA.

Our third-party partners are responsible for providing certain proprietary materials that are essential components of our partnered products and product candidates, and any failure to supply these materials could delay the development and commercialization efforts for these partnered products and product candidates and/or harm our collaborations. Our partners are also responsible for distributing and commercializing their products, and any failure to successfully commercialize their products could materially adversely affect our revenues.

Our development and commercialization partners are responsible for providing certain proprietary materials that are essential components of our partnered products and product candidates. For example, Roche is responsible for producing the Herceptin and MabThera required for its SC products and Takeda is responsible for producing the GAMMAGARD LIQUID for its product HYQVIA. If a partner, or any applicable third party service provider of a partner, encounters difficulties in the manufacture, storage, delivery, fill, finish or packaging of the partnered product or product candidate or component of such product or product candidate, such difficulties could (i) cause the delay of clinical trials or otherwise delay or prevent the regulatory approval of partnered product candidates; and/or (ii) delay or prevent the effective commercialization of partnered products. Such delays could have a material adverse effect on our business and financial condition. We also rely on our partners to commercialize and distribute their products and if they are unsuccessful in commercializing certain products, the resulting royalty revenue we would receive may be lower than expected.

If we or our partners fail to comply with regulatory requirements applicable to promotion, sale and manufacturing of approved products, regulatory agencies may take action against us or them, which could harm our business.

Any approved products, along with the manufacturing processes, post-approval clinical data requirements, labeling, advertising and promotional activities for these products, are subject to continual requirements and review by the FDA, and state and foreign regulatory bodies. Regulatory authorities subject a marketed product, its manufacturer and the manufacturing facilities to continual review and periodic inspections. We, our partners and our respective contractors, suppliers and vendors, will be subject to ongoing regulatory requirements, including complying with regulations and laws regarding advertising, promotion and sales of drug products, required submissions of safety and other post-market information and reports, registration requirements, current Good Manufacturing Practices regulations (including requirements relating to quality control and quality assurance, as well as the corresponding maintenance of records and documentation), and the requirements regarding the distribution of samples to physicians and recordkeeping requirements. Further, because some of our proprietary and partnered products and product candidates are drug/device combination products, we and our partners will have to comply with extensive regulatory requirements than would otherwise be required for products that are not combination products. Regulatory agencies may change existing requirements or adopt new requirements or policies. We, our partners and our respective contractors, suppliers and vendors, may be slow to adapt or may not be able to adapt to these changes or new requirements.

In particular, regulatory requirements applicable to pharmaceutical products make the substitution of suppliers and manufacturers costly and time consuming. We have minimal internal manufacturing capabilities and are, and expect to be in the future, substantially dependent on contract manufacturers and suppliers for the manufacture of our products and for their active and other ingredients. The disqualification of these manufacturers and suppliers through their failure to comply with regulatory

requirements could negatively impact our business because the delays and costs in obtaining and qualifying alternate suppliers (if such alternative suppliers are available, which we cannot assure) could delay our or our partners' clinical trials or otherwise inhibit our or partners' ability to bring approved products to market, which would have a material adverse effect on our business and financial condition. Likewise, if we, our partners and our respective contractors, suppliers and vendors involved in sales and promotion of our products do not comply with applicable laws and regulations, for example off-label or false or misleading promotion, this could materially harm our business and financial condition.

Failure to comply with regulatory requirements may result in adverse regulatory actions including but not limited to, any of the following:

- restrictions on our or our partners' products or manufacturing processes;
- warning letters;
- withdrawal of our or our partners' products from the market;
- voluntary or mandatory recall;
- fines;
- suspension or withdrawal of regulatory approvals;
- suspension or termination of any of our partners' ongoing clinical trials;
- refusal to permit the import or export of our or our partners' products;
- refusal to approve pending applications or supplements to approved applications that we submit;
- product seizure;
- injunctions; or
- imposition of civil or criminal penalties.

Failure of our auto-injector and specialty products business to perform could adversely impact future business and operations.

We acquired the Antares auto-injector and specialty products business with the expectation that the acquisition will result in various benefits for the combined company, including providing an opportunity for increased revenues through growth of device revenue and commercial products and development of a new high volume auto-injector. Increased competition, unresolvable technical issues, deterioration in business conditions and other factors may limit our ability to enter into new collaboration agreements and grow this business. As such, we may not be able to realize the benefits anticipated in connection with the acquisition.

Workforce reduction at federal agencies and changes in U.S. trade policy, including tariffs and potential countermeasures by trading partners, could delay regulatory approval and increase our or our partners' costs, disrupt global supply chains and have a material adverse impact on our business, financial condition, and results of operations.

The current federal government administration has increased, and has indicated a willingness to continue to increase, the use of tariffs by the U.S. to accomplish certain policy goals. Such tariffs and any countermeasures by the U.S.' trading partners could increase the cost of raw materials, components and finished goods necessary for our or our partners' operations, disrupt global supply chains, create additional operational challenges and cause widespread uncertainty in the financial markets. Further, it is possible the administration's trade policy changes directly impacting the biopharmaceutical industry and related uncertainty about such policy changes could increase volatility in the market valuation of companies in the healthcare industry. Because of these dynamics, we cannot predict the impact of any future changes to international trading relationships or the ultimate impact recently adopted tariff policies will have on our business. Such changes in tariffs and trade regulations could have a material adverse effect on our financial condition, results of operations and cash flows. Additionally, recent widespread reductions in workforce at federal health agencies, including the FDA, could have a negative impact on the speed with which our products or devices and our partners' products are reviewed and approved for commercialization.

Business interruptions resulting from pandemics or similar public health crises could cause a disruption of the development of our and our partnered product candidates and commercialization of our approved and our partnered products, impede our ability to supply bulk rHuPH20 to our ENHANZE partners or procure and sell our proprietary products and otherwise adversely impact our business and results of operations.

Public health crises such as pandemics or similar outbreaks could adversely impact our business and results of operations by, among other things, disrupting the development of our and our partnered product candidates and commercialization of our and our partnered approved products, causing disruptions in the operations of our third-party contract manufacturing

organizations upon whom we rely for the production and supply of our proprietary products, including Hylenex and the bulk rHuPH20 we supply to our partners, and causing other disruptions to our operations.

For example, the COVID-19 pandemic led to the implementation of various responses, including government-imposed quarantines, travel restrictions and other public health safety measures. The extent to which future pandemics impact our operations and/or those of our partners will depend on future developments, which are highly uncertain and unpredictable, including the duration or recurrence of outbreaks, potential future government actions, new information that will emerge concerning the severity and impact of that pandemic and the actions to contain the pandemic or address its impact in the short and long term, among others.

The business disruptions associated with a global pandemic could impact the business, product development priorities and operations of our partners, including potential delays in manufacturing their product candidates or approved products. For example, clinical trial conduct may be impacted in geographies affected by a pandemic. The progress or completion of these clinical trials could be adversely impacted by the pandemic. Additionally, interruption or delays in the operations of the FDA, the European Medicines Agency and other similar foreign regulatory agencies, or changes in regulatory priorities to focus on the pandemic, may affect required regulatory review, inspection, clearance and approval timelines. Disruptions such as these could result in delays in the development programs of our partnered products or impede the commercial efforts for approved products, resulting in potential reductions or delays in our revenues from partner royalty or milestone payments.

We rely on many third parties to source active pharmaceutical ingredient and drug products, manufacture and assemble our devices, distribute finished products and provide various logistics activities in order to manufacture and sell our partnered and proprietary products. For example, we rely on third-party manufacturers to manufacture the bulk rHuPH20 that we supply to our partners for their commercial products and product candidates, as well as our commercial product Hylenex. If any such third party manufacturer is adversely impacted by a pandemic and related consequences, including staffing shortages, production slowdowns and disruptions in delivery systems, availability of raw materials, reagents or components or if they divert resources or manufacturing capacity to accommodate the development of treatments or vaccines, our supply chain may be disrupted, limiting our ability to sell Hylenex or supply bulk rHuPH20 to our partners. Any such disruptions to the operations of the third parties upon whom we rely to manufacture and sell our partnered and proprietary products could result in reductions or delays in our revenues.

We may need to raise additional capital in the future and there can be no assurance that we will be able to obtain such funds.

We may need to raise additional capital in the future to fund our operations for general corporate purposes if we do not achieve the level of revenues we expected. Our current cash reserves and expected revenues may not be sufficient for us to fund general operations and conduct our business at the level desired. In addition, if we engage in acquisitions of companies, products or technologies in order to execute our business strategy, we may need to raise additional capital. We may raise additional capital in the future through one or more financing vehicles that may be available to us including (i) new collaborative agreements; (ii) expansions or revisions to existing collaborative relationships; (iii) private financings; (iv) other equity or debt financings; (v) monetizing assets; and/or (vi) the public offering of securities.

If we are required to raise additional capital in the future, it may not be available on favorable financing terms within the time required, or at all. If additional capital is not available on favorable terms when needed, we will be required to raise capital on adverse terms or significantly reduce operating expenses through the restructuring of our operations or deferral of strategic business initiatives. If we raise additional capital through a public offering of securities or equity, a substantial number of additional shares of our common stock may be issued, which will dilute the ownership interest of our current investors and may negatively affect our stock price.

We currently have significant debt and may incur additional debt. Failure by us to fulfill our obligations under the applicable debt agreements may cause repayment obligations to accelerate.

The aggregate amount of our consolidated indebtedness, net of debt discount, as of December 31, 2025 was \$2,142.6 million, which includes \$209.6 million in aggregate principal amount of the 2027 Convertible Notes, \$470.0 million in aggregate principal of the 2028 Convertible Notes, \$750.0 million in aggregate principal of the 2031 Convertible Notes and \$750.0 million in aggregate principal of the 2032 Convertible Notes, net of unamortized debt discount of \$1.1 million, \$5.6 million, \$15.1 million and \$15.2 million, for the 2027 Convertible Notes, 2028 Convertible Notes, 2031 Convertible Notes and 2032 Convertible Notes, respectively.

Our indebtedness may:

- make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments on our indebtedness;
- limit our ability to borrow additional funds for working capital, capital expenditures, strategic corporate transactions or

other general corporate purposes;

- limit our ability to use our cash flow or obtain additional financing for future working capital, capital expenditures, acquisitions, share repurchases or other general business purposes;
- require us to use a portion of our cash flow from operations to make debt service payments;
- limit our flexibility to plan for, or react to, changes in our business and industry;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

In addition, our 2022 Credit Agreement includes certain affirmative and negative covenants, that, among other things, may restrict our ability to: create liens on assets; incur additional indebtedness; make investments; make acquisitions and other fundamental changes; and sell and dispose of property or assets. The 2022 Credit Agreement also includes financial covenants requiring us to maintain, measured as of the end of each fiscal quarter, a maximum consolidated net leverage ratio of 4.50 to 1.00 initially and a minimum consolidated interest coverage ratio of 3.00 to 1.00. The 2022 Credit Agreement also contains customary representations and warranties and events of default. Complying with the covenants contained in the 2022 Credit Agreement could make it more difficult for us to execute our business strategy. Further, in the event of default by us under the 2022 Credit Agreement, the lenders would be entitled to exercise their remedies thereunder, including the right to accelerate the debt, upon which we may be required to repay all amounts then outstanding under the 2022 Credit Agreement which would harm our financial condition.

Our ability to make payments on our existing or any future debt will depend on our future operating performance and ability to generate cash and may also depend on our ability to obtain additional debt or equity financing. It will also depend on financial, business or other factors affecting our operations, many of which are beyond our control. We will need to use cash to pay principal and interest on our debt, thereby reducing the funds available to fund operations, strategic initiatives and working capital requirements. If we are unable to generate sufficient cash to service our debt obligations, an event of default may occur under any of our debt instruments which could result in an acceleration of such debt upon which we may be required to repay all the amounts outstanding under some or all of our debt instruments. Such an acceleration of our debt obligations could harm our financial condition. From time to time, we may seek to retire or repurchase our outstanding debt through cash purchases and/or exchanges for equity or debt, in open-market purchases, privately negotiated transactions or otherwise. Any such repurchases or exchanges would be on such terms and at such prices as we determine, and will depend on current market conditions, our liquidity needs, any restrictions in our contracts and other factors. The amounts involved in such transactions could be material.

The conditional conversion feature of the Convertible Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the Convertible Notes is triggered, holders of the Convertible Notes will be entitled to convert the notes at any time during specified periods at their option. If one or more holders elect to convert their notes, we would be required to settle a portion or all of our conversion obligation in cash, which could adversely affect our liquidity. Even if holders of the Convertible Notes do not elect to convert their notes, we are required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the notes as a current rather than long-term liability when the conditional conversion feature is triggered, which results in a material reduction of our net working capital.

Conversion of our Convertible Notes may dilute the ownership interest of existing stockholders or may otherwise depress the price of our common stock.

The conversion of some or all of our Convertible Notes, to the extent we deliver shares upon conversion, will dilute the ownership interests of existing stockholders. Any sales in the public market of the Convertible Notes or our common stock issuable upon conversion of the Convertible Notes could adversely affect prevailing market prices of our common stock. In addition, the existence of the Convertible Notes may encourage short selling by market participants because the conversion of the Convertible Notes could be used to satisfy short positions, or anticipated conversion of the Convertible Notes into shares of our common stock could depress the price of our common stock.

If proprietary or partnered product candidates are approved for commercialization but do not gain market acceptance resulting in commercial performance below that which was expected or projected, our business may suffer.

Assuming that existing or future proprietary or partnered product candidates obtain the necessary regulatory approvals for commercial sale, a number of factors may affect the market acceptance of these newly-approved products, including, among others:

- the degree to which the use of these products is restricted by the approved product label;
- the price of these products relative to other therapies for the same or similar treatments;
- the extent to which reimbursement for these products and related treatments will be available from third-party payers including government insurance programs and private insurers;
- the introduction of generic or biosimilar competitors to these products;
- the perception by patients, physicians and other members of the health care community of the effectiveness and safety of these products for their prescribed treatments relative to other therapies for the same or similar treatments;
- the ability and willingness of our partners to fund sales and marketing efforts; and
- the effectiveness of the sales and marketing efforts of our partners.

If these proprietary or partnered products do not gain or maintain market acceptance or experience reduced sales resulting in commercial performance below that which was expected or projected, the revenues we expect to receive from these products will be diminished which could harm our ability to fund future operations, including conduct acquisitions, execute our planned share repurchases, or affect our ability to use funds for other general corporate purposes and cause our business to suffer.

In addition, our proprietary or partnered product candidates will be restricted to the labels approved by FDA and applicable regulatory bodies, and these restrictions may limit the marketing and promotion of the ultimate products. If the approved labels are restrictive, the sales and marketing efforts for these products may be negatively affected.

Our ability to license our ENHANZE and device technologies to our partners depends on the validity of our patents and other proprietary rights.

Patents and other proprietary rights are essential to our business. Our success will depend in part on our ability to obtain and maintain patent protection for our inventions, to preserve our trade secrets and to operate without infringing the proprietary rights of third parties. We have multiple patents and patent applications throughout the world pertaining to our recombinant human hyaluronidase and methods of use and manufacture, including an issued U.S. patent which expires in 2027 and additional patents that are valid into 2029, which we believe cover the products and product candidates under our existing collaborations, and Hylenex. Although we believe our patent filings represent a barrier to entry for potential competitors looking to utilize these hyaluronidases, upon expiration of our patents other pharmaceutical companies may (if they do not infringe our other patents) seek to compete with us by developing, manufacturing and selling biosimilars to the active drug ingredient in our ENHANZE technology used by our partners in combination with their products. Any such loss of patent protection or proprietary rights could lead to a reduction or loss of revenues, incentivize one or more of our key ENHANZE partners to terminate their relationship with us and impact our ability to enter into new collaboration and license agreements.

Developing, manufacturing and marketing pharmaceutical products for human use involves significant product liability risks for which we may have insufficient insurance coverage.

The development, manufacture, testing, marketing and sale of pharmaceutical products and medical devices involves the risk of product liability claims by consumers and other third parties. Product liability claims may be brought by individuals seeking relief for themselves, or by groups seeking to represent a class of injured patients. Further, third-party payers, either individually or as a putative class, may bring actions seeking to recover monies spent on one of our products. Although we maintain product liability insurance coverage, product liability claims can be high in the pharmaceutical industry, and our insurance may not sufficiently cover our actual liabilities. If product liability claims were to be made against us, it is possible that the liabilities may exceed the limits of our insurance policy, or our insurance carriers may deny, or attempt to deny, coverage in certain instances. If a lawsuit against us is successful, then the insurance coverage may not be sufficient and could materially and adversely affect our business and financial condition. Furthermore, various distributors of pharmaceutical products require minimum product liability insurance coverage before purchase or acceptance of products for distribution. Failure to satisfy these insurance requirements could impede our ability to achieve broad distribution of our proposed products, and higher insurance requirements could impose additional costs on us. In addition, since many of our partnered product candidates include the pharmaceutical products of a third-party, we run the risk that problems with the third-party pharmaceutical product will give rise to liability claims against us. Product liability claims can also result in additional regulatory consequences including, but not limited to, investigations and regulatory enforcement actions, as well as recalls, revocation of approvals, or labeling, marketing or promotional restrictions or changes. Product liability claims could also harm

our reputation and the reputation of our products, adversely affecting our ability to market our products successfully. In addition, defending a product liability lawsuit is expensive and can divert the attention of our key employees from operating our business. Such claims can also impact our ability to initiate or complete clinical trials.

If our partners do not achieve projected development, clinical, or regulatory goals in the timeframes publicly announced or otherwise expected, the commercialization of our partners products may be delayed and, as a result, our business, financial condition, and results of operations may be adversely affected.

From time to time, our partners may publicly articulate the estimated timing for the accomplishment of certain scientific, clinical, regulatory and other product development goals. The accomplishment of any goal is typically based on numerous assumptions, and the achievement of a particular goal may be delayed for any number of reasons both within and outside of our and our partners' control. If scientific, regulatory, strategic or other factors cause a collaboration partner to not meet a goal, regardless of whether that goal has been publicly articulated or not, our stock price may decline rapidly. Stock price declines may also trigger direct or derivative shareholder lawsuits. As with any litigation proceeding, the eventual outcome of any legal action is difficult to predict. If any such lawsuits occur, we will incur expenses in connection with the defense of these lawsuits, and we may have to pay substantial damages or settlement costs in connection with any resolution thereof. Although we have insurance coverage against which we may claim recovery against some of these expenses and costs, the amount of coverage may not be adequate to cover the full amount or certain expenses and costs may be outside the scope of the policies we maintain. In the event of an adverse outcome or outcomes, our business could be materially harmed from depletion of cash resources, negative impact on our reputation, or restrictions or changes to our governance or other processes that may result from any final disposition of the lawsuit. Moreover, responding to and defending pending litigation significantly diverts management's attention from our operations.

In addition, the consistent failure to meet publicly announced milestones may erode the credibility of our management team with respect to future milestone estimates.

Future strategic corporate transactions could disrupt our business and impact our financial condition.

In order to augment and extend our revenue, we acquired Antares (in May 2022), Elektrofi (in November 2025), and Surf Bio (in December 2025) and we may decide to acquire additional businesses, products and technologies or pursue other corporate transactions and make investments which we believe are important to the future of our business. Any corporate transaction we pursue could require significant capital infusions and could involve many risks, including, but not limited to, the following:

- we may have to issue additional convertible debt or equity securities to complete a transaction, which would dilute our stockholders and could adversely affect the market price of our common stock.
- a corporate transaction may negatively impact our results of operations because it may require us to amortize or write down amounts related to goodwill and other intangible assets, or incur or assume substantial debt or liabilities, or it may cause adverse tax consequences, substantial depreciation or deferred compensation charges;
- our limited experience in evaluating, completing and integrating any business, product or technology we may acquire;
- we may encounter difficulties in assimilating and integrating the business, products, technologies, personnel or operations of companies that we acquire;
- certain corporate transactions may impact our relationship with existing or potential partners who are competitive with the acquired business, products or technologies;
- corporate transactions may require significant capital infusions and the acquired businesses, products or technologies may not generate sufficient value to justify acquisition costs;
- we may take on liabilities from any corporate transaction we pursue such as debt, legal liabilities or business risk which could be significant;
- a corporate transaction may disrupt our ongoing business, divert resources, increase our expenses and distract our management;
- a corporate transaction may involve the entry into a geographic or business market in which we have little or no prior experience; and
- key personnel of an acquired company may decide not to work for us.

If any of these risks occurred, it could adversely affect our business, financial condition and operating results. There is no assurance that we will be able to identify or consummate any future corporate transactions on acceptable terms, or at all. If we do pursue any future corporate transactions, it is possible that we may not realize the anticipated benefits from such corporate transactions or that the market will not view such acquisitions positively.

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

Our effective tax rate is derived from a combination of applicable tax rates in the various places that we operate. In preparing our financial statements, we estimate the amount of tax that will become payable in each of such places. Nevertheless, our effective tax rate may be different than experienced in the past due to numerous factors, including changes in the mix of our profitability between different tax jurisdictions, the results of examinations and audits of our tax filings, our inability to secure or sustain acceptable agreements with tax authorities, changes in accounting for income taxes and changes in tax laws. Any of these factors could cause us to experience an effective tax rate significantly different from previous periods or our current expectations and may result in tax obligations in excess of amounts accrued in our financial statements.

Risks Related To Ownership of Our Common Stock

The market price of our common stock is subject to significant volatility.

We participate in a highly dynamic industry which often results in significant volatility in the market price of common stock irrespective of company performance. The high and low sales prices of our common stock during the twelve months ended December 31, 2025 were \$79.50 and \$47.50, respectively. In addition to the other risks and uncertainties described elsewhere in this Annual Report on Form 10-K and all other risks and uncertainties that are either not known to us at this time or which we deem to be immaterial, any of the following factors may lead to a significant drop in our stock price:

- the presence of competitive products to our products or those being developed or commercialized by our partners;
- failure (actual or perceived) of our partners to devote attention or resources to the development or commercialization of partnered products or product candidates licensed to such partner;
- a dispute regarding our failure, or the failure of one of our partners, to comply with the terms of a collaboration agreement;
- the termination, for any reason, of any of our key program or collaboration agreements;
- the sale of common stock by any significant stockholder, including, but not limited to, direct or indirect sales by members of management or our Board of Directors;
- the resignation, or other departure, of members of management or our Board of Directors;
- general negative conditions in the healthcare industry;
- pandemics or other global crises;
- general negative conditions in the financial markets;
- the cost associated with obtaining regulatory approval for any of our proprietary or partnered product candidates;
- the failure, for any reason, to secure or defend our intellectual property position;
- the failure or delay of applicable regulatory bodies to approve our proprietary or partnered product candidates;
- identification of safety or tolerability issues associated with our proprietary or partnered products or product candidates;
- failure of our or our partners' clinical trials to meet efficacy endpoints;
- suspensions or delays in the conduct of our or our partners' clinical trials or securing of regulatory approvals;
- adverse regulatory action with respect to our proprietary or partnered products and product candidates such as loss of regulatory approval to commercialize such products, clinical holds, imposition of onerous requirements for approval or product recalls;
- our failure, or the failure of our partners, to successfully commercialize products approved by applicable regulatory bodies such as the FDA;
- our failure, or the failure of our partners, to generate product revenues anticipated by investors;
- disruptions in our clinical or commercial supply chains, including disruptions caused by problems with a bulk rHuPH20 contract manufacturer or a fill and finish manufacturer for any product or product collaboration candidate;
- the sale of additional debt and/or equity securities by us;
- our failure to obtain financing on acceptable terms or at all;
- a restructuring of our operations;
- an inability to execute our share repurchase program in the time and manner we expect due to market, business, legal or other considerations; or

- a conversion of the Convertible Notes into shares of our common stock.

Future transactions where we raise capital may negatively affect our stock price.

We are currently a “Well-Known Seasoned Issuer” and may file automatic shelf registration statements at any time with the SEC. Sales of substantial amounts of shares of our common stock or other securities under any future shelf registration statements could lower the market price of our common stock and impair our ability to raise capital through the sale of equity securities.

Anti-takeover provisions in our charter documents, the convertible note indentures and Delaware law may make an acquisition of us more difficult.

Anti-takeover provisions in our charter documents, the Indentures and Delaware law may make an acquisition of us more difficult. First, our Board of Directors is classified into three classes of directors. Under Delaware law, directors of a corporation with a classified board may be removed only for cause unless the corporation’s certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not provide otherwise. In addition, our bylaws limit who may call special meetings of stockholders, permitting only stockholders holding at least 50% of our outstanding shares to call a special meeting of stockholders. Our amended and restated certificate of incorporation does not include a provision for cumulative voting for directors. Under cumulative voting, a minority stockholder holding a sufficient percentage of a class of shares may be able to ensure the election of one or more directors. Finally, our bylaws establish procedures, including advance notice procedures, with regard to the nomination of candidates for election as directors and stockholder proposals.

These provisions in our charter documents may discourage potential takeover attempts, discourage bids for our common stock at a premium over market price or adversely affect the market price of, and the voting and other rights of the holders of, our common stock. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors other than the candidates nominated by our Board of Directors.

Further, in connection with our Convertible Notes issuances, we have entered into indentures, dated as of March 1, 2021, August 18, 2022 and November 12, 2025 (the “Indentures”), with The Bank of New York Mellon Trust Company, N.A., as trustee. Certain provisions in the Indentures could make it more difficult or more expensive for a third party to acquire us. For example, if a takeover would constitute a fundamental change, holders of the Convertible Notes will have the right to require us to repurchase their Convertible Notes in cash. In addition, if a takeover constitutes a make-whole fundamental change, we may be required to increase the conversion rate for holders who convert their Convertible Notes in connection with such takeover. In addition, a change of control constitutes an event of default under our 2022 Credit Agreement. Such event of default could result in the administrative agent or the lender parties thereto declaring the unpaid principal, all accrued and unpaid interest, and all other amounts owing or payable under the 2022 Credit Agreement to be immediately due and payable. In either case, and in other cases, our obligations under the Convertible Notes and the Indentures could increase the cost of acquiring us or otherwise discourage a third-party from acquiring us or removing incumbent management.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which may prohibit large stockholders from consummating a merger with, or acquisition of, us.

These provisions may deter an acquisition of us that might otherwise be attractive to stockholders.

Risks Related to Our Industry

Our and our partnered products must receive regulatory approval before they can be sold, and compliance with the extensive government regulations is expensive and time consuming and may result in the delay or cancellation of our or our partnered product sales, introductions or modifications.

Extensive industry regulation has had, and will continue to have, a significant impact on our business. All pharmaceutical and medical device companies, including ours, are subject to extensive, complex, costly and evolving regulation by the health regulatory agencies including the FDA (and with respect to controlled drug substances, the U.S. Drug Enforcement Administration (“DEA”)) and equivalent foreign regulatory agencies and state and local/regional government agencies. The Federal Food, Drug and Cosmetic Act, the Controlled Substances Act and other domestic and foreign statutes and regulations govern or influence the testing, manufacturing, packaging, labeling, storing, recordkeeping, safety, approval, advertising, promotion, sale and distribution of our products and our partners’ products and product candidates. We are dependent on receiving FDA and other governmental approvals, including regulatory approvals in jurisdictions outside the United States, prior to manufacturing, marketing and shipping our products. Consequently, there is always a risk that the FDA or other applicable governmental authorities, including those outside the United States, will not approve our or our partners’ products or may impose onerous, costly and time-consuming requirements such as additional clinical or animal testing. Regulatory authorities may require that our partners change our studies or conduct additional studies, which may significantly delay or make continued pursuit of approval commercially unattractive to our partners. For example, the approval of the HYQVIA Biologics License Application was delayed by the FDA until we and our partner provided additional preclinical data sufficient

to address concerns regarding non-neutralizing antibodies to rHuPH20 that were detected in the registration trial. Although these antibodies have not been associated with any known adverse clinical effects, and the HYQVIA Biologics License Application was ultimately approved by the FDA, the FDA or other foreign regulatory agency may, at any time, halt our and our partners' development and commercialization activities due to safety concerns. In addition, even if our proprietary or partnered products are approved, regulatory agencies may also take post-approval action limiting or revoking our or our partners' ability to sell these products. Any of these regulatory actions may adversely affect the economic benefit we may derive from our proprietary or our partnered products and therefore harm our financial condition.

Under certain of these regulations, in addition to our partners, we and our contract suppliers and manufacturers are subject to periodic inspection of our or their respective facilities, procedures and operations and/or the testing of products by the FDA, the DEA and other authorities, which conduct periodic inspections to confirm that we and our contract suppliers and manufacturers are in compliance with all applicable regulations. The FDA also conducts pre-approval and post-approval reviews and plant inspections to determine whether our systems, or our contract suppliers' and manufacturers' processes, are in compliance with current Good Manufacturing Practices and other FDA regulations. If our partners, we, or our contract suppliers and manufacturers, fail these inspections, our partners may not be able to commercialize their products in a timely manner without incurring significant additional costs, or at all.

In addition, the FDA imposes a number of complex regulatory requirements on entities that advertise and promote pharmaceuticals including, but not limited to, standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities, and promotional activities involving the Internet.

Because some of our and our partners' products and product candidates are considered to be drug/device combination products, the regulatory approval and post-approval requirements that we and they are required to comply with can be more complex.

Many of our and our partners' products and product candidates are considered to be drug/device combination products by the FDA, consisting of a drug product and a drug delivery device. If marketed individually, each component would be subject to different regulatory pathways and reviewed by different centers within the FDA. A combination product, however, is assigned to a center that will have primary jurisdiction over its pre-market review and regulation based on a determination of the product's primary mode of action, which is the single mode of action that provides the most important therapeutic action. In the case of our and our partners' products and product candidates, the primary mode of action is typically attributable to the drug component of the products, which means that the Center of Drug Evaluation and Research has primary jurisdiction over the products' premarket development and review. These products and product candidates will be and have been subject to the FDA drug approval process and will not require a separate FDA clearance or approval for the device component. Even though these products and product candidates will not require a separate FDA clearance or approval, both the drug and device centers within the FDA will review the marketing application for safety, the efficacy of both the drug and device component, including the design and reliability of the injector, and a number of other different areas, such as to ensure that the drug labeling adequately discloses all relevant information and risks, and to confirm that the instructions for use are accurate and easy to use. These reviews could increase the time needed for review completion of a successful application and may require additional studies, such as usage studies, to establish the validity of the instructions for use. Such reviews and requirements may extend the time necessary for the approval of drug-device combinations. In the case of combination product candidates for which we or our partners are seeking approval via the abbreviated new drug application pathway, it is also possible that the agency may decide that the unique nature of combination products leads it to question the claims of bioequivalence and/or same labeling, resulting in the need to refile the application under Section 505(b)(2) of the Federal Food, Drug and Cosmetic Act. This may result in delays in product approval and may cause us or our partners to incur additional costs associated with testing, including clinical trials. Approval via the 505(b)(2) pathway may also result in additional selling expenses and a decrease in market acceptance due to the lack of substitutability by pharmacies or formularies. In addition, approval under the 505(b)(2) or abbreviated new drug application regulatory pathway is not a guarantee of an exclusive position for the approved product in the marketplace.

Further, although precedent and guidance exist for the approval of such combination products, the FDA could change what it requires or how it reviews submissions. Changes in review processes or the requirement for the study of combination products could delay anticipated launch dates or be cost prohibitive. Such delay or failure to launch these products or devices could adversely affect our revenues and future profitability. If our or our partners' combination product candidates are approved, we, our partners, and any of our respective contractors will be required to comply with FDA regulatory requirements related to both drugs and devices. For instance, drug/device combination products must comply with both the drug current Good Manufacturing Practices and device Quality System Regulations. Depending on whether the drug and device components are at the same facility, however, the FDA regulations provide a streamlined method to comply with both sets of requirements. The FDA has specifically promulgated guidance on injectors, which discuss the FDA's requirements with respect to marketing application and post-market injector design controls and reliability analyses. Additionally, drug/device combination products

will be subject to additional FDA and constituent part reporting requirements. Compliance with these requirements will require additional effort and monetary expenditure.

We may be subject, directly or indirectly, to various broad federal and state healthcare laws. If we are unable to comply, or have not fully complied, with such laws, we could face civil, criminal and administrative penalties, damages, monetary fines, disgorgement, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate.

Our business operations and activities may be directly, or indirectly, subject to various broad federal and state healthcare laws, including without limitation, anti-kickback laws, the Foreign Corrupt Practices Act (“FCPA”), false claims laws, civil monetary penalty laws, data privacy and security laws, tracing and tracking laws, as well as transparency (or “sunshine”) laws regarding payments or other items of value provided to healthcare providers. These laws may restrict or prohibit a wide range of business activities, including, but not limited to, research, manufacturing, distribution, pricing, discounting, marketing and promotion and other business arrangements. These laws may impact, among other things, our current activities with principal investigators and research subjects, as well as sales, marketing and education programs. Many states have similar healthcare fraud and abuse laws, some of which may be broader in scope and may not be limited to items or services for which payment is made by a government health care program.

Efforts to ensure that our business arrangements will comply with applicable healthcare laws may involve substantial costs. While we have adopted a healthcare corporate compliance program, it is possible that governmental and enforcement authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws. If our operations or activities are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to, without limitation, civil, criminal and administrative penalties, damages, monetary fines, disgorgement, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate.

In addition, any sales of products outside the U.S. will also likely subject us to the FCPA and foreign equivalents of the healthcare laws mentioned above, among other foreign laws.

We may be required to initiate or defend against legal proceedings related to intellectual property rights, which may result in substantial expense, delay and/or cessation of certain development and commercialization of our products.

We primarily rely on patents to protect our intellectual property rights. The strength of this protection, however, is uncertain. For example, it is not certain that:

- we will be able to obtain patent protection for our products and technologies;
- the scope of any of our issued patents will be sufficient to provide commercially significant exclusivity for our products and technologies;
- others will not independently develop similar or alternative technologies or duplicate our technologies and obtain patent protection before we do; and
- any of our issued patents, or patent pending applications that result in issued patents, will be held valid, enforceable and infringed in the event the patents are asserted against others.

We currently own or license patents in a portfolio and also have pending patent applications applicable to rHuPH20 and other proprietary materials. There can be no assurance that our existing patents, or any patents issued to us as a result of our pending patent applications, will provide a basis for commercially viable products, will provide us with any competitive advantages, or will not face third-party challenges or be the subject of further proceedings limiting their scope or enforceability. Any weaknesses or limitations in our patent portfolio could have a material adverse effect on our business and financial condition. In addition, if our pending patent applications do not result in issued patents, or result in issued patents with narrow or limited claims, this could result in us having no or limited protection against generic or biosimilar competition against our product candidates which would have a material adverse effect on our business and financial condition.

We may be required to initiate or defend against legal proceedings related to our intellectual property rights which may be time-consuming and result in substantial litigation expense. For example, in April 2025 we filed a patent infringement lawsuit against Merck Sharp & Dohme Corp. (“Merck”) in the U.S. District Court in New Jersey alleging that Merck is using Halozyme’s patented MDASE™ subcutaneous drug delivery technology to develop Subcutaneous (“SC”) Keytruda. We are seeking damages and injunctive relief to stop Merck’s infringement of Halozyme’s MDASE™ intellectual property. Patent infringement litigation can be costly, take a long period of time to resolve and involves uncertainties beyond our control. We can offer no assurance as to developments related to the patent infringement litigation, the outcome of the litigation or any remedies that could be awarded in connection with the litigation.

We or our partners may become involved in interference proceedings in the U.S. Patent and Trademark Office, or other proceedings in other jurisdictions, to determine the priority, validity or enforceability of our patents or our partners’ patents related to our collaborations. For example, as a result of two such proceedings, in March 2023 and October 2024 the Opposition Division of the European Patent Office revoked two of Janssen’s co-formulation patents for DARZALEX® (daratumumab) SC. Failure to overturn a first instance adverse decision on appeal, if available, could result in permanent loss of the contested patent rights. In addition, costly litigation could be necessary to protect our patent position. Successful challenges to the priority, validity or enforceability of our or our partners’ patents could have a material adverse effect on our business and financial condition.

We also rely on trade secrets, unpatented proprietary know-how and continuing technological innovation that we seek to protect with confidentiality agreements with employees, consultants and others with whom we discuss our business. Disputes may arise concerning the ownership of intellectual property or the applicability or enforceability of agreements covering these rights, and we might not be able to resolve these disputes in our favor.

We also rely on trademarks to protect the names of our products (e.g. Hylenex recombinant). We may not be able to obtain trademark protection for any proposed product names we select. In addition, product names for pharmaceutical products must be approved by health regulatory authorities such as the FDA in addition to meeting the legal standards required for trademark protection and product names we propose may not be timely approved by regulatory agencies which may delay product launch. In addition, our trademarks may be challenged by others. If we enforce our trademarks against third parties, such enforcement proceedings may be expensive.

In addition to protecting our own intellectual property rights, third parties may assert patent, trademark or copyright infringement or other intellectual property claims against us. If we become involved in any intellectual property litigation, we may be required to pay substantial damages, including but not limited to treble damages, attorneys’ fees and costs, for past infringement if it is ultimately determined that our products infringe a third-party’s intellectual property rights. Even if infringement claims against us are without merit, defending a lawsuit takes significant time, may be expensive and may divert management’s attention from other business concerns. Further, in the case of an injunction, we could be stopped from developing, manufacturing or selling our products until we obtain a license from the owner of the relevant technology or other intellectual property rights. If such a license is available at all, it may require us to pay royalties or other fees.

We may incur significant liability if it is determined that we are promoting or have in the past promoted the “off-label” use of drugs or medical devices, or otherwise promoted or marketed approved products in a manner inconsistent with the FDA’s requirements.

In the U.S. and certain other jurisdictions, companies may not promote drugs or medical devices for “off-label” uses, that is, uses that are not described in the product’s labeling and that differ from those that were approved or cleared by the FDA or other foreign regulatory agencies. However, physicians and other healthcare practitioners may prescribe drug products and use medical devices for off-label or unapproved uses, and such uses are common across some medical specialties. Although the FDA does not regulate a physician’s choice of medications, treatments or product uses, the Federal Food, Drug and Cosmetic Act and FDA regulations significantly restrict permissible communications on the subject of off-label uses of drug products and medical devices by pharmaceutical and medical device companies. As the sponsors of FDA approved products, we and our partners will not only be responsible for the actions of the companies but also can be held liable for the actions of employees and contractors, requiring that all employees and contractors engaging in regulated functions, such as product promotion, be adequately trained and monitored, which requires time and monetary expenditures.

If the FDA determines that a company has improperly promoted a product “off label” or otherwise not in accordance with the agency’s promotional requirements, the FDA may issue a warning letter or seek other enforcement action to limit or restrict certain promotional activities or materials or seek to have product withdrawn from the market or seize product, among other enforcement requirements. In addition, a company that is found to have improperly promoted off-label uses may be subject to significant liability, including civil fines, criminal fines and penalties, civil damages and exclusion from federal funded healthcare programs such as Medicare and Medicaid and/or government contracting, consent decrees and corporate integrity agreements, as well as potential liability under the federal False Claims Act and applicable state false claims acts. Conduct

giving rise to such liability could also form the basis for private civil litigation by third-party payers or other persons allegedly harmed by such conduct.

Moreover, in addition to the regulatory restrictions on off-label promotion, there are other FDA restrictions on and requirements concerning product promotion and advertising, such as requirements that such communications be truthful and non-misleading and adequately supported. The FDA also has requirements concerning the distribution of drug samples. The FDA and other authorities may take the position that we are not in compliance with promotional, advertising, and marketing requirements, and, if such non-compliance is proven, we may be subject to significant liability, including but not limited to administrative, civil and criminal penalties and fines, in addition to regulatory enforcement actions.

For certain of our products, we and our independent contractors, distributors, prescribers, and dispensers are required to comply with regulatory requirements related to controlled substances, which will require the expenditure of additional time and will incur additional expenses to maintain compliance and may subject us to additional penalties for noncompliance, which could inhibit successful commercialization.

Certain of our products are controlled substances and accordingly, we, and our contractors, distributors, prescribers, and dispensers must comply with Federal controlled substances laws and regulations, enforced by the DEA, as well as state-controlled substances laws and regulations enforced by state authorities. These requirements include, but are not limited to, registration, security, recordkeeping, reporting, storage, distribution, importation, exportation, inventory, and other requirements. These requirements are enforced by the DEA through periodic inspections. Not only must continuous controlled substance registration be maintained, but compliance with the applicable controlled substance requirements will require significant efforts and expenditures, which could also inhibit successful commercialization. These compliance requirements also add complexity to the distribution, prescribing and dispensing of certain of our products that may also impact commercialization, including the establishment of anti-diversion procedures. If we and our contractors, distributors, prescribers, and dispensers do not comply with the applicable controlled substance requirements, we or they may be subject to administrative, civil or criminal enforcement, including civil penalties, refusals to renew necessary registrations, revocation of registrations, criminal proceedings, or consent decrees.

Patent protection for biotechnology inventions and for inventions generally is subject to significant scrutiny; if patent laws or the interpretation of patent laws change, our business may be adversely impacted because we may lose the ability to obtain patent protection or enforce our intellectual property rights against competitors who develop and commercialize products based on our discoveries.

Patent protection in general, including for protein-based products is based on evolving complex legal principles and factual questions, which introduce uncertainties as to patentability, patent scope, validity and enforcement. In recent years, there have been significant changes in patent law, including the legal standards that govern the patentability and scope of biotechnology patents. Recent court decisions have made it more difficult to obtain patents, by making it more difficult to satisfy the patentable subject matter requirements, disclosure and enablement requirements, and the non-obviousness requirement; decreasing the availability of injunctions against infringers; and increasing the likelihood of challenging the validity of a patent through a declaratory judgment action. Taken together, these decisions could make it more difficult and costly for us to obtain, license and enforce our patents. In addition, patents may be challenged through post-grant opposition proceedings and be subject to a prior user defense to infringement. There also have been, and continue to be, policy discussions concerning the scope of patent protection, including for biotechnology inventions. Social and political opposition to biotechnology patents may lead to narrower patent protection within the biotechnology industry. Judicial and legislative changes introduce significant uncertainty in the patent law landscape and may potentially negatively impact our ability to procure, maintain and enforce patents to provide exclusivity for our products and may allow others to use our discoveries to develop and commercialize competitive products, which could impair our business.

If third-party reimbursement and customer contracts are not available, our proprietary and partnered products may not be accepted in the market resulting in commercial performance below that which was expected or projected.

Our and our partners' ability to earn sufficient returns on proprietary and partnered products will depend in part on the extent to which reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers, managed care organizations and other healthcare providers.

Third-party payers are increasingly attempting to limit both the coverage and the level of reimbursement of new drug products to contain costs. Consequently, significant uncertainty exists as to the reimbursement status of newly approved healthcare products. Third-party payers may not establish adequate levels of reimbursement for the products that we and our partners commercialize, which could limit their market acceptance and result in a material adverse effect on our revenues and financial condition.

Customer contracts, such as with group purchasing organizations and hospital formularies, will often not offer contract or formulary status without either the lowest price or substantial proven clinical differentiation. If, for example, Hylenex is compared to animal-derived hyaluronidases by these entities, it is possible that neither of these conditions will be met, which could limit market acceptance and result in a material adverse effect on our revenues and financial condition.

The rising cost of healthcare pricing has led to cost containment pressures from third-party payers as well as changes in federal coverage and reimbursement policies and practices that could cause us and our partners to sell our products at lower prices, and impact access to our and our partners' products, resulting in less revenue to us.

Any of our proprietary or partnered products that have been, or in the future are, approved by the FDA may be purchased or reimbursed by state and federal government authorities, private health insurers and other organizations, such as health maintenance organizations and managed care organizations. Such third-party payers increasingly challenge pharmaceutical product pricing. The trend toward managed healthcare in the U.S., the growth of such organizations, and various legislative proposals and enactments to reform healthcare and government insurance programs, including the Medicare Prescription Drug Modernization Act of 2003 and the Affordable Care Act of 2010, could significantly influence the manner in which pharmaceutical products are prescribed and purchased, resulting in lower prices and/or a reduction in demand. Such cost containment measures and healthcare reforms could adversely affect our ability to sell our product and our partners' ability to sell their products.

In the U.S., our business may be impacted by changes in federal reimbursement policy resulting from executive actions, federal regulations, or federal demonstration projects.

The federal administration and/or agencies, such as the Centers for Medicare & Medicaid Services ("CMS"), have announced a number of demonstration projects, recommendations and proposals to implement various elements described in the drug pricing blueprint. CMS, the federal agency responsible for administering Medicare and overseeing state Medicaid programs and Health Insurance Marketplaces, has substantial power to implement policy changes or demonstration projects that can quickly and significantly affect how drugs, including our partners' products, are covered and reimbursed. In May 2025, an Executive Order was issued calling on pharmaceutical manufacturers to voluntarily reduce the prices of medicines in the U.S. The Executive Order directs the Secretary of the Department of Health and Human Services ("HHS") to communicate Most Favored Nations ("MFN") price targets to pharmaceutical manufacturers to bring prices in line with comparably developed nations. The Executive Order further provides that if such actions do not lower the costs of pharmaceuticals, the Secretary of the HHS shall pursue other actions, including proposing a rulemaking that imposes MFN pricing in the U.S.

Additionally, a number of Congressional committees have also held hearings and evaluated proposed legislation on drug pricing and payment policy which may affect our business. Legislative proposals have been introduced that, if enacted and implemented, could affect access to and revenue from our partners' products, allow the federal government to engage in price negotiations on certain drugs, and allow importation of prescription medication from Canada or other countries. For example, in August 2022, The Inflation Reduction Act of 2022 (the "IRA") was enacted which will, among other things, allow and require the federal government to negotiate prices for some drugs covered under Medicare Part B and Part D, require drug companies to pay rebates to Medicare if prices rise faster than inflation for drugs used by Medicare beneficiaries and cap out-of-pocket spending for individuals enrolled in Medicare Part D. In May 2025, CMS issued draft guidance for 2028 price controls under the IRA that creates uncertainty as to whether combination therapies, such as our partners' ENHANZE products, will be protected from IRA price negotiations for thirteen years following approval of the combination therapy. In September 2025, following a review of comments submitted in response to the draft guidance, CMS issued final guidance for 2028 price controls under the IRA, indicating that due to the complexity and scope of this issue, CMS believes additional time is necessary to develop objective policy criteria if CMS were to finalize such a policy, and thus did not make a change to the fixed combination drug policy. CMS indicated it intends to continue to consider the appropriate policy to implement in rulemaking beginning in initial price applicability year 2029. For initial price applicability year 2028, CMS will maintain its approach to fixed combination drugs which states that if a drug is a fixed combination drug with two or more active moieties / active ingredients, the distinct combination of active moieties / active ingredients will be considered as one active moiety / active ingredient for the purpose of identifying potential qualifying single source drugs. A product containing only one (but not all) of the active moieties / active ingredients that is offered by the same New Drug Application / Biologics License Application holder will not be aggregated with the formulations of the fixed combination drug and will be considered a separate potential qualifying single source drug. Section 30.1 of this final guidance details how CMS intends to treat fixed combination drugs and gives an example to illustrate the application.

In this dynamic environment, we are unable to predict which or how many federal policy, legislative or regulatory changes that impact us may ultimately be enacted. To the extent federal government initiatives decrease or modify the coverage or reimbursement available for our or our partners' products, limit or impact our decisions regarding the pricing of biopharmaceutical products or otherwise reduce the use of our or our partners' U.S. products, such actions could have a material adverse effect on our business and results of operations.

Furthermore, individual states are considering proposed legislation and have become increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access, importation from other countries and bulk purchasing. Legally mandated price controls on payment amounts by third-party payers or other restrictions could negatively and materially impact our revenues and financial condition. We anticipate that we may encounter similar regulatory and legislative issues in most other countries outside the U.S.

In addition, private payers in the U.S., including insurers, pharmacy benefit managers, integrated healthcare delivery systems, and group purchasing organizations, are continuously seeking ways to reduce their drug costs. Many payers have developed and continue to develop ways to shift a greater portion of drug costs to patients through, for example, limited benefit plan designs, high deductible plans and higher co-pay or coinsurance obligations. Consolidation in the payer space has also resulted in a few large pharmacy benefit managers and insurers which place greater pressure on pricing and utilization negotiations for our and our partners' products in the U.S., increasing the need for higher discounts and rebates and limiting patient access and utilization. Ultimately, additional discounts, rebates and other price reductions, fees, coverage and plan changes, or exclusions imposed by these private payers on our and our partners' products could have an adverse effect on product sales, our business and results of operations.

To help patients afford certain of our products, we offer discount, rebate, and co-pay coupon programs. CMS recently has issued a regulation imposing additional obligations on manufacturers in order to continue excluding such programs from government pricing calculations to avoid payment of increased Medicaid rebates. In recent years, other pharmaceutical manufacturers have been named in class action lawsuits challenging the legality of their co-pay programs under a variety of federal and state laws. Our co-pay coupon programs could become the target of similar lawsuits or insurer actions. It is possible that the outcome of litigation against other manufacturers, changes in insurer policies regarding co-pay coupons, and/or the introduction and enactment of new legislation or regulatory action could restrict or otherwise negatively affect these programs.

We also face risks relating to the reporting of pricing data that affects the reimbursement of and discounts provided for our products. Government price reporting regulations are complex and may require a manufacturer to update certain previously submitted data. If our submitted pricing data is incorrect, we may become subject to substantial fines and penalties or other government enforcement actions, which could have a material adverse effect on our business and results of operations. In addition, as a result of restating previously reported price data, we also may be required to pay additional rebates and provide additional discounts.

We face competition and rapid technological change that could result in the development of products by others that are competitive with our proprietary and partnered products, including those under development.

Our proprietary and partnered products have numerous competitors in the U.S. and abroad including, among others, major pharmaceutical and specialized biotechnology firms, universities and other research institutions that have developed competing products. Many of these competitors have substantially more resources and product development, manufacturing and marketing experience and capabilities than we do. The competitors for Hylenex recombinant include, but are not limited to, Amphastar Pharmaceuticals, Inc.'s product, Amphadase[®], a bovine (bull) hyaluronidase. For our ENHANZE technology, such competitors may include major pharmaceutical and specialized biotechnology firms. These competitors may develop technologies and products that are more effective, safer, or less costly than our current or future proprietary and partnered products and product candidates or that could render our and our partners' products, technologies and product candidates obsolete or noncompetitive.

Additionally, artificial intelligence ("AI") based software is increasingly being used in the biopharmaceutical industry including by companies with which we compete. We are increasing the use of AI tools and technology and intend to integrate AI more broadly in our operations with the goal of increasing operational efficiencies, improve cycle times and improve decision-making, thus strengthening our ability to compete. The integration of third-party AI technology with our operations relies on certain safeguards implemented by the third-party developers of the underlying AI technology including those related to security and the accuracy, bias and other variables of the data, and these safeguards may not be sufficient to mitigate the risks associated with the use of AI. Furthermore, the use of AI based software may result in cybersecurity incidents and lead to the inadvertent release of personal information or other confidential proprietary information, which may impact our ability to realize the benefit of our intellectual property. Governments have passed laws and are likely to pass additional laws regulating the use of generative AI. Our use of this technology could result in compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use generative AI due to any of the risks associated with such use, it could make our business less efficient and result in competitive disadvantages.

General Risks

If we are unable to attract, hire and retain key personnel our business could be negatively affected.

Our success depends on the performance of key employees with relevant experience. We depend substantially on our ability to hire, train, motivate and retain high quality personnel. If we are unable to identify, hire and retain qualified personnel, our ability to support current and future alliances with strategic partners could be adversely impacted. Our use of domestic and international third-party contractors, consultants and staffing agencies also subjects us to potential co-employment liability claims.

Furthermore, if we were to lose key personnel, we may lose some portion of our institutional knowledge and technical know-how, potentially causing a disruption or delay in one or more of our partnered development programs until adequate replacement personnel could be hired and trained. In addition, we do not have key person life insurance policies on the lives of any of our employees which would help cover the cost associated with the loss of key employees.

Our operations might be interrupted by the occurrence of a natural disaster or other catastrophic event.

Our operations, including laboratories, offices and other research facilities, are headquartered in San Diego, California. We have additional facilities in Ewing, New Jersey and Minnetonka, Minnesota. We depend on our facilities and on our collaborators, contractors and vendors for the continued operation of our business. Natural disasters or other catastrophic events, pandemics, interruptions in the supply of natural resources, political and governmental changes, regulatory developments, wildfires and other fires, tornadoes, floods, explosions, actions of animal rights activists, earthquakes, civil unrest and geopolitical actions (including war and terrorism) could disrupt our operations or those of our partners, contractors and vendors. Even though we believe we carry commercially reasonable business interruption and liability insurance, and our contractors may carry liability insurance that protect us in certain events, we may suffer losses as a result of business interruptions that exceed the coverage available under our and our contractors' insurance policies or for which we or our contractors do not have coverage. Any natural disaster or catastrophic event could have a significant negative impact on our operations and financial results. Moreover, any such event could delay our partners' research and development programs.

Cyberattacks, security breaches or system breakdowns may disrupt our operations and harm our operating results and reputation.

We, our partners and our vendors are subject to increasingly sophisticated attempts to gain unauthorized access to our information technology storage and access systems and are devoting resources to protect against such intrusion. Cyberattacks could render us, our partners or our vendors unable to utilize key systems or access important data needed to operate our business. The wrongful use, theft, deliberate sabotage or any other type of security breach with respect to any of our or any of our vendors and partners' information technology storage and access systems could result in the breakdown or other service interruption, or the disruption of our ability to use such systems or disclosure or dissemination of proprietary and confidential information that is electronically stored, including intellectual property, trade secrets, financial information, regulatory information, strategic plans, sales trends and forecasts, litigation materials or personal information belonging to us, our staff, our patients, customers and/or other business partners which could result in a material adverse impact on our business, operating results and financial condition. We continue to invest in monitoring, and other security and data recovery measures to protect our critical and sensitive data and systems. However, these may not be adequate to prevent or fully recover systems or data from all breakdowns, service interruptions, attacks or breaches of our systems. In addition, our cybersecurity insurance may not be sufficient to cover us against liability related to any such breaches. Furthermore, any physical break-in or trespass of our facilities could result in the misappropriation, theft, sabotage or any other type of security breach with respect to our proprietary and confidential information, including research or clinical data or damage to our research and development equipment and assets. Such adverse effects could be material and irrevocable to our business, operating results, financial condition and reputation.

Violence, physical attacks or threats of violence directed toward company facilities or key company personnel may disrupt company operations and undermine investor confidence.

Our office and manufacturing facilities face the risk of physical attacks, both threatened and actual, which could negatively impact our ability to conduct day-to-day operations. Despite the implementation of security measures designed to prevent such physical attacks, our facilities are potentially vulnerable to the failure of such security measures due to various causes such as human error or technological failure. If, despite implementation of our security measures, a significant physical attack occurred, our operations could be disrupted for an extended period of time, and we could experience costly property damage, loss of revenues, and other financial loss which could have an adverse impact on our results of operations. Further, if any of our key company personnel were harmed as a result of a physical attack on our facilities or other act of violence, such attack could disrupt our ability to operate our business and undermine investor confidence.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Our information technology systems (“IT Systems”) play a central role in running nearly all aspects of our business operations. Our IT Systems are used for a variety of critical business functions including, but not limited to, internal and external communications, managing our documents and records, supporting functional and enterprise business processes and providing shared work environments across various business functions. Therefore, responding efficiently and effectively to cybersecurity incidents and threats is an important component of our enterprise risk management strategy. In order to respond to such incidents and threats, we have implemented a carefully designed Incident Response Plan (“IRP”).

Cybersecurity Risk Management and Strategy

The IRP provides our management and information technology personnel with processes and procedures for assessing, identifying, managing and escalating material risks from cybersecurity threats which have been integrated into our overall risk management processes. For example, our enterprise risk management processes involve the identification of events that may arise in the course of operating our business and the potential impact of such events on our business. We have identified and prioritized cybersecurity events as requiring increased managerial focus and urgency in actions taken to mitigate cybersecurity risks due to the potential impact such events could have on our business. Although the risks from cybersecurity threats have not materially affected our business strategy, results of operations or financial condition, it is possible that a cybersecurity incident resulting in a serious compromise of our IT Systems or a demand for payment to restore our IT Systems, could have a material adverse effect on us by negatively impacting our ability to operate our business effectively and by diverting the attention of our management and other resources, including financial resources, to address the cybersecurity incident. Despite our efforts to mitigate the risks associated with cybersecurity threats, we cannot eliminate all such risks or provide assurance that we have not experienced undetected cybersecurity incidents. For additional information about these risks, see Part I, Item 1A, “Risk Factors” in this Annual Report on Form 10-K.

In connection with our processes for assessing, identifying and managing risk from cybersecurity, we engage various third parties to assist in managing these processes including:

- Outside cybersecurity legal counsel to assist in updating our IRP and for consultation and coordination with other third parties in the event of a cyber incident;
- Cybersecurity vendors that would perform various investigation services in the event of a cyber incident including assisting in determining the type of attack and impact to our information technology network, maintaining cybersecurity vigilance and assisting with the recovery and restoration of any impacted IT System services;
- Cybersecurity experts who would, in the event of a cybersecurity incident, assist with validation of the incident; and
- Vendors that would provide breach response services such as communications, notification to third parties and credit monitoring.

In addition to our IRP, we have also implemented processes to oversee and identify risks from cybersecurity threats associated with our use of third-party service providers. For example, where appropriate, we seek to negotiate contractual terms with certain third-party service providers that impose obligations on such service providers with the goal of protecting our confidential information.

Cybersecurity Governance

Our Incident Response Team has the primary responsibility of assessing and managing risks from cybersecurity threats and implementing the various stages of our IRP set forth above. The Incident Response Team is comprised of the following IT Systems management personnel and members of senior management:

- Chief Information Officer (“CIO”) – Our CIO has over 25 years of information technology experience across a wide range of industry sectors including life sciences, medical device, pharmaceutical, real estate and software development with responsibility in cybersecurity, data analytics and GenAI implementations for the last 10 years, and 20 years of business continuity planning and disaster recovery planning and execution. Our CIO has oversight of our cybersecurity strategy and building out our cybersecurity capabilities and infrastructure in response to the growing threat from potential cyber security incidents on our IT Systems. Our CIO is also responsible for the integration of our cybersecurity management into our overall enterprise risk management strategy;

- Senior Director, Information Technology (“IT Security Director”) – Our IT Security Director has over 25 years of extensive experience in IT Operations and cybersecurity, with previous experience in the defense, financial services, and life sciences industries. Our IT Security Director holds a master’s degree in cybersecurity and brings in-depth expertise across modern cybersecurity domains, including cloud security, data privacy, threat intelligence, vulnerability management, identity and access management, incident response, and security operations. In this role, the IT Security Director leads the organization’s cybersecurity efforts under the guidance of the CIO, advancing and maturing our cybersecurity program across all critical domains;
- Senior Vice President, Chief Legal Officer – Our Chief Legal Officer oversees our enterprise risk management strategy and serves as the executive management representative on our Incident Response Team; and
- Vice President, Business Continuity and Sustainable Operations (“VP Business Continuity”) – Our VP Business Continuity has responsibility for overseeing our Business Continuity Plan which incorporates our IRP. Our VP Business Continuity has over 15 years leading the business continuity programs for various companies and has training on ISO 22301 (the Business Continuity ISO Standard).

Under its committee charter, the Audit Committee of the Board of Directors (the “Audit Committee”) is responsible for discussing with senior management our policies with respect to risk assessment and risk management and for discussing with management our financial risk exposures and the steps management has taken to monitor and control such exposures. In particular, the Audit Committee oversees our cybersecurity strategy designed to identify, assess and mitigate cybersecurity risks, and reviews our cybersecurity and other information technology risks, controls and procedures, and receives periodic updates from management on cybersecurity regarding the adequacy and effectiveness of our cybersecurity measures. In fulfilling this oversight responsibility, the Audit Committee receives a periodic update of our cybersecurity strategy. Included in this review is a thorough discussion of the risks from cybersecurity threats including the potential impact of such threats to our operations. Specifically, with respect to cybersecurity risks, Incident Response Team members report to the Audit Committee on the (i) potential impact of the risk to the business, (ii) our current capabilities in managing such risks, (iii) the urgency for action in managing such risks and (iv) the outlook for a potential impact on us as a result of the risk. The Audit Committee also receives reports from members of the Incident Response Team on our mitigation efforts to address cybersecurity risks.

We have also instituted a separate process for communicating with the Audit Committee regarding any risks from an actual cybersecurity threat in the event we are the target of a specific cybersecurity incident. As part of our response to such an incident, members of the Incident Response Team would provide an initial awareness communication of the incident to our Chief Financial Officer then to the Chief Executive Officer who would in turn inform the Chairman of our Board of Directors (“Board Chair”) and the Chair of the Audit Committee (“Audit Committee Chair”). Following an initial assessment of the incident by senior management and IT Systems personnel, we would provide a follow-up communication to the Board Chair and Audit Committee Chair and determine whether further escalation to the full Board of Directors is warranted.

Item 2. Properties

Our properties consist of leased office, laboratory, warehouse and assembly facilities. Our administrative offices and research facilities are located in San Diego, California. We also lease a building in Minnetonka, Minnesota consisting of office, assembly operations, and warehousing space, office and lab space in Boston, Massachusetts and have a small administrative office that primarily supports commercial operations in Ewing, New Jersey. As of December 31, 2025, we leased an aggregate of approximately 196,000 square feet of space. We believe our facilities are adequate for our current and near-term needs.

Item 3. Legal Proceedings

From time to time, we may be involved in disputes, including litigation, relating to claims arising out of operations in the normal course of our business. Any of these claims could subject us to costly legal expenses and, while we generally believe that we have adequate insurance to cover many different types of liabilities, our insurance carriers may deny coverage or our policy limits may be inadequate to fully satisfy any damage awards or settlements. If this were to happen, the payment of any such awards could have a material adverse effect on our consolidated statements of income and balance sheets. Additionally, any such claims, whether or not successful, could damage our reputation and business. We currently are not a party to any legal proceedings, the adverse outcome of which, in our opinion, individually or in the aggregate, would have a material adverse effect on our consolidated statements of income or balance sheets.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is listed on the NASDAQ Global Select Market under the symbol “HALO.” As of February 10, 2026, we had approximately 179,868 stockholders of record and beneficial owners of our common stock.

Dividends

We have never declared or paid any dividends on our common stock. We currently intend to retain available cash for funding operations, stock repurchases and other capital initiatives; therefore, we do not expect to pay any dividends on our common stock in the foreseeable future. Any future determination to pay dividends on our common stock will be at the discretion of our Board of Directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, contract restrictions, business prospects and other factors our Board of Directors may deem relevant.

Purchase of Equity Securities by the Issuer

In December 2021, our Board of Directors authorized a capital return program to repurchase up to \$750.0 million of our outstanding common stock over a three-year period which we completed in June 2024. A total of 19.1 million shares were repurchased over the three-year period at an average price per share of \$39.31. All shares repurchased under our capital return programs have been retired and have resumed their status of authorized and unissued shares.

In February 2024, our Board of Directors authorized a new capital return program to repurchase up to \$750.0 million of our outstanding common stock. In December 2024, we entered into an Accelerated Share Repurchase (“ASR”) agreement with Bank of America, N.A. to repurchase \$250.0 million of our outstanding common stock. Pursuant to the agreement, at the inception of the ASR, we paid \$250.0 million to Bank of America, N.A. and took initial delivery of 4.2 million shares, representing approximately 80 percent of the total shares to be repurchased under the ASR agreement measured based on the closing price of our common stock on the transaction trade date. In March 2025, we finalized the ASR transaction resulting in a total repurchase of 4.7 million shares at an average price of \$53.95 per share.

In May 2025, we announced a second \$250.0 million share repurchase under the \$750.0 million approved program from February 2024. The second \$250.0 million share repurchase was completed in June 2025, resulting in a total purchase of 4.8 million shares at an average price of \$52.09 per share.

In June 2025, we initiated the third \$250.0 million share repurchase tranche under the \$750.0 million approved program from February 2024. As of December 31, 2025, \$92.3 million has been used to repurchase approximately 1.7 million shares at an average price of \$52.89 per share. All shares repurchased under our capital return programs have been retired and have resumed their status of authorized and unissued shares.

The table below sets forth information regarding repurchases during the three months ended December 31, 2025:

Period	Total Number of Shares Purchased	Average Price paid per share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares That May Yet Be purchased under the Programs (in thousands)
October 1, 2025 through October 31, 2025	—	\$ —	—	\$ 157,629
November 1, 2025 through November 30, 2025 . .	—	\$ —	—	\$ 157,629
December 1, 2025 through December 31, 2025 . .	—	\$ —	—	\$ 157,629
Total	—	\$ —	—	\$ 472,887

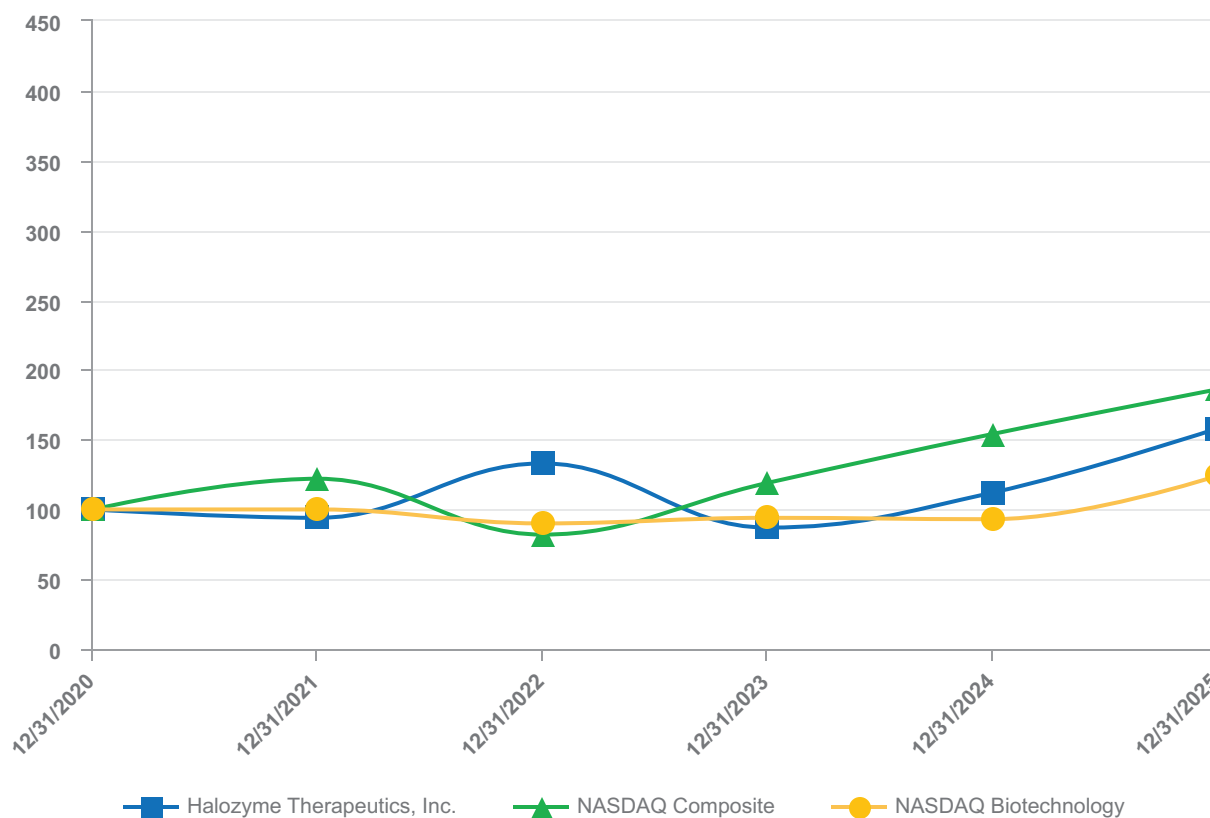
Stock Performance Graph and Cumulative Total Return

Notwithstanding any statement to the contrary in any of our previous or future filings with the SEC, the following information relating to the price performance of our common stock shall not be deemed to be “filed” with the SEC or to be “soliciting material” under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and it shall not be deemed to be incorporated by reference into any of our filings under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent we specifically incorporate it by reference into such filing.

The graph below compares Halozyme Therapeutics, Inc.’s cumulative five-year total shareholder return on common stock with the cumulative total returns of the NASDAQ Composite Index and the NASDAQ Biotechnology Index. The graph tracks the performance of a \$100 investment in our common stock and in each of the indexes (with the reinvestment of all dividends) from December 31, 2020 to December 31, 2025. The historical stock price performance included in this graph is not necessarily indicative of future stock price performance.

COMPARISON OF CUMULATIVE TOTAL RETURN FROM 12/31/2020 THROUGH 12/31/2025

Among Halozyme Therapeutics, Inc., The NASDAQ Composite Index
and The NASDAQ Biotechnology Index



*\$100 invested on 12/31/2020 in stock or index, including reinvestment of dividends.

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
Halozyme Therapeutics, Inc.	\$100	\$94	\$133	\$87	\$112	\$158
NASDAQ Composite	\$100	\$122	\$82	\$119	\$154	\$186
NASDAQ Biotechnology	\$100	\$100	\$90	\$94	\$93	\$124

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

In addition to historical information, the following discussion contains forward-looking statements that are subject to risks and uncertainties. Actual results may differ substantially from those referred to herein due to a number of factors, including but not limited to risks described in the Part I, Item 1A. Risks Factors, and elsewhere in this Annual Report on Form 10-K. References to “Notes” are Notes included in our Notes to Consolidated Financial Statements in Part II, Item 8, in this Annual Report on Form 10-K.

Overview

Halozyme Therapeutics, Inc. is a biopharmaceutical company advancing disruptive solutions to improve patient experiences and outcomes for emerging and established therapies.

As the innovators of ENHANZE® drug delivery technology (“ENHANZE”) with our proprietary enzyme rHuPH20, our commercially validated solution is used to facilitate the subcutaneous (“SC”) delivery of injected drugs and fluids, with the goal of improving the patient experience with rapid SC delivery and reduced treatment burden. We license our technology to biopharmaceutical companies to collaboratively develop products that combine ENHANZE with our partners’ proprietary compounds. We are also developing partner products with Hypercon™ drug delivery technology (“Hypercon technology”) and developing Surf Bio’s drug delivery technology to expand the breadth of our drug delivery technology portfolio. Hypercon technology is an innovative microparticle technology that we expect will set a new standard in hyperconcentration of drugs and biologics by reducing the injection volume for the same dosage and expanding opportunities for at-home and health care provider administration. The Surf Bio hyperconcentration technology is being developed to create high antibody and biologic concentrations of up to 500 mg/mL, for delivery in a single auto-injector shot for at-home or in a health care provider’s office use. We also develop, manufacture and commercialize, for ourselves or with our partners, drug-device combination products using our advanced auto-injector technologies that are designed to provide commercial or functional advantages such as improved convenience, reliability and tolerability, and enhanced patient comfort and adherence.

Our ENHANZE partners’ approved products and product candidates are based on rHuPH20, our patented recombinant human hyaluronidase enzyme. rHuPH20 works by breaking down hyaluronan, a naturally occurring carbohydrate that is a major component of the extracellular matrix of the SC space. This temporarily reduces the barrier to bulk fluid flow allowing for improved and more rapid SC delivery of high dose, high volume injectable biologics, such as monoclonal antibodies and other large therapeutic molecules, as well as small molecules and fluids. We refer to the application of rHuPH20 to facilitate the delivery of other drugs or fluids as ENHANZE. We license our ENHANZE technology to form collaborations with biopharmaceutical companies that develop and/or market drugs requiring or benefiting from injection via the SC route of administration. In the development of proprietary intravenous (“IV”) drugs combined with our ENHANZE technology, data have been generated supporting the potential for ENHANZE to reduce patient treatment burden, as a result of shorter duration of SC administration with ENHANZE compared to IV administration. ENHANZE may enable fixed-dose SC dosing compared to weight-based dosing typically required for IV administration, extend the dosing interval for drugs that are already administered subcutaneously and potentially allow for lower rates of infusion-related reactions. ENHANZE may enable more flexible treatment options such as home administration by a healthcare professional or potentially the patient or caregiver. Lastly, certain proprietary drugs co-formulated with ENHANZE have been granted additional exclusivity, extending the patent life of the product beyond the patent expiry of the proprietary IV drug.

We currently have ENHANZE collaborations and licensing agreements with F. Hoffmann-La Roche, Ltd. and Hoffmann-La Roche, Inc. (“Roche”), Takeda Pharmaceuticals International AG and Baxalta US Inc. (“Takeda”), Pfizer Inc. (“Pfizer”), Janssen Biotech, Inc. (“Janssen”), AbbVie, Inc. (“AbbVie”), Eli Lilly and Company (“Lilly”), Bristol Myers Squibb Company (“BMS”), argenx BVBA (“argenx”), ViiV Healthcare (the global specialist HIV Company majority owned by GlaxoSmithKline) (“ViiV”), Chugai Pharmaceutical Co., Ltd. (“Chugai”), Acumen Pharmaceuticals, Inc. (“Acumen”), Merus N.V. (“Merus”) and Skye Bioscience, Inc. (“Skye Bioscience”). In addition to receiving upfront licensing fees from our ENHANZE collaborations, we are entitled to receive event and sales-based milestone payments, revenues from the sale of bulk rHuPH20 and royalties from commercial sales of approved partner products co-formulated with ENHANZE. We currently earn royalties from the sales of ten commercial products including sales of five commercial products from the Roche collaboration, two commercial products from the Janssen collaboration and one commercial product from each of the Takeda, argenx and BMS collaborations.

Through our recent acquisition of Elektrofi, Inc. (“Elektrofi”), subsequently renamed Halozyme Hypercon, Inc. (“Hypercon”), we have Hypercon collaboration and license agreements with Janssen, Lilly, and argenx. In addition to receiving upfront license fees from our Hypercon collaborations, we are entitled to receive event and sales-based milestone payments and royalties from commercial sales for approved partner products go-formulated with Hypercon.

We have commercialized auto-injector products with Teva Pharmaceutical Industries, Ltd. (“Teva”). We have development programs including our auto-injectors with McDermott Laboratories Limited, an affiliate of Viatrix Inc. (“Viatrix”).

Our commercial portfolio of proprietary products includes Hylenex[®], utilizing rHuPH20, and XYOSTED[®], utilizing our auto-injector technology.

Our 2025 and recent key events are as follows:

Roche

- In December 2025, Roche nominated a new undisclosed non-exclusive target to be studied using ENHANZE.
- In April 2025, Roche received a positive opinion from the European Medicines Agency’s Committee for Medicinal Products for Human Use recommending an update to the European Union (“EU”) label for Phesgo for human epidermal growth factor receptor 2-positive breast cancer. Administration of Phesgo outside of a clinical setting (such as in a person’s home) by a healthcare professional will be possible, once safely established in a clinical setting.

argenx

- In the fourth quarter of 2025, the ongoing argenx ARGX-121 Phase 1 program was expanded to include an SC-arm evaluating ARGX-121 with ENHANZE in healthy adults.
- In September 2025, argenx received approval from the Ministry of Health, Labour and Welfare in Japan for VYVDURA prefilled syringe for self-injection for the treatment of adult patients with generalized myasthenia gravis and adult patients with chronic inflammatory demyelinating polyneuropathy.
- In June 2025, argenx announced European Commission approval of VYVGART SC with ENHANZE for the treatment of adult patients with progressive or relapsing active chronic inflammatory demyelinating polyneuropathy after prior treatment with corticosteroids or immunoglobulins. VYVGART SC injection is available as a vial or prefilled syringe and can be administered by a patient, caregiver, or healthcare professional.
- In May 2025, argenx initiated a Phase 1 study to evaluate ARGX-213 with ENHANZE.
- In April 2025, argenx received FDA approval of VYVGART Hytrulo prefilled syringe for self-injection for the treatment of adult patients with generalized myasthenia gravis who are anti-acetylcholine receptor antibody positive and adult patients with chronic inflammatory demyelinating polyneuropathy.

Janssen

- In January 2026, Janssen announced the FDA approved DARZALEX FASPRO (daratumumab and hyaluronidase-fihj) in combination with bortezomib, lenalidomide and dexamethasone for the treatment of adult patients with newly diagnosed multiple myeloma who are ineligible for autologous stem cell transplant.
- In December 2025, Janssen announced the FDA approved RYBREVANT FASPRO (amivantamab and hyaluronidase-lpuj) for the treatment of patients with epidermal growth factor receptor-mutated locally advanced or metastatic non-small cell lung cancer.
- In December 2025, Janssen received approval from the National Medical Products Administration in China for RYBREVANT FASPRO for the first-line treatment of adult patients with advanced non-small cell lung cancer.
- In December 2025, Janssen received approval from the Ministry of Health, Labour and Welfare in Japan for RYBROFAZ (amivantamab) with ENHANZE for the first-line treatment of adult patients with advanced non-small cell lung cancer.
- In November 2025, Janssen announced the FDA approved DARZALEX FASPRO (daratumumab and hyaluronidase-fihj) co-formulated with ENHANZE, as single treatment of adult patients with high-risk smoldering multiple myeloma.
- In July 2025, Janssen announced the European Commission approved a new indication for DARZALEX SC as a monotherapy for the treatment of adult patients with smoldering multiple myeloma at high risk of developing multiple myeloma.

- In April 2025, Janssen received European Commission marketing authorization of the SC formulation of RYBREVANT (amivantamab) with ENHANZE, in combination with LAZCLUZE (lazertinib), for the first-line treatment of adult patients with advanced non-small cell lung cancer with epidermal growth factor receptor exon 19 deletions or exon 21 L858R substitution mutations. Additionally, RYBREVANT (amivantamab) is approved as a monotherapy for adult patients with advanced non-small cell lung cancer with activating epidermal growth factor receptor exon 20 insertion mutations after the failure of platinum-based therapy. This represented the tenth partnered product with ENHANZE to be commercialized.
- In April 2025, Janssen received European Commission approval for an indication extension of DARZALEX SC in combination with bortezomib, lenalidomide, and dexamethasone for the treatment of adult patients with newly diagnosed multiple myeloma regardless of transplant eligibility.

Takeda

- In December 2025, we and Takeda entered into a new global collaboration and exclusive license agreement which provides Takeda with access to ENHANZE for use with vedolizumab, marketed globally as ENTYVIO®, for the treatment of adults with moderately to severely active Crohns' disease or ulcerative colitis, which are the two main forms of inflammatory bowel disease.
- In June 2025, Takeda announced the Ministry of Health, Labour and Welfare in Japan approved HYQVIA SC with ENHANZE for treatment of patients with chronic inflammatory demyelinating polyneuropathy and multifocal motor neuropathy.
- In March 2025, Takeda announced Health Canada expanded the marketing authorization for HYQVIA to include chronic inflammatory demyelinating polyneuropathy as a maintenance therapy after stabilization with intravenous immunoglobulin to prevent relapse of neuromuscular disability and impairment in adults.

BMS

- In May 2025, BMS received European Commission approval of Opdivo SC, the SC formulation of Opdivo (nivolumab) developed with ENHANZE, for use across multiple adult solid tumors.

Acumen

- In March 2025, Acumen announced top-line results from a Phase 1 study of sabirnetug (ACU193) with ENHANZE comparing the pharmacokinetics between SC and IV administrations in healthy volunteers that demonstrated weekly SC administration of sabirnetug was well-tolerated with systematic exposure supporting further clinical development.

Viatis

- In December 2025, we entered into a commercial license and supply agreement with Viatis under which we license and supply an auto-injector product for self-administered SC selatogrel for the treatment of acute myocardial infarction in adult patients.

Merus

- In November 2025, we and Merus entered into a non-exclusive global collaboration and license agreement that provides Merus access to ENHANZE technology for a single target. Merus intends to explore development and potential commercialization of SC administration of petosemtamab, an epidermal growth factor receptor and leucine-rich repeat-containing G-protein coupled receptor 5 bispecific antibody, for the treatment of head and neck cancer.

Skye Bioscience

- In December 2025, we and Skye Bioscience entered into a non-exclusive global collaboration and license agreement that provides Skye Bioscience access to ENHANZE for the development and potential commercialization of an SC formulation of nimacimab for the treatment of obesity.

Corporate

- In December 2025, we completed the acquisition of Surf Bio, Inc., subsequently renamed Halozyne Surf Bio, Inc., resulting in an expansion of our drug delivery technology portfolio and the potential for future growth through new collaboration agreements.
- In December 2025, we announced that a German court had granted our request for a preliminary injunction ordering Merck Sharp & Dohme Corp. ("Merck") to refrain from distributing and offering Keytruda SC in Germany.

- In November 2025, we completed the acquisition of Elektrofi, Inc., subsequently renamed Halozyme Hypercon, Inc., resulting in an expansion of our drug delivery technology portfolio and the potential for future growth through new collaboration agreements.
- In November 2025, we completed the sale of \$750.0 million aggregate principal amount of the 2031 Convertible Notes (as defined herein) and \$750.0 million aggregate principal amount of the 2032 Convertible Notes (as defined herein). We used a portion of the net proceeds of the offering to fund the cost of entering into the 2031 Capped Call Transactions and the 2032 Capped Call Transactions. We also used a portion of the net proceeds of the offering to enter into privately negotiated agreements with certain holders of its outstanding 2027 Convertible Notes and 2028 Convertible Notes to repurchase their 2027 Convertible Notes and 2028 Convertible Notes for cash through privately negotiated transactions entered into concurrently with or shortly after the offering.
- In November 2025, we entered into an amendment to our credit agreement among other things that extended the maturity date and increased the borrowing capacity of our existing revolving credit facility from \$575.0 million to \$750.0 million.
- In June 2025, we initiated the third \$250 million share repurchase tranche under the \$750 million approved program from February 2024. As of December 31, 2025, \$92.3 million has been used to repurchase approximately 1.7 million shares at an average price of \$52.89 per share.
- In May 2025, we announced a second \$250 million share repurchase under the \$750 million approved program from February 2024. The second \$250 million share repurchase was completed in June 2025, resulting in a total purchase of 4.8 million shares at an average price of \$52.09 per share.
- In April 2025, we filed a patent infringement lawsuit against Merck in the U.S. District Court in New Jersey. We believe the SC formulation of Merck's cancer medicine, Keytruda, infringes multiple patents that protect our MDASE™ SC delivery technology. We believe Merck has used our technology to develop SC Keytruda without our permission. We are seeking damages and injunctive relief to stop the infringement. In addition, the Patent Trial and Appeal Board (“PTAB”) of the U.S. Patent and Trademark Office has instituted post-grant reviews brought by Merck challenging the validity of certain U.S. patents covering our MDASE™ technology. The PTAB proceedings and the lawsuit are not related to our ENHANZE® intellectual property.

Results of Operations

Comparison of Years Ended December 31, 2025 and 2024

Royalties – Royalties were as follows (in thousands):

	Year Ended December 31,		Increase / (Decrease)	
	2025	2024	Dollar	Percentage
DARZALEX	\$ 482,734	\$ 374,803	\$ 107,931	29 %
VYVGART Hytrulo	157,191	28,904	128,287	444 %
Phesgo	105,567	70,091	35,476	51 %
Other	122,348	97,193	25,155	26 %
Total royalties	<u>\$ 867,840</u>	<u>\$ 570,991</u>	<u>\$ 296,849</u>	<u>52 %</u>

The increase in royalties was primarily driven by continued sales uptake of ENHANZE partner products that have launched since 2020, predominantly VYVGART Hytrulo by argenx, DARZALEX SC by Janssen and Phesgo by Roche in all geographies. This growth was partially diluted by earlier-launched ENHANZE partner products that are later in their life cycle and experiencing modest price erosion, such as Herceptin and MabThera by Roche.

We expect royalty revenue to grow further as a result of anticipated increasing partner product sales of DARZALEX SC, Phesgo and VYVGART Hytrulo, the largest drivers of our royalty revenues. The total of all other products is also expected to grow, mainly driven by recently launched ENHANZE partner products, TECENTRIQ SC and OCREVUS SC by Roche, RYBREVANT SC by Janssen and Opdivo Qvantig by BMS, partially offset by modest price erosion expected to continue on earlier launched ENHANZE partner products, Herceptin and MabThera.

Product Sales, Net – Product sales, net were as follows (in thousands):

	Year Ended December 31,		Increase / (Decrease)	
	2025	2024	Dollar	Percentage
Proprietary product sales	\$ 194,608	\$ 166,620	\$ 27,988	17 %
Bulk rHuPH20 sales	133,023	86,334	46,689	54 %
Device partnered product sales	48,813	50,538	(1,725)	(3)%
Total product sales, net	<u>\$ 376,444</u>	<u>\$ 303,492</u>	<u>\$ 72,952</u>	<u>24 %</u>

The increase in product sales, net was primarily due to increased sales of bulk rHuPH20 driven by partner demand as well as contributions from our proprietary product XYOSTED driven by continued market penetration, partially offset by lower device partnered product sales. We expect sales of our proprietary products will grow in future years as we continue to gain market share in the testosterone replacement therapy market. We expect product sales of bulk rHuPH20 and device partnered products to fluctuate in future periods based on the needs of our partners.

Revenues Under Collaborative Agreements – Revenues under collaborative agreements were as follows (in thousands):

	Year Ended December 31,		Increase / (Decrease)	
	2025	2024	Dollar	Percentage
Upfront license and target nomination fees	\$ 18,471	\$ 27,000	\$ (8,529)	(32)%
Event-based development and regulatory milestones and other fees	47,000	72,500	(25,500)	(35)%
Sales-based milestones	70,000	30,000	40,000	133 %
Device licensing and development revenue	16,856	11,341	5,515	49 %
Total revenues under collaborative agreements	<u>\$ 152,327</u>	<u>\$ 140,841</u>	<u>\$ 11,486</u>	<u>8 %</u>

The increase in revenues under collaborative agreements was primarily due to the timing of milestones achieved. Revenue from upfront licenses fees, license fees for the election of additional targets, event-based payments, license maintenance and other license fees vary from period to period based on our ENHANZE collaboration activity. We expect these revenues to continue to fluctuate in future periods based on our partners' ability to meet various clinical, regulatory and event-based milestones set forth in such agreements and our ability to obtain new collaborative agreements.

Operating expenses – Operating expenses were as follows (in thousands):

	Year Ended December 31,		Increase / (Decrease)	
	2025	2024	Dollar	Percentage
Cost of sales	\$ 228,774	\$ 159,417	\$ 69,357	44 %
Amortization of intangibles	76,662	71,049	5,613	8 %
Research and development	81,490	79,048	2,442	3 %
Selling, general and administrative	207,092	154,335	52,757	34 %
Impairment of intangible asset	48,700	—	48,700	100 %
Acquired in-process research and development expense	284,887	—	284,887	100 %
Total operating expenses	<u>\$ 927,605</u>	<u>\$ 463,849</u>	<u>\$ 463,756</u>	<u>100 %</u>

Cost of Sales – Cost of sales consists primarily of raw materials, third-party manufacturing costs, fill and finish costs, freight costs, internal costs and manufacturing overhead associated with the production of our proprietary products, device partnered products and bulk rHuPH20. The increase in cost of sales was primarily due to an increase in product sales and labor allocation initiatives.

Amortization of Intangibles – Amortization of intangibles consists primarily of expense associated with the amortization of acquired device technologies and product rights. The increase in amortization of intangibles expense was due to the acquisition of Elektrofi in November 2025.

Research and Development – Research and development expenses consist of external costs, salaries and benefits, and allocation of facilities and other overhead expenses related to research manufacturing, preclinical and regulatory activities related to our collaborations, and our development platforms. The increase in research and development expense was primarily due to the acquisition of Elektrofi and Surf Bio, partially offset by lower compensation expense driven by resource optimization, labor allocation initiatives, and timing of planned investments in ENHANZE related to the development of our new high-yield rHuPH20 manufacturing process.

Selling, General and Administrative – Selling, general and administrative (“SG&A”) expenses consist primarily of salaries and related costs for personnel in executive, selling and administrative functions, as well as professional fees for legal and accounting, business development, commercial operations support for proprietary products and alliance management, and marketing support for our collaborations. The increase in SG&A expenses was primarily due to an increase in consulting and professional service fees, including litigation costs incurred in connection with a patent infringement litigation case, diligence and transaction-related costs incurred in support of the acquisition of Elektrofi and Surf Bio, and an increase in compensation expense.

Impairment of Intangible Asset – Impairment of intangible asset expense is due to the full impairment of the ATRS-1902 IPR&D asset in the fourth quarter driven by the strategic decision to discontinue the development of ATRS-1902.

Acquired In-process Research and Development Expense – Acquired IPR&D expense represents the value allocated to the Surf Bio drug delivery technology asset acquired in December 2025.

Investment and Other Income, Net – Investment and other income, net was as follows (in thousands):

	Year Ended December 31,		Increase / (Decrease)	
	2025	2024	Dollar	Percentage
Investment and other income, net	\$ 21,472	\$ 23,752	\$ (2,280)	(10)%

Investment and other income, net consists primarily of interest income on our cash, cash-equivalent and marketable securities. The decrease in investment and other income, net was primarily due to a decrease in the average invested balance and lower market interest rates.

Interest Expense – Interest expense was as follows (in thousands):

	Year Ended December 31,		Increase / (Decrease)	
	2025	2024	Dollar	Percentage
Interest expense	\$ 18,126	\$ 18,095	\$ 31	— %

Interest expense consists primarily of costs related to our convertible notes and revolving credit facility. Interest expense was flat year over year.

Income Tax Expense – Income tax expense was as follows (in thousands):

	Year Ended December 31,		Increase / (Decrease)	
	2025	2024	Dollar	Percentage
Income tax expense	\$ 149,986	\$ 113,041	\$ 36,945	33 %

The increase in income tax expense was primarily due to non-deductible in-process research and development expense related to the acquisition of Surf Bio, partially offset by a decrease in pre-tax book income, an increase in tax benefits associated with share-based compensation windfall, an increase in Foreign Derived Intangible Income deduction, valuation allowance adjustments and uncertain tax benefit adjustments.

Comparison of Years Ended December 31, 2024 and 2023

For discussion related to changes in financial condition and the results of operations for the year ended December 31, 2024 compared to the year ended December 31, 2023, refer to *Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”* included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, which was filed with the SEC on February 18, 2025.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity are our existing cash, cash equivalents and available-for-sale marketable securities. As of December 31, 2025, we had cash, cash equivalents and marketable securities of \$142.8 million. We believe that our current cash, cash equivalents and marketable securities will be sufficient to fund our operations for at least the next 12 months. We expect to fund our operations going forward with existing cash resources, anticipated revenues from our existing collaborative agreements and cash that we may raise through future transactions. We may raise cash through any one of the following financing vehicles: (i) new collaborative agreements; (ii) expansions or revisions to existing collaborative relationships; (iii) private financings; (iv) other equity or debt financings; (v) monetizing assets; and/or (vi) the public offering of securities.

We may, in the future, draw on our existing line of credit or offer and sell additional equity, debt securities and warrants to purchase any of such securities, either individually or in units to raise capital for additional working capital, capital expenditures, share repurchases, acquisitions or for other general corporate purposes. Our material cash requirements include the following contractual and other obligations.

Long-term debt

Our long-term debt consists of convertible notes. As of December 31, 2025, the aggregate principal amount of our convertible notes was \$2,179.6 million. As of December 31, 2025, future interest payments associated with our convertible notes totaled \$60.9 million, with \$11.8 million payable within 12 months.

Leases

We have lease arrangements related to our office and research facilities and certain vehicles under non-cancelable operating leases. As of December 31, 2025, we have lease payment obligations of \$40.5 million, with \$11.3 million payable within 12 months.

Third-party manufacturing obligations

We have contracted with third-party manufacturers for the supply of bulk rHuPH20, fill/finish of Hylenex recombinant, other proprietary products and partnered products. Under these agreements, we are required to purchase certain quantities each year during the terms of the agreements. Contractual obligations for purchases of goods or services include agreements that are enforceable and legally binding to us and that specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. For obligations with cancellation provisions, the amounts disclosed were limited to the non-cancelable portion of the agreement terms or the minimum cancellation fee. As of December 31, 2025, we had third-party manufacturing obligations of \$138.1 million, payable within 12 months.

Other purchase obligations and commitments

Purchase obligations represent an estimate of all open purchase orders and contractual obligations in the ordinary course of business for which we have not received the goods or services. As of December 31, 2025, we had other purchase obligations and other commitments of \$33.8 million, with \$24.8 million payable within 12 months.

The expected timing of payments of the obligations above is estimated based on information we have as of December 31, 2025. Timing of payments and actual amounts paid may be different, depending on the timing of receipt of goods or services, or changes to agreed-upon amounts for some obligations.

Our future capital uses and requirements and anticipated sources of funds to satisfy these requirements depend on numerous forward-looking factors. These factors may include, but are not limited to, the following:

- the costs of investments in our ENHANZE platform and auto-injector technology including development of new versions of rHuPH20 and auto-injector devices;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- the costs to develop and validate additional manufacturing processes of rHuPH20, auto-injectors, and testosterone replacement therapies;
- the costs to expand the number of collaboration partner products developed and launched by partners including costs to scale-up manufacturing;
- the amount of royalties and milestones from our partners;
- the effect of competing technological and market developments;
- the terms and timing of any collaborative, licensing and other arrangements that we may establish; and
- the extent to which we acquire or in-license new products, technologies or businesses and invest in development.

Cash Flows

(in thousands)	Year Ended December 31,		Change
	2025	2024	
Net cash provided by operating activities	\$ 651,558	\$ 479,064	\$ 172,494
Net cash used in investing activities	(545,813)	(262,723)	(283,090)
Net cash used in financing activities	(85,174)	(218,861)	133,687
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ 20,571	\$ (2,520)	\$ 23,091

Operating Activities

The increase in net cash provided by operations was primarily due to an increase in revenue, partially offset by higher working capital spend.

Investing Activities

The increase in net cash used in investing activities was primarily due to \$1.0 billion spent to acquire Elektrofi and Surf Bio, partially offset by an increase in net sales and maturities of marketable securities and a decrease in capital spend for property and equipment.

Financing Activities

The decrease in net cash used in financing activities was primarily due to \$1.5 billion cash received from the 2031 and 2032 Convertible Notes offering, partially offset by cash paid on the induced conversion of the 2027 and 2028 Convertible Notes of \$1.0 billion, including a premium and inducement expense, an increase in share repurchase of common stock of \$92.4 million and a decrease in net proceeds from the issuance of common stock under our equity incentive plan.

Share Repurchases

In December 2021, our Board of Directors approved a share repurchase program to repurchase up to \$750.0 million of our outstanding common stock which we completed in June 2024. In February 2024, our Board of Directors authorized a new capital return program to repurchase up to \$750.0 million of our outstanding common stock. Refer to Part I, Item 8, Note 9, *Stockholders' Equity*, to the consolidated financial statements included in this Annual Report on Form 10-K for additional information regarding our share repurchases.

Long-Term Debt

0.875% Convertible Notes due 2032

In November 2025, we completed the sale of \$750.0 million in aggregate principal amount of 0.875% Convertible Senior Notes due 2032 (the “2032 Convertible Notes”). The net proceeds from the issuance of the 2032 Convertible Notes, after deducting the initial purchasers’ fee of \$15.0 million, were approximately \$735.0 million. We also incurred additional debt issuance costs totaling \$0.5 million. Debt issuance costs and the initial purchasers’ fee are presented as a debt discount.

The 2032 Convertible Notes pay interest semi-annually in arrears on May 15th and November 15th of each year at an annual rate of 0.875%. The 2032 Convertible Notes are general unsecured obligations and rank senior in right of payment to all indebtedness that is expressly subordinated in right of payment to the 2032 Convertible Notes, rank equally in right of payment with all existing and future liabilities that are not so subordinated, are effectively junior to any secured indebtedness to the extent of the value of the assets securing such indebtedness, and are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our current or future subsidiaries. The 2032 Convertible Notes have a maturity date of November 15, 2032.

Holder may convert their 2032 Convertible Notes at their option only in the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on March 31, 2026, if the last reported sale price per share of common stock exceeds 130% of the conversion price for each of at least 20 trading days during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the “measurement period”) in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day; (3) upon the occurrence of certain corporate events or distributions on our common stock, as described in the indenture for the 2032 Convertible Notes; (4) if we call such notes for redemption; and (5) at any time from, and including, May 15, 2032, until the close of business on the second scheduled trading day immediately before the maturity date. As of December 31, 2025, the 2032 Convertible Notes were not convertible.

Upon conversion, we will pay cash for the settlement of principal, and for the premium, if applicable, we will pay cash, deliver shares of common stock or a combination of cash and shares of common stock, at our election. The initial conversion rate for the 2032 Convertible Notes is 11.4683 shares of common stock per \$1,000 in principal amount of 2032 Convertible Notes, equivalent to a conversion price of approximately \$87.20 per share of our common stock. The conversion rate is subject to adjustment in some events but will not be adjusted for any accrued or unpaid interest.

As of December 31, 2025, we were in compliance with all covenants.

2032 Capped Call Transactions

In connection with the offering of the 2032 Convertible Notes, we entered into capped call transactions with certain counterparties (the “2032 Capped Call Transactions”). The 2032 Capped Call Transactions are expected generally to reduce potential dilution to holders of our common stock upon conversion of the 2032 Convertible Notes or at our election (subject to certain conditions) offset any cash payments we are required to make in excess of the principal amount of such converted 2032 Convertible Notes. The cap price of the 2032 Capped Call Transactions is initially \$136.78 per share of common stock, representing a premium of 100% above the last reported sale price of \$68.30 per share of common stock on November 5, 2025, and is subject to certain adjustments under the terms of the 2032 Capped Call Transactions. As of December 31, 2025, no 2032 Capped Call Transactions had been exercised.

Pursuant to their terms, the 2032 Capped Call Transactions qualify for classification within stockholders’ equity in our consolidated balance sheets, and their fair value is not remeasured and adjusted as long as they continue to qualify for stockholders’ equity classification. We paid approximately \$106.8 million for the 2032 Capped Call Transactions, including applicable transaction costs, which was recorded as a reduction to additional paid-in capital in our consolidated balance sheets. The 2032 Capped Call Transactions are separate transactions entered into by us with certain counterparties, are not part of the terms of the 2032 Convertible Notes, and do not affect any holder’s rights under the 2032 Convertible Notes. Holders of the 2032 Convertible Notes do not have any rights with respect to the 2032 Capped Call Transactions.

0.00% Convertible Notes due 2031

In November 2025, we completed the sale of \$750.0 million in aggregate principal amount of 0.00% Convertible Senior Notes due 2031 (the “2031 Convertible Notes”). The net proceeds from the issuance of the 2031 Convertible Notes, after deducting the initial purchasers’ fee of \$15.0 million, was approximately \$735.0 million. We also incurred additional debt issuance costs totaling \$0.5 million. Debt issuance costs and the initial purchasers’ fee are presented as a debt discount.

The 2031 Convertible Notes will not bear regular interest and the principal amount of the 2031 Convertible Notes will not accrete. The 2031 Convertible Notes are general unsecured obligations and rank senior in right of payment to all indebtedness

that is expressly subordinated in right of payment to the 2031 Convertible Notes, rank equally in right of payment with all existing and future liabilities that are not so subordinated, are effectively junior to any secured indebtedness to the extent of the value of the assets securing such indebtedness and are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our current or future subsidiaries. The 2031 Convertible Notes have a maturity date of February 15, 2031.

Holders may convert their 2031 Convertible Notes at their option only in the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on March 31, 2026, if the last reported sale price per share of common stock exceeds 130% of the conversion price for each of at least 20 trading days during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the “measurement period”) in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day; (3) upon the occurrence of certain corporate events or distributions on our common stock, as described in the indenture for the 2031 Convertible Notes; (4) if we call such notes for redemption; and (5) at any time from, and including, August 15, 2030, until the close of business on the scheduled trading day immediately before the maturity date. As of December 31, 2025, the 2031 Convertible Notes were not convertible.

Upon conversion, we will pay cash for the settlement of principal and for the premium, if applicable, we will pay cash, deliver shares of common stock or a combination of cash and shares of common stock, at our election. The initial conversion rate for the 2031 Convertible Notes is 11.4683 shares of common stock per \$1,000 in principal amount of 2031 Convertible Notes, equivalent to a conversion price of approximately \$87.20 per share of our common stock. The conversion rate is subject to adjustment.

As of December 31, 2025, we were in compliance with all covenants.

2031 Capped Call Transactions

In connection with the offering of the 2031 Convertible Notes, we entered into capped call transactions with certain counterparties (the “2031 Capped Call Transactions”). The 2031 Capped Call Transactions are expected generally to reduce potential dilution to holders of our common stock upon conversion of the 2031 Convertible Notes or at our election (subject to certain conditions) offset any cash payments we are required to make in excess of the principal amount of such converted 2031 Convertible Notes. The cap price of the 2031 Capped Call Transactions is initially \$136.78 per share of common stock, representing a premium of 100% above the last reported sale price of \$68.30 per share of common stock on November 5, 2025, and is subject to certain adjustments under the terms of the 2031 Capped Call Transactions. As of December 31, 2025, no 2031 Capped Call Transactions had been exercised.

Pursuant to their terms, the 2031 Capped Call Transactions qualify for classification within stockholders’ equity in our consolidated balance sheets, and their fair value is not remeasured and adjusted as long as they continue to qualify for stockholders’ equity classification. We paid approximately \$104.0 million for the 2031 Capped Call Transactions, including applicable transaction costs, which was recorded as a reduction to additional paid-in capital in our consolidated balance sheets. The 2031 Capped Call Transactions are separate transactions entered into by us with certain counterparties, are not part of the terms of the 2031 Convertible Notes, and do not affect any holder’s rights under the 2031 Convertible Notes. Holders of the 2031 Convertible Notes do not have any rights with respect to the 2031 Capped Call Transactions.

1.00% Convertible Notes due 2028

In August 2022, we completed the sale of \$720.0 million in aggregate principal amount of 1.00% Convertible Senior Notes due 2028 (the “2028 Convertible Notes”). The net proceeds from the issuance of the 2028 Convertible Notes, after deducting the initial purchasers’ fee of \$18.0 million, was approximately \$702.0 million. We also incurred additional debt issuance costs totaling \$1.0 million. Debt issuance costs and the initial purchasers’ fee are presented as a debt discount.

The 2028 Convertible Notes pay interest semi-annually in arrears on February 15th and August 15th of each year at an annual rate of 1.00%. The 2028 Convertible Notes are general unsecured obligations and rank senior in right of payment to all indebtedness that is expressly subordinated in right of payment to the 2028 Convertible Notes, rank equally in right of payment with all existing and future liabilities that are not so subordinated, are effectively junior to any secured indebtedness to the extent of the value of the assets securing such indebtedness and are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our current or future subsidiaries. The 2028 Convertible Notes have a maturity date of August 15, 2028.

Holders may convert their 2028 Convertible Notes at their option only in the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on December 31, 2022, if the last reported sale price per share of common stock exceeds 130% of the conversion price for each of at least 20 trading days during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the “measurement period”) in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day; (3) upon the occurrence of certain corporate events or distributions on our common stock, as described in the offering memorandum for the 2028 Convertible Notes; (4) if we call such notes for redemption; and (5) at any time from, and including, February 15, 2028 until the close of business on the second scheduled trading day immediately before the maturity date. As of December 31, 2025, the 2028 Convertible Notes were not convertible.

Upon conversion, we will pay cash for the settlement of principal, and for the premium, if applicable, we will pay cash, deliver shares of common stock or a combination of cash and shares of common stock, at our election. The initial conversion rate for the 2028 Convertible Notes is 17.8517 shares of common stock per \$1,000 in principal amount of 2028 Convertible Notes, equivalent to a conversion price of approximately \$56.02 per share of our common stock. The conversion rate is subject to adjustment in some events but will not be adjusted for any accrued or unpaid interest.

In connection with the offering of the 2032 Convertible Notes and 2031 Convertible Notes, we used a portion of the net proceeds of the offering to enter into privately negotiated agreement with certain holders of our outstanding 2028 Convertible Notes to repurchase their 2028 Convertible Notes for cash. In connection with the repurchases, we paid approximately \$342.9 million in cash, which included a premium, inducement expense and accrued interest.

As of December 31, 2025, we were in compliance with all covenants.

2028 Capped Call Transactions

In connection with the offering of the 2028 Convertible Notes, we entered into capped call transactions with certain counterparties (the “2028 Capped Call Transactions”). The 2028 Capped Call Transactions are expected generally to reduce potential dilution to holders of our common stock upon conversion of the 2028 Convertible Notes or at our election (subject to certain conditions) offset any cash payments we are required to make in excess of the principal amount of such converted 2028 Convertible Notes. The cap price of the 2028 Capped Call Transactions is initially \$75.4075 per share of common stock, representing a premium of 75% above the last reported sale price of \$43.09 per share of common stock on August 15, 2022, and is subject to certain adjustments under the terms of the 2028 Capped Call Transactions. As of December 31, 2025, no 2028 Capped Calls had been exercised.

Pursuant to their terms, the 2028 Capped Call Transactions qualify for classification within stockholders’ equity in our consolidated balance sheets, and their fair value is not remeasured and adjusted as long as they continue to qualify for stockholders’ equity classification. We paid approximately \$69.1 million for the 2028 Capped Call Transactions, including applicable transaction costs, which was recorded as a reduction to additional paid-in capital in our consolidated balance sheets. The 2028 Capped Call Transactions are separate transactions entered into by us with certain counterparties, are not part of the terms of the 2028 Convertible Notes, and do not affect any holder’s rights under the 2028 Convertible Notes. Holders of the 2028 Convertible Notes do not have any rights with respect to the 2028 Capped Call Transactions.

0.25% Convertible Notes due 2027

In March 2021, we completed the sale of \$805.0 million in aggregate principal amount of 0.25% Convertible Senior Notes due 2027 (the “2027 Convertible Notes”). The net proceeds in connection with the issuance of the 2027 Convertible Notes, after deducting the initial purchasers’ fee of \$20.1 million, was approximately \$784.9 million. We also incurred additional debt issuance costs totaling \$0.4 million. Debt issuance costs and the initial purchasers’ fee are presented as a debt discount.

The 2027 Convertible Notes pay interest semi-annually in arrears on March 1st and September 1st of each year at an annual rate of 0.25%. The 2027 Convertible Notes are general unsecured obligations and rank senior in right of payment to all indebtedness that is expressly subordinated in right of payment to the 2027 Convertible Notes, will rank equally in right of payment with all existing and future liabilities that are not so subordinated, are effectively junior to any secured indebtedness to the extent of the value of the assets securing such indebtedness and are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our current or future subsidiaries. The 2027 Convertible Notes have a maturity date of March 1, 2027.

Holders may convert their 2027 Convertible Notes at their option only in the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on June 30, 2021, if the last reported sale price per share of common stock exceeds 130% of the conversion price for each of at least 20 trading days during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the

“measurement period”) in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day; (3) upon the occurrence of certain corporate events or distributions on our common stock, as described in the offering memorandum for the 2027 Convertible Notes; (4) if we call such notes for redemption; and (5) at any time from, and including, September 1, 2026 until the close of business on the scheduled trading day immediately before the maturity date. As of December 31, 2025, the 2027 Convertible Notes were not convertible.

Upon conversion, we will pay cash for the settlement of principal, and for the premium, if applicable, we will pay cash, deliver shares of common stock or a combination of cash and shares of common stock, at our election. The initial conversion rate for the 2027 Convertible Notes is 12.9576 shares of common stock per \$1,000 in principal amount of 2027 Convertible Notes, equivalent to a conversion price of approximately \$77.17 per share of our common stock. The conversion rate is subject to adjustment.

In connection with the offering of the 2032 Convertible Notes and 2031 Convertible Notes, we used a portion of the net proceeds of the offering to enter into privately negotiated agreement with certain holders of our outstanding 2027 Convertible Notes to repurchase their 2027 Convertible Notes for cash. In connection with the repurchases, we paid approximately \$676.8 million in cash, which included a premium, inducement expense and accrued interest.

As of December 31, 2025, we were in compliance with all covenants.

1.25% Convertible Notes due 2024

In November 2019, we completed the sale of \$460.0 million in aggregate principal amount of 1.25% Convertible Senior Notes due 2024 (the “2024 Convertible Notes”). The net proceeds in connection with the issuance of the 2024 Convertible Notes, after deducting the initial purchasers’ fee of \$12.7 million, was approximately \$447.3 million. We also incurred debt issuance cost totaling \$0.3 million. Debt issuance costs and the initial purchasers’ fee were presented as a debt discount.

In January 2021, we notified the note holders of our irrevocable election to settle the principal of the 2024 Convertible Notes in cash and for the premium, to deliver shares of common stock. The conversion rate for the 2024 Convertible Notes was 41.9208 shares of common stock per \$1,000 in principal amount of 2024 Convertible Notes, equivalent to a conversion price of approximately \$23.85 per share of our common stock. The conversion rate was subject to adjustment.

In January 2023, we issued a notice for the redemption of 2024 Convertible Notes. Holders of the notes could convert their notes at any time prior to the close of the business day prior to the redemption date. In March 2023, holders of the notes elected to convert the 2024 Convertible Notes in full. In connection with the conversion, we paid approximately \$13.5 million in cash which included principal and accrued interest, and issued 288,886 shares of our common stock representing the intrinsic value based on the contractual conversion rate.

Revolving Credit and Term Loan Facilities

In May 2022, we entered into a credit agreement, which was subsequently amended (i) in August 2022 (the “First Amendment”), (ii) in March 2023 (the “Second Amendment”) and (iii) in November 2025 (the “Third Amendment”) with Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and the other lenders and L/C Issuers party thereto (the credit agreement as amended by the First Amendment, the Second Amendment and the Third Amendment, the “2022 Credit Agreement”), evidencing a credit facility (the “2022 Facility”) that originally provided for (i) a \$575 million revolving credit facility (the “Revolving Credit Facility”) and (ii) a \$250 million term loan facility (the “Term Facility”). Concurrently, with the entry into the First Amendment, we repaid the entire outstanding Term Facility and repaid all outstanding loans under the Revolving Credit Facility under the 2022 Credit Agreement.

Pursuant to the Third Amendment, we (a) extended the maturity date of the existing revolving credit facility under the 2022 Credit Agreement immediately prior to the effectiveness of the Third Amendment (the “Existing Revolving Credit Facility” and, as amended and upsized as set forth in clause (b) below, the “Amended Revolving Credit Facility”), and (b) incurred additional revolving credit commitments such that the aggregate amount of commitments under the Amended Revolving Credit Facility equal \$750 million in total.

Borrowings under the Amended Revolving Credit Facility bear interest at a rate equal to an applicable margin plus: (a) the applicable Term SOFR (as defined in the Credit Agreement) rate, or (b) a base rate determined by reference to the highest of (1) the federal funds effective rate plus 0.50%, (2) the Bank of America prime rate, (3) the Term SOFR rate for an interest period of one month plus 1.00%, and (4) 1.00%. The applicable margin for the Amended Revolving Credit Facility ranges, based on our consolidated total net leverage ratio, from 0.25% to 1.25% in the case of base rate loans and from 1.25% to 2.25% in the case of Term SOFR rate loans. In addition to paying interest on the outstanding principal under the Amended Revolving Credit Facility, we will pay (i) a commitment fee in respect of the unutilized commitments thereunder and (ii) customary letter of credit fees and agency fees.

After giving effect to the Third Amendment, the Amended Revolving Credit Facility will mature on the earlier of (a) November 5, 2030 and (b) the Springing Revolver Maturity Date (as defined in the 2022 Credit Agreement), unless the Amended Revolving Credit Facility is extended prior to such date in accordance with the 2022 Credit Agreement.

The 2022 Credit Agreement contains an expansion feature, which allows us, subject to certain conditions, to establish a term loan facility and/or to increase the aggregate principal amount of the Amended Revolving Credit Facility, provided that certain customary conditions are satisfied, including that our consolidated secured net leverage ratio shall not exceed 3.50 to 1.00 on a pro forma basis.

The terms of the Amended Revolving Credit Facility include certain affirmative and negative covenants as set forth in the Credit Agreement, that, among other things, may restrict our ability to: create liens on assets; incur additional indebtedness; make investments; make acquisitions and other fundamental changes; and sell and dispose of property or assets. The Credit Agreement also includes financial covenants requiring us to maintain, measured as of the end of each fiscal quarter, a maximum consolidated net leverage ratio of 4.50 to 1.00, and a minimum consolidated interest coverage ratio of 3.00 to 1.00. If we consummate a material acquisition, the consolidated net leverage ratio covenant will be increased by 0.50 to 1.00 (to a level not to exceed 5.00 to 1.00) for a period of three fiscal quarters following such material acquisition, subject to customary conditions.

The 2022 Credit Agreement also contains customary affirmative covenants, representations and warranties and events of default. Except as amended by the Third Amendment, the terms of the 2022 Credit Agreement remain in full force and effect.

As of December 31, 2025, the revolving credit facility was undrawn and we were in compliance with all covenants.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). The preparation of our consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. We review our estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Our significant accounting policies are outlined in Part II, Item 8, Note 2, *Summary of Significant Accounting Policies*, to the consolidated financial statements included in this Annual Report on Form 10-K. We believe the following accounting policies to be critical to the judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

<i>Methodology</i>	<i>Judgment and Uncertainties</i>	<i>Effect if Actual Results Differ From Assumptions</i>
For collaborative agreements, we are entitled to receive event-based payments subject to the collaboration partner’s achievement of specified development and regulatory milestones. We recognize revenue when it is deemed probable that these milestones will be achieved, which could be in a period prior to its actual occurrence. At the end of each reporting period, we re-evaluate the probability of achievement of such milestones, and if necessary, adjust our estimate of the overall transaction price.	Revenue is recognized when we determine it is probable a milestone will be achieved. This assessment is based on our past experience with our collaboration partners, market insight and partner communication.	A revenue reversal will be required in the event it is determined that achievement of a milestone, previously deemed probable, will not occur. This reversal may be material.
Royalty revenue is recognized in the period the underlying sales occur, but we do not receive final royalty reports from our collaboration partners until after we complete our financial statements for a prior quarter. Therefore, we recognize revenue based on estimates of the royalty earned, which are based on preliminary reports provided by our collaboration partners.	The amount of royalty revenue recognized for the quarter is estimated using our knowledge of past royalty payments, market insight and an estimate made by our collaboration partners provided in a preliminary report.	A final royalty report and associated royalty payment is received approximately 60 days after quarter-end. If necessary, a true-up is recorded at that time if there is a difference from the initial estimated royalty revenue recorded. To date, the true-up entries have not been material.
For collaborative arrangements, when necessary, we perform an allocation of the upfront amount based on relative standalone selling prices (“SSP”) of licenses for individual targets. We determine license SSP using an income-based valuation approach utilizing risk-adjusted discounted cash flow projections of the estimated return a licensor would receive where applicable, or an alternative valuation method as indicative value from historical transactions.	The inputs used in the valuation model to determine SSP are based on estimates utilizing market data, information provided by our collaboration partners and data from historical transactions.	Differences in the allocation of the transaction price between delivered and undelivered performance obligations can impact the timing of revenue recognition but do not change the total revenue recognized under any agreement.

Business Combinations

<i>Methodology</i>	<i>Judgment and Uncertainties</i>	<i>Effect if Actual Results Differ From Assumptions</i>
<p>The acquisition of Elektrofi has been accounted for in accordance with business combination guidance. Under the acquisition method of accounting, we recognized the identifiable assets acquired and the liabilities assumed at their fair values as of the date of acquisition. We record the excess consideration over the aggregate fair value of tangible and intangible assets, net of liabilities assumed, as goodwill.</p>	<p>Significant estimates and assumptions used in estimating the fair value of acquired technology and other identifiable intangible assets include future cash flows that we expect to generate from the acquired assets.</p>	<p>If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop these values, we could recognize future impairment charges. In addition, we have estimated the economic lives of certain acquired assets and these lives are used to calculate amortization expense. If our estimates of the economic lives change, amortization expenses could be accelerated or slowed.</p>
<p>Contingent Liability</p>		
<p>A contingent liability with a value of \$23.0 million was assumed in the acquisition of Elektrofi related to future milestone payments. The acquisition date fair value of contingent consideration was measured using the income approach, specifically the probability weighted expected return method for the development milestone payments. The fair value of the contingent liability will be remeasured quarterly.</p>	<p>Estimates and assumptions used in the valuation include probability of achieving certain milestones, the expected timing of achieving these milestones, and a discount rate. These unobservable inputs represent a Level 3 measurement because they are supported by little or no market activity and reflect our own assumptions in measuring fair value.</p>	<p>If there is a change in the inputs and assumptions used to fair value the contingent liability, we could recognize a material impact on our consolidated balance sheet and statements of income in future periods.</p>
<p>Goodwill and Intangibles</p>		
<p>Goodwill and in-process research and development are not amortized; however, they are reviewed for impairment at least annually. We test for potential impairment of goodwill and other intangible assets that have indefinite useful lives annually in the second fiscal quarter or whenever indicators of impairment arise.</p>	<p>In the year of acquisition, significant estimates and assumptions are used to estimate the fair value of the intangible assets. Subsequent to the initial recognition, we monitor these assets for impairment indicators.</p>	<p>A change in any of the estimates or assumptions used may result an impairment charge in our consolidated statement of income.</p>

Recent Accounting Pronouncements

Refer to Part II, Item 8, Note 2, *Summary of Significant Accounting Policies*, to the consolidated financial statements included in this Annual Report on Form 10-K for a discussion of recent accounting pronouncements and their effect, if any, on us.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As of December 31, 2025, our cash equivalents and marketable securities consisted of investments in money market funds and U.S. Treasury securities. These investments were made in accordance with our investment policy which specifies the categories, allocations, and ratings of securities we may consider for investment. The primary objective of our investment activities is to preserve principal while at the same time maximizing the income we receive without significantly increasing risk. Some of the financial instruments that we invest in could be subject to market risk. This means that a change in prevailing interest rates may cause the value of the instruments to fluctuate. For example, if we purchase a security that was issued with a fixed interest rate and the prevailing interest rate later rises, the value of that security may decline. Based on our current investment portfolio as of December 31, 2025, we do not believe that our results of operations would be materially impacted by an immediate change of 10% in interest rates.

We hedge a portion of foreign currency exchange risk associated with forecasted royalties revenue denominated in Swiss francs to reduce the risk of our earnings and cash flows being adversely affected by fluctuations in exchange rates. These transactions are designated and qualify as cash flow hedges. The cash flow hedges are carried at fair value with mark-to-market gains and losses recorded within AOCI in our consolidated balance sheets and reclassified to royalty revenue in our consolidated statements of income in the same period as the recognition of the underlying hedged transaction. We do not issue derivatives, derivative commodity instruments or other financial instruments for speculative trading purposes.

Further, we do not believe our cash, cash equivalents and marketable securities have significant risk of default or illiquidity. We made this determination based on discussions with our investment advisors and a review of our holdings. While we believe our cash, cash equivalents and marketable securities do not contain excessive risk, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in market value. All of our cash equivalents and marketable securities are recorded at fair market value.

Item 8. Financial Statements and Supplementary Data

Our financial statements are annexed to this report beginning on page F-1.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

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

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There have been no significant changes in our internal control over financial reporting that occurred during the last fiscal quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and Rule 15d-15(f) promulgated under the Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our Board of Directors, management and other personnel, 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 and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework (2013 framework) (the "COSO criteria"). Based on our assessment, management concluded that, as of December 31, 2025, our internal control over financial reporting is effective based on the COSO criteria. The independent registered public accounting firm that audited the consolidated financial statements that are included in this Annual Report on Form 10-K has issued an audit report on the effectiveness of our internal control over financial reporting as of December 31, 2025. The report appears below.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of
Halozyme Therapeutics, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Halozyme Therapeutics, Inc.'s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Halozyme Therapeutics, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, cash flows and stockholders' equity for each of the three years in the period ended December 31, 2025, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) and our report dated February 17, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

San Diego, California
February 17, 2026

Item 9B. Other Information

During the three months ended December 31, 2025, the following officers adopted or terminated a Rule 10b5-1 trading arrangement (as such terms are defined pursuant to Item 408 of Regulation S-K) as noted in the table below.

Name and Title	Action	Date	Trading Arrangement		Total Shares To Be Sold	Expiration Date
			Rule 10b5-1*	Non-Rule 10b5-1**		
Helen Torley President and Chief Executive Officer	Adoption	12/3/2025	X		700,000	7/30/2027
Nicole LaBrosse Senior Vice President and Chief Financial Officer	Termination	12/2/2025	X		17,110	*** Terminated

* Contract, instruction or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

** Non-Rule 10b5-1 trading arrangement as defined in Item 408(c) of Regulation S-K under the Exchange Act.

*** Includes restricted stock units less the amount of shares that will be withheld to satisfy the payment of tax withholding obligations due upon vesting.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item regarding directors is incorporated by reference to our definitive Proxy Statement (the “Proxy Statement”) to be filed with the Securities and Exchange Commission in connection with our 2026 Annual Meeting of Stockholders no later than 120 days after December 31, 2025 under the heading “Election of Directors.” Our Code of Conduct and Ethics applies to all of our employees, officers and directors and is available on our website at www.halozyme.com. Amendments to or waivers of our Code of Conduct and Ethics granted to any of our directors or executive officers will be published promptly within four business days on our website, www.halozyme.com. Please note that the information on our website is not incorporated by reference in this Annual Report on Form 10-K. The information required by this item regarding our Audit Committee is incorporated by reference to the information under the caption “Board Meetings and Committees—Audit Committee” to be contained in the Proxy Statement. The information required by this item regarding material changes, if any, to the process by which stockholders may recommend nominees to our Board of Directors is incorporated by reference to the information under the caption “Board Meetings and Committees—Nominating and Governance Committee” to be contained in the Proxy Statement. The information required by this item regarding our insider trading policies and procedures is incorporated by reference to the information under the caption “Insider Trading Policies and Procedures” to be contained in our Proxy Statement. The information required by this item regarding any delinquent Section 16(a) reporting is incorporated by reference to the information under the caption “Delinquent Section 16(a) Reports” to be contained in our Proxy Statement.

Executive Officers

Helen I. Torley, M.B. Ch. B., M.R.C.P. (63), President, Chief Executive Officer and Director. Dr. Torley joined Halozyme in January 2014 as President and Chief Executive Officer and as a member of Halozyme’s Board of Directors. Throughout her career, Dr. Torley has led several successful product launches, including Kyprolis®, Prolia®, Sensipar®, and

Miacalcin®. Prior to joining Halozyme, Dr. Torley served as Executive Vice President and Chief Commercial Officer for Onyx Pharmaceuticals (“Onyx”) from August 2011 to December 2013 overseeing the collaboration with Bayer on Nexavar® and Stivarga® and the U.S. launch of Kyprolis®. She was responsible for the development of Onyx's commercial capabilities in ex-U.S. markets and in particular, in Europe. Prior to Onyx, Dr. Torley spent 10 years in management positions at Amgen Inc., most recently serving as Vice President and General Manager of the U.S. Nephrology Business Unit from 2003 to 2009 and the U.S. Bone Health Business Unit from 2009 to 2011. From 1997 to 2002, she held various senior management positions at Bristol-Myers Squibb, including Regional Vice President of Cardiovascular and Metabolic Sales and Head of Cardiovascular Global Marketing. She began her career at Sandoz/Novartis, where she ultimately served as Vice President of Medical Affairs, developing and conducting post-marketing clinical studies across all therapeutic areas, including oncology. Within the past five years, Dr. Torley served on the Board of Directors of Quest Diagnostics Incorporated, a diagnostic information services company. Before joining the industry, Dr. Torley was in medical practice as a senior registrar in rheumatology at the Royal Infirmary in Glasgow, Scotland. Dr. Torley received her Bachelor of Medicine and Bachelor of Surgery degrees (M.B. Ch.B.) from the University of Glasgow and is a Member of the Royal College of Physicians (M.R.C.P.).

Nicole LaBrosse (43), Senior Vice President, Chief Financial Officer. Ms. LaBrosse has served as the Senior Vice President, Chief Financial Officer since February 2022 and has over 20 years of public accounting and corporate finance experience. She previously served as the Company’s Vice President, Finance and Accounting from January 2020 to February 2022 and as the Company’s Executive Director, Controller from July 2017 to December 2019. From June 2015 to June 2017, she was the Company’s Senior Director, Financial Reporting. Prior to joining the Company, Ms. LaBrosse was an auditor with PricewaterhouseCoopers, LLP from 2004 to 2015. She received a certified public accounting license after receiving a B.S. degree in corporate finance and accounting and her M.S. degree in accounting from Bentley College.

Mark Snyder (59), Senior Vice President, General Counsel, Chief Compliance Officer and Secretary. Mr. Snyder joined Halozyme in January 2022 as Senior Vice President, General Counsel, Chief Compliance Officer and Secretary. Mr. Snyder has over 33 years of experience in legal and business management roles. Prior to joining Halozyme, from January 2008 to December 2021, Mr. Snyder served in various senior positions in the legal department at Qualcomm Incorporated, a wireless communications company, including his most recent positions as Senior Vice President & Deputy General Counsel, Litigation, from April 2016 to December 2021 and Vice President, Patent Counsel, from October 2010 to April 2016. Before Qualcomm, Mr. Snyder served as Lead Intellectual Property Counsel at Kyocera Wireless Corp., a wireless communications company, and has held legal and business management roles in two smaller companies. Mr. Snyder began his legal career as a patent attorney at the law firm of Sheridan Ross & McIntosh. Mr. Snyder received his B.S. degree in chemical engineering at the University of Rochester and his M.B.A. degree from Boston College Carroll School of Business. He received his J.D. from Boston College Law School.

Cortney Caudill (49), Senior Vice President, Chief Operating Officer. Ms. Caudill has served as the Halozyme’s Senior Vice President, Chief Operating Officer since October 2025 and previously served as Senior Vice President, Chief Operations Officer since October 2023. Prior to joining Halozyme, from 2019 to October 2023, Ms. Caudill served in roles with increasing responsibility at Aeglea Biotherapeutics, Inc., a biotechnology company, including Vice President of Manufacturing, Senior Vice President, Technical Operations and most recently Chief Product Officer. From 2002 to 2018, she held operational roles of increasing responsibility at various life sciences companies such as Cambrex Bioscience, Vaxagen, Inc., Genentech, Vetter Pharma International, Samsung Biologics, Baxalta and Eaulife NA. She received her B.S. degree in biology and her B.A. degree in psychology from the University of Texas.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to the information under the captions “*Executive Compensation and Related Information*” and “*Compensation Committee Interlocks and Insider Participation*” to be contained in the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Other than as set forth below, the information required by this item is incorporated by reference to the information under the caption “*Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*” to be contained in the Proxy Statement.

Equity Compensation Plan Information

The following table summarizes our compensation plans under which our equity securities are authorized for issuance as of December 31, 2025:

Plan Category	Number of Shares to be Issued upon Exercise of Outstanding Options, Restricted Stock Units and Performance Stock Units (a)	Weighted Average Exercise Price of Outstanding Options ⁽²⁾ (b)	Number of Shares Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Shares Reflected in Column (a)) (c)
Equity compensation plans approved by stockholders ⁽¹⁾ . . .	6,877,977	\$ 35.10	10,657,725
Equity compensation plans not approved by stockholders . . .	—	—	—
	6,877,977	\$ 35.10	10,657,725

(1) Represents stock options, restricted stock units, and performance stock units under the Amended and Restated 2021 Stock Plan. This includes 2,516,896 shares available for future purchase under our ESPP plan.

(2) This amount does not include performance stock units as there is no exercise price for such units.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to the information under the captions “*Certain Relationships and Related Transactions*” and “*Corporate Governance - Director Independence*” to be contained in the Proxy Statement.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated by reference to the information under the caption “*Principal Accounting Fees and Services*” to be contained in the Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this report.

1. Financial Statements

	<u>Page</u>
Report of Independent Registered Public Accounting Firm ID 42	F-1
Consolidated Balance Sheets as of December 31, 2025 and 2024	F-4
Consolidated Statements of Income for Each of the Years Ended December 31, 2025, 2024 and 2023	F-5
Consolidated Statements of Comprehensive Income for Each of the Years Ended December 31, 2025, 2024 and 2023	F-6
Consolidated Statements of Cash Flows for Each of the Years Ended December 31, 2025, 2024 and 2023	F-7
Consolidated Statements of Stockholders' Equity for Each of the Years Ended December 31, 2025, 2024 and 2023	F-9
Notes to the Consolidated Financial Statements	F-10

2. List of all Financial Statement schedules.

The following financial statement schedule of Halozyme Therapeutics, Inc. is filed as part of this Annual Report on Form 10-K and should be read in conjunction with the consolidated financial statements of Halozyme Therapeutics, Inc.

	<u>Page</u>
Schedule II: Valuation and Qualifying Accounts	F-52

All other schedules are omitted because they are not applicable or the required information is shown in the Financial Statements or notes thereto.

3. List of Exhibits required by Item 601 of Regulation S-K. See part (b) below.

(b) Exhibits.

Exhibit Number	Exhibit Title	Filed Herewith	Incorporated by Reference	
			Form	Date Filed
2.1	Agreement and Plan of Merger, dated as of September 30, 2025, by and among Halozyme Therapeutics, Inc., Erraid Merger Sub Inc., Elektrofi, Inc. and Shareholder Representative Services LLC, solely in its capacity as the representative of the securityholders as set forth in the Merger Agreement		8-K	10/3/2025
3.1	Amended and Restated Certification of Incorporation of Halozyme Therapeutics, Inc.		8-K	4/26/2024
3.2	The Company's Bylaws, as amended		8-K	12/10/2021
4.1	Indenture, dated March 1, 2021, between Halozyme Therapeutics, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee		8-K	3/1/2021
4.2	Form of Note, dated March 1, 2021, between Halozyme Therapeutics, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee		8-K	3/1/2021
4.3	Indenture, dated August 18, 2022, between Halozyme Therapeutics, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee		8-K	8/18/2022
4.4	Form of Note, dated August 18, 2022, between Halozyme Therapeutics, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (included within Exhibit 4.3)		8-K	8/18/2022
4.5	2031 Convertible Notes Indenture, dated November 12, 2025 between Halozyme Therapeutics, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee.		8-K	11/12/2025
4.6	Form of 0% Convertible Senior Notes due 2031 (included in Exhibit 4.5 hereto).		8-K	11/12/2025
4.7	2032 Convertible Notes Indenture, dated November 12, 2025 between Halozyme Therapeutics, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee.		8-K	11/12/2025
4.8	Form of 0.875% Convertible Senior Notes due 2032 (included in Exhibit 4.7 hereto).		8-K	11/12/2025
4.9	Description of Securities		10-K	2/22/2022
10.1	Form of Capped Call Confirmation in connection with 1.0% Convertible Senior Notes due 2028		8-K	8/18/2022
10.2	Form of Capped Call Confirmation in connection with 0.0% Convertible Senior Notes due 2031 and 0.875% Convertible Senior Notes due 2032		8-K	11/12/2025
10.3	Credit Agreement, dated as of May 24, 2022, by and among Halozyme Therapeutics, Inc., the Guarantors, Bank of America N.A. and each of those additional Lenders that are a party to such agreement.		8-K	5/24/2022
10.4	Security Agreement, dated as of May 24, 2022, by and among Halozyme Therapeutics, Inc., the Guarantors and Bank of America N.A.		8-K	5/24/2022
10.5	Amendment No. 1 to the Credit Agreement		8-K	8/19/2022
10.6	Amendment No. 2 to the Credit Agreement		10-Q	5/9/2023
10.7	Amendment No. 3 to the Credit Agreement	X		
10.8	Agreement for Assignment and Assumption of Lease, Del Mar Corporate Centre I Office Lease and First Amendment to Office Lease		10-Q	5/10/2022

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Exhibit Number	Exhibit Title	Filed Herewith	Incorporated by Reference	
			Form	Date Filed
10.9	Lease Agreement, dated July 1, 2019, by and between Antares Pharma, Inc. and Whitewater Properties I, LLC.		8-K	7/5/2019
10.10#	Halozyme Therapeutics, Inc. 2021 Employee Stock Purchase Plan		10-Q	11/8/2022
10.11#	Halozyme Therapeutics, Inc. 2021 Stock Plan		8-K	5/5/2021
10.12#	Form of Stock Option Agreement (2021 Plan updated May 2023)		10-Q	8/8/2023
10.13#	Form of Restricted Stock Units Agreement for Officers (2021 Plan updated May 2023)		10-Q	8/8/2023
10.14#	Form of Restricted Stock Units Agreement (2021 Plan Sell-to-Cover updated June 2024)		10-Q	8/6/2024
10.15#	Letter Agreement Amending Exercise Period for Employee Option		10-Q	8/8/2023
10.16#	Form of Performance Stock Units (2021 Stock Plan)		8-K	5/5/2021
10.17#	Form of Directors Restricted Stock Units Agreement (2021 Stock Plan)		8-K	5/5/2021
10.18#	Form of Director Stock Option Agreement (2021 Plan)		10-Q	8/8/2023
10.19#	Form of 2025 Deal/Nomination Performance Stock Units Agreement (2021 Stock Plan)		10-Q	5/6/2025
10.20#	Form of 2025 Relative TSR Performance Stock Units Agreement (2021 Stock Plan)		10-Q	5/6/2025
10.21#	Halozyme Therapeutics, Inc. 2011 Stock Plan (as amended through May 2, 2018)		8-K	4/6/2018
10.22#	Form of Stock Option Agreement (2011 Stock Plan)		8-K	5/6/2011
10.23#	Form of Stock Option Agreement for Executive Officers (2011 Stock Plan)		8-K	5/6/2011
10.24#	Form of Restricted Stock Units Agreement for Officers (2011 Stock Plan)		10-Q	8/10/2015
10.25#	Form of Restricted Stock Award Agreement for Officers (2011 Stock Plan)		10-Q	8/10/2015

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Exhibit Number	Exhibit Title	Filed Herewith	Incorporated by Reference	
			Form	Date Filed
10.26#	Form of Stock Option Agreement (2011 Stock Plan - grants made on or after 11/4/2015)		10-Q	11/9/2015
10.27#	Form of Restricted Stock Units Agreement (2011 Stock Plan - grants made on or after 11/4/2015)		10-Q	11/9/2015
10.28#	Form of Restricted Stock Units Agreement (2011 Plan - grants made on or after 2/22/2017)		10-K	2/28/2017
10.29#	Form of Indemnity Agreement for Directors and Executive Officers		8-K	12/20/2007
10.30#	Form of PSU Agreement (2011 Stock Plan)		10-Q	8/10/2020
10.31#	Form of PSU Agreement (2011 Stock Plan)		10-K	2/23/2021
10.32#	Severance Policy		10-K	2/20/2024
10.33#	Form of Amended and Restated Change In Control Agreement with Officer		10-Q	11/9/2015
10.34#	Halozyme Therapeutics, Inc. Non Qualified Deferred Compensation Plan Adoption Agreement		10-K	2/22/2022
10.35#	Halozyme Therapeutics, Inc Directors Deferred Equity Compensation Plan		10-K	2/22/2022
10.36#	Transition and Release Agreement between Halozyme Therapeutics, Inc. and Nicole LaBrosse, dated November 18, 2025	X		
10.37#	CEO PSU Agreement, Absolute Stock Price Grant (2021 Stock Plan)	X		
19.1	Halozyme Therapeutics, Inc. Insider Trading Policy	X		
21.1	Subsidiaries of Registrant	X		
23.1	Consent of Independent Registered Public Accounting Firm	X		
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended	X		
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended	X		
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X		
97#	Halozyme Therapeutics, Inc. Incentive Compensation Recoupment Policy		10-K	2/20/2024
101.INS	XBRL Instance Document - the instance document does not appear in the interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X		
101.SCH	XBRL Taxonomy Extension Schema	X		
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	X		
101.DEF	XBRL Taxonomy Extension Definition Linkbase	X		
101.LAB	XBRL Taxonomy Extension Label Linkbase	X		
101.PRE	XBRL Taxonomy Presentation Linkbase	X		

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Exhibit Number	Exhibit Title	Filed Herewith	Incorporated by Reference	
			Form	Date Filed
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	X		

Indicates management contract or compensatory plan or arrangement.

(c) Financial Statement Schedules.

See Item 15(a) (2) above.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: February 17, 2026

Halozyme Therapeutics, Inc.,
(Registrant)

By: /s/ Helen I. Torley, M.B. Ch.B., M.R.C.P.

Helen I. Torley, M.B. Ch.B., M.R.C.P.

President and Chief Executive Officer

(Principal Executive Officer)

POWER OF ATTORNEY

Know all persons by these presents, that each person whose signature appears below constitutes and appoints Helen I. Torley and Nicole LaBrosse, and each of them, as his/her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him/her and in his/her name, place, and stead, in any and all capacities, to sign any and all amendments to this Annual Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he/she might or could do in person, hereby ratifying and confirming that all said attorneys-in-fact and agents, or any of them or their or his/her substitute or substituted, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Helen I. Torley, M.B. Ch.B., M.R.C.P.</u> Helen I. Torley, M.B. Ch.B., M.R.C.P.	President and Chief Executive Officer, Director (Principal Executive Officer)	February 17, 2026
<u>/s/ Nicole LaBrosse</u> Nicole LaBrosse	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 17, 2026
<u>/s/ Jeffrey W. Henderson</u> Jeffrey W. Henderson	Chair of the Board of Directors	February 17, 2026
<u>/s/ Bernadette Connaughton</u> Bernadette Connaughton	Director	February 17, 2026
<u>/s/ Barbara Duncan</u> Barbara Duncan	Director	February 17, 2026
<u>/s/ Mahesh Krishnan, M.D.</u> Mahesh Krishnan, M.D.	Director	February 17, 2026
<u>/s/ James Lang</u> James Lang	Director	February 17, 2026
<u>/s/ Moni Miyashita</u> Moni Miyashita	Director	February 17, 2026
<u>/s/ Matthew L. Posard</u> Matthew L. Posard	Director	February 17, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of
Halozyme Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Halozyme Therapeutics, Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, cash flows and stockholders' equity for each of the three years in the period ended December 31, 2025, and the related notes and financial statement schedule listed in the Index at Item 15(a) (2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 17, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matters do not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Determination of Overall Transaction Price for Collaboration Agreements

Description of the Matter

At December 31, 2025, the Company has thirteen collaboration agreements. As discussed in Notes 2 and 5 of the financial statements, amounts are included in the transaction price when management determines that it is probable that the amount will not result in a significant reversal of revenue in the future. During 2025, the Company recognized \$47.0 million of variable consideration in the transaction price under their collaboration arrangements.

Auditing management's conclusions related to determining the probability of achievement of milestones is complex and highly judgmental given the progression of developing and commercializing the combined targets is completed by the collaboration partners.

How We Addressed the Matter in Our Audit

We obtained an understanding and evaluated the design and tested the operating effectiveness of controls over the Company's process to routinely evaluate the probability of achievement of milestones and any related constraint for each collaboration, in addition to the controls over the completeness and accuracy of determining the population of agreements and potential milestone payments.

To test the milestone amounts included, or excluded, from the transaction price, we performed audit procedures that included, among others, inspecting evidence to support management's assessment of the probability of achievement. For each milestone, we examined evidence including correspondence with the collaboration partner and evaluated management's conclusions on the probabilities of achievement. We reviewed supporting documentation to corroborate that milestones were included in the transaction price when determined to be probable of achievement. We reviewed the collaboration agreements and related amendments to validate the completeness of the list of targets and potential milestone payments that management considered in their analysis. We performed a lookback analysis to validate the Company's accuracy of determining the probability of achieving these milestones.

Valuation of the customer relationship intangible assets acquired in connection with the Elektrofi, Inc. acquisition

Description of the Matter

As disclosed in Note 3 of the consolidated financial statements, the Company completed the acquisition of Elektrofi, Inc. (“Elektrofi”) on November 18, 2025, for total consideration of \$810.4 million. The acquisition was accounted for as a business combination. The Company recorded intangible assets of \$705 million, which includes customer relationships of \$470 million.

Auditing the Company’s accounting for its acquisition of Elektrofi was complex due to the significant estimation uncertainty in determining the fair value of the customer relationship intangible assets. The significant assumptions used to estimate the value of the customer relationships intangible assets included assumed revenue and revenue growth rates and discount rates. Elements of these significant assumptions related to the customer relationship intangible assets are forward looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over the Company’s process for determining the fair value of the customer relationship intangible assets acquired in connection with the Elektrofi acquisition. This included controls over management’s development of the above-described assumptions used in the valuation models applied.

To test the estimated fair value of the customer relationship intangible assets, we performed audit procedures that included, among others, evaluating the valuation methodologies and testing the significant assumptions described above and the underlying data used by the Company in its analysis. We evaluated the reasonableness of assumed revenue and revenue growth rates used within the valuations by inspecting analyst expectations, industry trends, and other market information for corroborative or contrary information. In addition, we involved valuation specialists to assist in assessing the significant assumptions, including the discount rate, and methodologies used by the Company.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2006.

San Diego, California
February 17, 2026

HALOZYME THERAPEUTICS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	December 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 133,820	\$ 115,850
Marketable securities, available-for-sale	9,000	480,224
Accounts receivable, net and contract assets	441,273	308,455
Inventories	176,475	141,860
Prepaid expenses and other current assets	64,639	38,951
Total current assets	825,207	1,085,340
Property and equipment, net	82,137	75,035
Prepaid expenses and other assets	53,551	80,596
Goodwill	580,360	416,821
Intangible assets, net	981,467	401,830
Deferred tax assets, net	—	3,855
Restricted cash	2,601	—
Total assets	\$ 2,525,323	\$ 2,063,477
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 20,899	\$ 10,249
Accrued expenses	156,193	128,851
Total current liabilities	177,092	139,100
Long-term debt, net	2,142,630	1,505,798
Other long-term liabilities	113,863	54,758
Deferred tax liabilities, net	42,924	—
Total liabilities	2,476,509	1,699,656
Commitments and contingencies (Note 11)		
Stockholders' equity		
Preferred stock - \$0.001 par value; 20,000 shares authorized; no shares issued and outstanding	—	—
Common stock - \$0.001 par value; 300,000 shares authorized; 117,782 and 123,138 shares issued and outstanding as of December 31, 2025 and 2024, respectively	118	123
Additional paid-in capital	12,002	—
Accumulated other comprehensive (loss) income	(18,092)	3,829
Retained earnings	54,786	359,869
Total stockholders' equity	48,814	363,821
Total liabilities and stockholders' equity	\$ 2,525,323	\$ 2,063,477

See accompanying notes to consolidated financial statements.

HALOZYME THERAPEUTICS, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)

	Year Ended December 31,		
	2025	2024	2023
Revenues			
Royalties	\$ 867,840	\$ 570,991	\$ 447,865
Product sales, net	376,444	303,492	300,854
Revenues under collaborative agreements	152,327	140,841	80,534
Total revenues	1,396,611	1,015,324	829,253
Operating expenses			
Cost of sales	228,774	159,417	192,361
Amortization of intangibles	76,662	71,049	73,773
Research and development	81,490	79,048	76,363
Selling, general and administrative	207,092	154,335	149,182
Impairment of intangible asset	48,700	—	—
Acquired in-process research and development expense	284,887	—	—
Total operating expenses	927,605	463,849	491,679
Operating income	469,006	551,475	337,574
Other income (expense)			
Investment and other income, net	21,472	23,752	16,317
Inducement expense related to convertible notes	(5,477)	—	—
Contingent liability fair value measurement gain	—	—	13,200
Interest expense	(18,126)	(18,095)	(18,762)
Income before income tax expense	466,875	557,132	348,329
Income tax expense	149,986	113,041	66,735
Net income	\$ 316,889	\$ 444,091	\$ 281,594
Earnings per share			
Basic	\$ 2.64	\$ 3.50	\$ 2.13
Diluted	\$ 2.56	\$ 3.43	\$ 2.10
Weighted average common shares outstanding			
Basic	119,840	126,827	131,927
Diluted	123,904	129,424	134,197

See accompanying notes to consolidated financial statements.

HALOZYME THERAPEUTICS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Net income	\$ 316,889	\$ 444,091	\$ 281,594
Other comprehensive income			
Unrealized gain (loss) on marketable securities, net	202	(358)	1,097
Foreign currency translation adjustment	15	(4)	24
Unrealized gain on foreign currency	—	—	3
Unrealized (loss) gain on derivative instruments, net	(28,640)	14,693	(9,406)
Realized loss (gain) on derivative instruments, net	6,502	(1,224)	(74)
Comprehensive income	<u>\$ 294,968</u>	<u>\$ 457,198</u>	<u>\$ 273,238</u>

See accompanying notes to consolidated financial statements.

HALOZYME THERAPEUTICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Operating activities			
Net income	\$ 316,889	\$ 444,091	\$ 281,594
Adjustments to reconcile net income to net cash provided by operating activities:			
Share-based compensation	51,565	43,385	36,620
Depreciation and amortization	11,389	10,263	11,083
Amortization of intangible assets	76,662	71,049	73,773
Amortization of debt discount	7,506	7,350	7,304
Accretion of premium on marketable securities, net	(3,296)	(10,918)	(6,319)
Realized gain on marketable securities	(171)	(7)	—
Loss on disposal of equipment	2,621	1,529	611
Contingent liability fair value measurement adjustment	—	—	(13,200)
Lease payments recognized (deferred)	951	1,067	1,270
Induced conversion expense related to 2027 and 2028 Convertible Notes	5,477	—	—
Deferred income taxes	634	532	34,506
Acquired in-process research and development expense	284,887	—	—
Impairment of intangible asset	48,700	—	—
Changes in operating assets and liabilities			
Accounts receivable, net and other contract assets	(128,063)	(74,245)	(3,339)
Inventories	2,554	(67,381)	(26,884)
Prepaid expenses and other assets	(32,958)	5,356	4,098
Accounts payable and accrued expenses	6,211	46,993	(12,546)
Net cash provided by operating activities	<u>651,558</u>	<u>479,064</u>	<u>388,571</u>
Investing activities			
Purchases of marketable securities	(247,355)	(647,601)	(292,911)
Proceeds from sales and maturities of marketable securities	722,248	395,574	211,296
Acquisition of business, net of cash acquired	(725,965)	—	—
Acquisition of in-process research and development, net of cash acquired	(287,771)	—	—
Purchases of property and equipment	(6,970)	(10,696)	(15,294)
Net cash used in investing activities	<u>(545,813)</u>	<u>(262,723)</u>	<u>(96,909)</u>
Financing activities			
Repayment of 2024 Convertible Notes	—	—	(13,483)
Repayment of 2027 Convertible Notes	(595,425)	—	—
Repayment of 2028 Convertible Notes	(250,001)	—	—
Proceeds from issuance of 2031 Convertible Notes, net	735,000	—	—
Proceeds from issuance of 2032 Convertible Notes, net	735,000	—	—
Payment for the induced conversion of 2027 and 2028 Convertible Notes	(5,477)	—	—
Premium on repayment of 2027 Convertible Notes settled in cash	(78,132)	—	—
Premium on repayment of 2028 Convertible Notes settled in cash	(89,833)	—	—
Purchase of capped calls on 2031 Convertible Notes	(104,025)	—	—
Purchase of capped calls on 2032 Convertible Notes	(106,800)	—	—
Payment of debt issuance cost	(4,938)	—	—
Repurchase of common stock	(342,372)	(250,000)	(402,383)
Proceeds from issuance of common stock under equity incentive plans, net of taxes paid related to net share settlement	21,829	31,139	7,879
Net cash used in financing activities	<u>(85,174)</u>	<u>(218,861)</u>	<u>(407,987)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	20,571	(2,520)	(116,325)
Cash, cash equivalents and restricted cash at beginning of period	115,850	118,370	234,695
Cash, cash equivalents and restricted cash at end of period	<u>\$ 136,421</u>	<u>\$ 115,850</u>	<u>\$ 118,370</u>
Reconciliation of cash, cash equivalents and restricted cash to the consolidated balance sheets			
Cash and cash equivalents	\$ 133,820	\$ 115,850	\$ 118,370
Restricted cash	2,601	—	—
Total cash, cash equivalents and restricted cash	<u>\$ 136,421</u>	<u>\$ 115,850</u>	<u>\$ 118,370</u>

	Year Ended December 31,		
	2025	2024	2023
Supplemental disclosure of cash flow information			
Interest paid	\$ 11,429	\$ 10,565	\$ 11,410
Income taxes paid, net	\$ 134,641	\$ 80,618	\$ 31,756
Supplemental disclosure of non-cash investing and financing activities			
Amounts accrued for purchases of property and equipment	\$ 902	\$ 280	\$ 25
Right-of-use assets obtained in exchange for lease obligation	\$ 410	\$ 3,078	\$ 2,572
Common stock issued for conversion of 2024 Convertible Notes	\$ —	\$ —	\$ 125

See accompanying notes to consolidated financial statements.

HALOZYME THERAPEUTICS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount				
BALANCE AS OF DECEMBER 31, 2022	135,154	\$ 135	\$ 27,368	\$ (922)	\$ 143,217	\$ 169,798
Share-based compensation expense	—	—	36,620	—	—	36,620
Issuance of common stock for the induced conversion of 2024 Convertible Notes	289	—	(126)	—	—	(126)
Issuance of common stock pursuant to exercise of stock options and vesting of restricted stock and performance stock units, net and shares issued under the ESPP plan	945	2	7,877	—	—	7,879
Repurchase of common stock	(9,618)	(10)	(69,330)	—	(334,261)	(403,601)
Other comprehensive loss	—	—	—	(8,356)	—	(8,356)
Net income	—	—	—	—	281,594	281,594
BALANCE AS OF DECEMBER 31, 2023	126,770	127	2,409	(9,278)	90,550	83,808
Share-based compensation expense	—	—	43,385	—	—	43,385
Issuance of common stock pursuant to exercise of stock options and vesting of restricted stock and performance stock units, net and shares issued under the ESPP plan	1,615	1	31,138	—	—	31,139
Repurchase of common stock	(5,247)	(5)	(76,932)	—	(174,772)	(251,709)
Other comprehensive income	—	—	—	13,107	—	13,107
Net income	—	—	—	—	444,091	444,091
BALANCE AS OF DECEMBER 31, 2024	123,138	123	—	3,829	359,869	363,821
Share-based compensation expense	—	—	51,565	—	—	51,565
Issuance of common stock pursuant to exercise of stock options and vesting of restricted stock and performance stock units, net and shares issued under the ESPP plan	1,640	2	21,827	—	—	21,829
Purchase of 2031 capped call transactions, net of tax	—	—	—	—	(80,930)	(80,930)
Purchase of 2032 capped call transactions, net of tax	—	—	—	—	(83,089)	(83,089)
Repurchase of common stock	(6,996)	(7)	(28,601)	—	(316,203)	(344,811)
Premium on repayment of 2027 Convertible Notes settled in cash and accelerated debt discount	—	—	(3,432)	—	(78,132)	(81,564)
Premium on repayment of 2028 Convertible Notes settled in cash and accelerated debt discount	—	—	(29,357)	—	(63,618)	(92,975)
Other comprehensive loss	—	—	—	(21,921)	—	(21,921)
Net income	—	—	—	—	316,889	316,889
BALANCE AS OF DECEMBER 31, 2025	<u>117,782</u>	<u>\$ 118</u>	<u>\$ 12,002</u>	<u>\$ (18,092)</u>	<u>\$ 54,786</u>	<u>\$ 48,814</u>

See accompanying notes to consolidated financial statements.

Halozyme Therapeutics, Inc.
Notes to Consolidated Financial Statements

1. Organization and Business

Halozyme Therapeutics, Inc. is a biopharmaceutical company advancing disruptive solutions to improve patient experiences and outcomes for emerging and established therapies.

As the innovators of ENHANZE® drug delivery technology (“ENHANZE”) with our proprietary enzyme, rHuPH20, our commercially validated solution is used to facilitate the subcutaneous (“SC”) delivery of injected drugs and fluids, with the goal of improving the patient experience with rapid SC delivery and reduced treatment burden. We license our technology to biopharmaceutical companies to collaboratively develop products that combine ENHANZE with our partners’ proprietary compounds. We are also developing partner products with Hypercon™ drug delivery technology (“Hypercon technology”) and developing Surf Bio’s drug delivery technology to expand the breadth of our drug delivery technology portfolio. Hypercon technology is an innovative microparticle technology that we expect will set a new standard in hyperconcentration of drugs and biologics by reducing the injection volume for the same dosage and expanding opportunities for at-home and health care provider administration. The Surf Bio hyperconcentration technology is being developed to create high antibody and biologic concentrations of up to 500 mg/mL, for delivery in a single auto-injector shot for at-home or in a health care provider’s office use. We also develop, manufacture and commercialize, for ourselves or with our partners, drug-device combination products using our advanced auto-injector technologies that are designed to provide commercial or functional advantages such as improved convenience, reliability and tolerability, and enhanced patient comfort and adherence.

Our ENHANZE partners’ approved products and product candidates are based on rHuPH20, our patented recombinant human hyaluronidase enzyme. rHuPH20 works by breaking down hyaluronan, a naturally occurring carbohydrate that is a major component of the extracellular matrix of the SC space. This temporarily reduces the barrier to bulk fluid flow allowing for improved and more rapid SC delivery of high dose, high volume injectable biologics, such as monoclonal antibodies and other large therapeutic molecules, as well as small molecules and fluids. We refer to the application of rHuPH20 to facilitate the delivery of other drugs or fluids as ENHANZE. We license our ENHANZE technology to form collaborations with biopharmaceutical companies that develop and/or market drugs requiring or benefiting from injection via the SC route of administration. In the development of proprietary intravenous (“IV”) drugs combined with our ENHANZE technology, data have been generated supporting the potential for ENHANZE to reduce patient treatment burden, as a result of shorter duration of SC administration with ENHANZE compared to IV administration. ENHANZE may enable fixed-dose SC dosing compared to weight-based dosing typically required for IV administration, extend the dosing interval for drugs that are already administered subcutaneously and potentially allow for lower rates of infusion-related reactions. ENHANZE may enable more flexible treatment options such as home administration by a healthcare professional or potentially the patient or caregiver. Lastly, certain proprietary drugs co-formulated with ENHANZE have been granted additional exclusivity, extending the patent life of the product beyond the patent expiry of the proprietary IV drug.

We currently have ENHANZE collaborations and licensing agreements with F. Hoffmann-La Roche, Ltd. and Hoffmann-La Roche, Inc. (“Roche”), Takeda Pharmaceuticals International AG and Baxalta US Inc. (“Takeda”), Pfizer Inc. (“Pfizer”), Janssen Biotech, Inc. (“Janssen”), AbbVie, Inc. (“AbbVie”), Eli Lilly and Company (“Lilly”), Bristol-Myers Squibb Company (“BMS”), argenx BVBA (“argenx”), ViiV Healthcare (the global specialist HIV Company majority owned by GlaxoSmithKline) (“ViiV”), Chugai Pharmaceutical Co., Ltd. (“Chugai”), Acumen Pharmaceuticals, Inc. (“Acumen”), Merus N.V. (“Merus”) and Skye Bioscience, Inc. (“Skye Bioscience”). In addition to receiving upfront licensing fees from our ENHANZE collaborations, we are entitled to receive event and sales-based milestone payments, revenues from the sale of bulk rHuPH20 and royalties from commercial sales of approved partner products co-formulated with ENHANZE. We currently earn royalties from the sales of ten commercial products including sales of five commercial products from the Roche collaboration, two commercial products from the Janssen collaboration and one commercial product from each of the Takeda, argenx and BMS collaborations.

Through our recent acquisition of Elektrofi, Inc. (“Elektrofi”), subsequently renamed Halozyme Hypercon, Inc. (“Hypercon”), we have Hypercon collaboration and license agreements with Janssen, Lilly, and argenx. In addition to receiving upfront license fees from our Hypercon collaborations, we are entitled to receive event and sales-based milestone payments and royalties from commercial sales for approved partner products co-formulated with Hypercon.

We have commercialized auto-injector products with Teva Pharmaceutical Industries, Ltd. (“Teva”). We have development programs including our auto-injectors with McDermott Laboratories Limited, an affiliate of Viatrix Inc. (“Viatrix”).

Notes to Consolidated Financial Statements — (Continued)

Our commercial portfolio of proprietary products includes Hylenex[®], utilizing rHuPH20, and XYOSTED[®], utilizing our auto-injector technology.

Except where specifically noted or the context otherwise requires, references to “Halozyme,” “the Company,” “we,” “our,” and “us” in these notes to our consolidated financial statements refer to Halozyme Therapeutics, Inc. and each of its directly and indirectly wholly owned subsidiaries as disclosed in Note 2, *Summary of Significant Accounting Policies*.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Halozyme Therapeutics, Inc. and our wholly owned subsidiaries, Halozyme, Inc., Antares Pharma, Inc., Antares Pharma, Inc.'s two wholly owned Swiss subsidiaries, Antares Pharma IPL AG and Antares Pharma GmbH, Halozyme Hypercon, Inc., Halozyme Hypercon Inc.'s wholly-owned subsidiary, Elektrofi Security Corp., and Halozyme Surf Bio, Inc. All intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires us to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. On an ongoing basis, we evaluate our estimates and judgments, which are based on historical and anticipated results and trends and on various other assumptions that we believe to be reasonable under the circumstances. By their nature, estimates are subject to an inherent degree of uncertainty and, as such, actual results may differ from our estimates.

Cash Equivalents and Marketable Securities

Cash equivalents consist of highly liquid investments, readily convertible to cash, which mature within 90 days or less from the date of purchase. As of December 31, 2025, our cash and cash equivalents consisted of money market funds, bank certificate of deposits and demand deposits at commercial banks.

Marketable securities are investments with original maturities of more than 90 days from the date of purchase that are specifically identified to fund current operations. Marketable securities are considered available-for-sale. These investments are classified as current assets, even though the stated maturity date may be one year or more beyond the current balance sheet date which reflects management's intention to use the proceeds from the sale of these investments to fund our operations, as necessary. Such available-for-sale investments are carried at fair value with unrealized gains and losses recorded in other comprehensive income and included as a separate component of stockholders' equity. The cost of marketable securities is adjusted for amortization of premiums or accretion of discounts to maturity, and such amortization or accretion is included in investment and other income, net in our consolidated statements of income. We use the specific identification method for calculating realized gains and losses on marketable securities sold. None of the realized gains and losses and declines in value that were judged to be as a result of credit loss on marketable securities, if any, are included in investment and other income, net in our consolidated statements of income.

Restricted Cash

Under the terms of the leases of our facilities and other agreements, we are required to maintain letters of credit as security deposits during the terms of such leases. At December 31, 2025, restricted cash of \$2.6 million was pledged as collateral for the letters of credit and other agreements.

Fair Value of Financial Instruments

The authoritative guidance for fair value measurements establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Our financial instruments include cash equivalents, available-for-sale marketable securities, accounts receivable, prepaid expenses and other assets, accounts payable, accrued expenses, long-term debt and contingent liability. Fair value estimates of these instruments are made at a specific point in time based on relevant market information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. The carrying amount of cash equivalents, accounts receivable, prepaid expenses and other assets, accounts payable and accrued expenses are generally considered to be representative of their respective fair values because of the short-term nature of those instruments.

Notes to Consolidated Financial Statements — (Continued)

As of December 31, 2025, our available-for-sale marketable securities consisted of U.S. Treasury securities, and were measured at fair value using Level 1. Level 2 financial instruments are valued using market prices on less active markets and proprietary pricing valuation models with observable inputs, including interest rates, yield curves, maturity dates, issue dates, settlement dates, reported trades, broker-dealer quotes, issue spreads, benchmark securities or other market related data. We obtain the fair value of Level 2 investments from our investment manager, who obtains these fair values from a third-party pricing source. We validate the fair values of Level 2 financial instruments provided by our investment manager by comparing these fair values to a third-party pricing source.

Concentrations of Credit Risk, Sources of Supply and Significant Customers

We are subject to credit risk from our portfolio of cash equivalents and marketable securities. These investments were made in accordance with our investment policy which specifies the categories, allocations, and ratings of securities we may consider for investment. The primary objective of our investment activities is to preserve principal while at the same time maximizing the income we receive without significantly increasing risk. We maintain our cash and cash equivalent balances with four major commercial banks and marketable securities with two other financial institution. Deposits held with the financial institutions exceed the amount of insurance provided on such deposits. We are exposed to credit risk in the event of a default by the financial institutions holding our cash, cash equivalents and marketable securities to the extent recorded on the consolidated balance sheets.

We are also subject to credit risk from our accounts receivable related to our product sales and revenues under our license and collaborative agreements. We have license and collaborative agreements with pharmaceutical companies under which we receive payments for royalties, license fees, milestone payments for specific achievements designated in the collaborative agreements, reimbursements of research and development services, and supply of bulk formulation of rHuPH20 and auto-injector devices. In addition, we sell proprietary products in the United States (“U.S.”) to a limited number of established wholesale distributors in the pharmaceutical industry. Credit is extended based on an evaluation of the customer’s financial condition, and collateral is not required. Management monitors our exposure to accounts receivable by periodically evaluating the collectability of the accounts receivable based on a variety of factors including the length of time the receivables are past due, the financial health of the customer and historical experience. Based upon the review of these factors, we recorded no significant allowance for doubtful accounts as of December 31, 2025 and 2024. Approximately 69% of the accounts receivable balance as of December 31, 2025 represents amounts due from Janssen, Roche and argenx. Approximately 60% of the accounts receivable balance as of December 31, 2024 represents amounts due from Janssen and Roche.

The following table indicates the percentage of total revenues in excess of 10% with any single customer:

	Year Ended December 31,		
	2025	2024	2023
Partner A	41%	41%	44%
Partner B	17%	17%	19%
Partner C	16%	9%	7%
Partner D	6%	8%	10%

We attribute revenues under collaborative agreements, including royalties, to the individual countries where the customer is headquartered. We attribute revenues from product sales to the individual countries to which the product is shipped. Worldwide revenues from external customers are summarized by geographic location in the following table (in thousands):

	Year Ended December 31,		
	2025	2024	2023
United States	\$ 822,975	\$ 690,461	\$ 587,196
Switzerland	276,414	212,391	149,024
Belgium	217,516	84,005	58,354
Japan	46,372	18,939	15,096
All other foreign	33,334	9,528	19,583
Total revenues	<u>\$ 1,396,611</u>	<u>\$ 1,015,324</u>	<u>\$ 829,253</u>

Notes to Consolidated Financial Statements — (Continued)

Accounts Receivable, net and Contract Assets

Accounts receivable is recorded at the invoiced amount and is non-interest bearing. Accounts receivable is recorded net of estimated prompt pay discounts, distribution fees and chargebacks. Contract assets are recorded when revenue is earned but an invoice has not been issued for payment. Contract assets relate to development milestones deemed probable of receipt for intellectual property licenses granted to partners in prior periods and for goods or services when control has transferred to the customer, and corresponding revenue is recognized but is not yet billable to the customer in accordance with the terms of the contract.

Inventories

Inventories are stated at lower of cost or net realizable value. Cost is determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Inventories are reviewed periodically for potential excess, dated or obsolete status. We evaluate the carrying value of inventories on a regular basis, taking into account such factors as historical and anticipated future sales compared to quantities on hand, the price we expect to obtain for products in their respective markets compared with historical cost and the remaining shelf life of goods on hand.

Leases

We have entered into operating leases primarily for real estate and automobiles. These leases have contractual terms which range from three years to twelve years. We determine if an arrangement contains a lease at inception. Right of use (“ROU”) assets and liabilities resulting from operating leases are included in property and equipment, accrued expenses and other long-term liabilities on our consolidated balance sheets. Operating lease ROU assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the discount rate to calculate the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Our leases often include options to extend or terminate the lease. These options are included in the lease term when it is reasonably certain that we will exercise that option. Short-term leases with an initial term of 12 months or less are not recorded on our consolidated balance sheet. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

We have lease agreements with lease and non-lease components, which are generally accounted for separately. For certain leases, such as automobiles, we account for the lease and non-lease components as a single lease component.

Property and Equipment, Net

Property and equipment, which includes internal-use software and leasehold improvements, are recorded at cost, less accumulated depreciation and amortization. Equipment and internal-use software are depreciated using the straight-line method over its estimated useful life ranging from three years to ten years and leasehold improvements are amortized using the straight-line method over the estimated useful life of the asset or the lease term, whichever is shorter.

Impairment of Long-Lived Assets

We account for long-lived assets in accordance with authoritative guidance for impairment or disposal of long-lived assets. Long-lived assets are reviewed for events or changes in circumstances, which indicate their carrying value may not be recoverable.

Comprehensive Income

Comprehensive income is defined as the change in equity during the period from transactions and other events and circumstances from non-owner sources.

Convertible Notes

The 2024 Convertible Notes, the 2027 Convertible Notes, the 2028 Convertible Notes, the 2031 Convertible Notes and the 2032 Convertible Notes (collectively, the “Convertible Notes”) are accounted for in accordance with authoritative guidance for debt and derivatives. We evaluate all the embedded conversion options contained in the Convertible Notes to determine if there are embedded features that require bifurcation as a derivative as required by U.S. GAAP. Based on our analysis, we account for each of our Convertible Notes as single units of accounting, a liability, because we concluded that the conversion features do not require bifurcation as a derivative under embedded derivative authoritative guidance.

Cash Flow Hedges - Currency Risks

We utilize a cash flow hedging program to mitigate foreign currency exchange risk associated with forecasted royalty revenue denominated in Swiss francs. Under the program, we can hedge these forecasted royalties up to a maximum of four years into the future. We hedge these cash flow exposures to reduce the risk of our earnings and cash flows being adversely affected by fluctuations in exchange rates.

In accordance with the hedge accounting treatment, all hedging relationships are formally documented at the inception of the hedge and are highly effective in offsetting changes to future cash flows on hedged transactions. Both at inception of the hedge and on an ongoing basis, we assess whether the foreign currency forward contracts are highly effective in offsetting changes in cash flows of hedged items on a prospective and retrospective basis. If we determine a (i) foreign currency forward contract is not highly effective as a cash flow hedge, (ii) foreign currency forward contract has ceased to be a highly effective hedge or (iii) forecasted transaction is no longer probable of occurring, we would discontinue hedge accounting treatment prospectively. We measure effectiveness based on the change in fair value of the forward currency forward contract and the fair value of the hypothetical foreign currency forward contract with terms that match the critical terms of the risk being hedged. No portion of our foreign currency forward contracts were excluded from the assessment of hedge effectiveness. As of December 31, 2025, all hedges were determined to be highly effective.

The assets or liabilities associated with our hedging contracts are recorded at fair market value in prepaid expense and other current assets, prepaid expenses and other assets, accrued expenses, or other long-term liabilities, respectively, in our consolidated balance sheets. Gains and losses related to changes in the fair market value of these hedging contracts are recorded as a component of accumulated other comprehensive income (loss) (“AOCI”) within stockholder’s equity in our consolidated balance sheets and reclassified to royalty revenue in our consolidated statements of income in the same period as the recognition of the underlying hedged transaction. In the event the underlying forecasted transaction does not occur, or it becomes probable that it will not occur, within the defined hedge period, we reclassify the gains or losses on the related cash flow hedge from AOCI to royalties revenue in our consolidated statements of income. Settlements from the cash flow hedge are included in operating activities on the consolidated statements of cash flows. Since the fair market value of these hedging contracts is derived from current market rates, the hedging contracts are classified as derivative financial instruments. We do not use derivatives for speculative or trading purposes. As of December 31, 2025, the amount expected to be recognized as a net loss out of AOCI into our consolidated statements of income during the next 12 months is \$7.7 million.

Business Combinations

Under the acquisition method of accounting, we allocate the fair value of the total consideration transferred to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition. These valuations require us to make estimates and assumptions, especially with respect to intangible assets. We record the excess consideration over the aggregate fair value of tangible and intangible assets, net of liabilities assumed, as goodwill. Costs incurred to complete a business combination, such as legal and other professional fees, are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of a reporting period that falls within the measurement period, we report provisional amounts in our financial statements. During the measurement period, we adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. We record these adjustments to the provisional amounts with a corresponding offset to goodwill. Any adjustments identified after the measurement period are recorded in our consolidated statements of income.

Asset Acquisitions

We evaluate acquisitions of assets and other similar transactions to assess whether the transaction should be accounted for as a business combination or asset acquisition by first applying a test to determine if substantially all of the fair value of the gross assets acquired is concentrated into a single identifiable asset or group of similar identifiable assets. If the test is met, we account for the transaction as an asset acquisition by recognizing net assets based on the consideration paid, which includes transaction costs, on a relative fair value basis. In an asset acquisition where the cost allocated to acquire in-process research and development (“IPR&D”) has no alternative future use, we immediately recognize the cost of the acquired IPR&D on our consolidated statements of income. In an asset acquisition, contingent consideration is not recognized as of the acquisition date but instead is recognized as part of the cost of the assets acquired at the time the consideration is paid.

Goodwill, Intangible Assets and Other Long-Lived Asset

Assets acquired, including intangible assets and IPR&D, and liabilities assumed are measured at fair value as of the acquisition date. Goodwill, which has an indefinite useful life, represents the excess of cost over fair value of the net assets acquired. Intangible assets acquired in a business combination that are used for IPR&D activities are considered indefinite lived until the completion or abandonment of the associated research and development efforts. Upon reaching the end of the relevant

Notes to Consolidated Financial Statements — (Continued)

research and development project (i.e., upon commercialization), the IPR&D asset is amortized over its estimated useful life. If the relevant research and development project is abandoned, the IPR&D asset is expensed in the period of abandonment.

Goodwill and indefinite-lived intangible assets are not amortized; however, they are reviewed for impairment at least annually during the second quarter, or more frequently if an event occurs indicating the potential for impairment. Goodwill and indefinite-lived intangible assets are considered to be impaired if the carrying value of the reporting unit or indefinite-lived intangible asset exceeds its respective fair value.

We perform our goodwill impairment analysis at the reporting unit level, which is one level below our reporting and operating segment structure. We assign goodwill to reporting units at the time of acquisition. During the goodwill impairment review, we assess qualitative factors to determine whether it is more likely than not that the fair values of our reporting unit is less than the carrying amount, including goodwill. The qualitative factors include, but are not limited to, macroeconomic conditions, industry and market considerations, and our overall financial performance. If, after assessing the totality of these qualitative factors, we determine that it is not more likely than not that the fair value of our reporting unit is less than the carrying amounts, then no additional assessment is deemed necessary. Otherwise, we proceed to compare the estimated fair value of the reporting unit with the carrying value, including goodwill. If the carrying amount of the reporting unit exceeds the fair value, we record an impairment loss based on the difference. We may elect to bypass the qualitative assessment in a period and proceed to perform the quantitative goodwill impairment test.

During the indefinite-lived intangible asset impairment review, we may elect to start by performing a qualitative assessment. The qualitative factors include, but are not limited to, macroeconomic conditions, industry and market considerations, cost factors, asset-specific commercial and regulatory developments and changes to key personnel or strategy. If the qualitative assessment indicates that it is not more likely than not that the fair value of the indefinite-lived intangible asset exceeds its carrying amount, we compare the estimated fair value of the indefinite-lived intangible asset with its carrying value. Determining fair value requires the exercise of judgment about product pricing, market assumptions, discount rates, and the amount and timing of expected future cash flows. If the carrying value of the indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

Our identifiable intangible assets with finite useful lives are typically comprised of acquired device technologies and product rights. The cost of identifiable intangible assets with finite lives is generally amortized on a straight-line basis over the assets' respective estimated useful lives.

We perform regular reviews to determine if any event has occurred that may indicate intangible assets with finite useful lives and other long-lived assets are potentially impaired. If indicators of impairment exist, an impairment test is performed to assess the recoverability of the affected assets by determining whether the carrying amount of such assets exceeds the undiscounted expected future cash flows. If the affected assets are not recoverable, we estimate the fair value of the assets and record an impairment loss if the carrying value of the assets exceeds the fair value. Factors that may indicate potential impairment include a significant decline in our stock price and market capitalization compared to the net book value, significant changes in the ability of a particular asset to generate positive cash flows for our strategic business objectives, and the pattern of utilization of a particular asset.

Revenue Recognition

We generate revenues from payments received (i) as royalties from licensing our ENHANZE technology and other royalty arrangements, (ii) under collaborative agreements and (iii) from sales of our proprietary and partnered products. We recognize revenue when we transfer promised goods or services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. To determine revenue recognition for contracts with customers, we perform the following five steps: (i) identify the promised goods or services in the contract; (ii) identify the performance obligations in the contract, including whether they are distinct in the context of the contract; (iii) determine the transaction price, including the constraint on variable consideration; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy the performance obligations.

ENHANZE and Device Royalties

Under the terms of our ENHANZE collaboration and license agreements, our partners will pay us royalties at an on average mid-single digit percent rate of their sales if products under the collaboration are commercialized. All amounts owed to us are noncancelable after the underlying triggering event occurs, and nonrefundable once paid. Unless terminated earlier in accordance with its terms, collaborations generally continue in effect until the last to expire royalty payment term, as determined on a product by product and country by country basis, with each royalty term starting on the first commercial sale of that product and ending the later of: (i) a specified period or term set forth in the agreement or (ii) expiration of the last to expire of the valid claims of our patents covering rHuPH20 or other specified patents developed under the collaboration which valid claim covers a product developed under the collaboration. In general, when there are no valid claims of a specified patent developed under the collaboration covering the product in a given country, the royalty rate is reduced for those sales in that country upon the expiration of our patents covering rHuPH20. Janssen's patents covering DARZALEX SC do not impact the timing for this royalty reduction. Partners may terminate the agreement prior to expiration for any reason in its entirety or on a target-by-target basis generally upon 90 days prior written notice to us. Upon any such termination, the license granted to partners (in total or with respect to the terminated target, as applicable) will terminate provided; however, that in the event of expiration of the agreement (as opposed to a termination), the on-going licenses granted may become perpetual, non-exclusive and fully paid. Sales-based milestones and royalties are recognized in the period the underlying sales or milestones occur. We do not receive final royalty reports from our ENHANZE partners until after we complete our financial statements for a prior quarter. Therefore, we recognize revenue based on estimates of the royalty earned, which are based on internal estimates and available preliminary reports provided by our partners. We will record adjustments in the following quarter, if necessary, when final royalty reports are received. To date, we have not recorded any material adjustments.

We also earn royalties in connection with several of our licenses granted under license and development arrangements with our device partners. These royalties are based upon a percentage of commercial sales of partnered products with rates ranging from mid-single digits to low double digits and are tiered based on levels of net sales. These sales-based royalties, for which the license was deemed the predominant element to which the royalties relate, are estimated and recognized in the period in which the partners' commercial sales occur. The royalties are generally reported and payable to us within 45 to 60 days after the end of the period in which the commercial sales are made. We base our estimates of royalties earned on actual sales information from our partners when available or estimated prescription sales from external sources and estimated net selling price. We will record adjustments in the following quarter, if necessary, when final royalty reports are received. To date, we have not recorded any material adjustments.

Revenue under ENHANZE and Device Collaborative Agreements**ENHANZE Collaboration and License Agreements**

Under these agreements, we grant the collaboration partner a worldwide license to develop and commercialize products using our ENHANZE technology to combine our patented rHuPH20 enzyme with their proprietary biologics directed at up to a specified number of targets. Targets are usually licensed on an exclusive, global basis. Targets selected subsequent to inception of the arrangement generally require payment of an additional license fee. The collaboration partner is responsible for all development, manufacturing, clinical, regulatory, sales and marketing costs for any products developed under the agreement. We are responsible for supply of bulk rHuPH20 based on the collaboration partner's purchase orders, and may also be separately engaged to perform research and development services. While these collaboration agreements are similar in that they originate from the same framework, each one is the result of an arms-length negotiation and thus may vary from one to the other.

We generally collect an upfront license payment from collaboration partners, and are also entitled to receive event-based payments subject to collaboration partners' achievement of specified development, regulatory and sales-based milestones. In several agreements, collaboration partners pay us annual fees to maintain their exclusive license rights if they are unable to

Notes to Consolidated Financial Statements — (Continued)

advance product development to specified stages. We earn separate fees for bulk rHuPH20 supplies and research and development services.

Although these agreements are in form identified as collaborative agreements, we concluded for accounting purposes they represent contracts with customers and are not subject to accounting literature on collaborative arrangements. This is because we grant to partners licenses to our intellectual property and provide supply of bulk rHuPH20 and research and development services which are all outputs of our ongoing activities, in exchange for respective consideration. Under these collaborative agreements, our partners lead development of assets, and we do not share in significant financial risks of their development or commercialization activities. Accordingly, we concluded our collaborative agreements are appropriately accounted for pursuant to U.S. GAAP.

Under all of our ENHANZE collaborative agreements, we have identified licenses to use functional intellectual property as the only performance obligation. The intellectual property underlying the license is our proprietary ENHANZE technology which represents application of rHuPH20 to facilitate delivery of drugs. Each of the licenses grants the partners rights to use our intellectual property as it exists and is identified on the effective date of the license, because there is no ongoing development of the ENHANZE technology required. Therefore, we recognize revenue from licenses at the point when the license becomes effective and the partner has received access to our intellectual property, usually at the inception of the agreement.

When partners can select additional targets to add to the licenses granted, we consider these rights to be options. We evaluate whether such options contain material rights, i.e., have exercise prices that are discounted compared to what we would charge for a similar license to a new partner. The exercise price of these options includes a combination of the target selection fees, event-based milestone payments and royalties. When these amounts in aggregate are not offered at a discount that exceeds discounts available to other customers, we conclude the option does not contain a material right, and we consider grants of additional licensing rights upon option exercises to be separate contracts (target selection contracts).

Generally, we provide indemnification and protection of licensed intellectual property for our customers. These provisions are part of assurance that the licenses meet the agreements' representations and are not obligations to provide goods or services.

We also fulfill purchase orders for supply of bulk rHuPH20 and perform research and development services pursuant to project authorization forms for our partners, which represent separate contracts. In addition to our licenses, we price our supply of bulk rHuPH20 and research and development services at our regular selling prices, called standalone selling prices ("SSP"). Therefore, our partners do not have material rights to order these items at prices not reflective of SSP. Refer to the discussion below regarding recognition of revenue for these separate contracts.

Transaction price for a contract represents the amount to which we are entitled in exchange for providing goods and services to the customer. Transaction price does not include amounts subject to uncertainties unless it is probable that there will be no significant reversal of revenue when the uncertainty is resolved. Apart from the upfront license payment (or target selection fees in the target selection contracts), all other fees we may earn under our collaborative agreements are subject to significant uncertainties of product development. Achievement of many of the event-based development and regulatory milestones may not be probable until such milestones are actually achieved. This generally relates to milestones such as obtaining marketing authorization approvals. With respect to other development milestones, e.g., dosing of a first patient in a clinical trial, achievement could be considered probable prior to its actual occurrence, based on the progress towards commencement of the trial. In order to evaluate progress towards commencement of a trial, we assess the status of activities leading up to our partner's initiation of a trial such as feedback received from the applicable regulatory authorities, completion of investigational new drug or equivalent filings, readiness and availability of drug, readiness of study sites and our partner's commitment of resources to the program. We do not include any amounts subject to uncertainties in the transaction price until it is probable that the amount will not result in a significant reversal of revenue in the future. At the end of each reporting period, we re-evaluate the probability of achievement of such milestones and any related constraint, and if necessary, adjust our estimate of the overall transaction price.

When target exchange rights are held by partners, and the amounts attributed to these rights are not refundable, they are included in the transaction price. However, they are recorded as deferred revenues because we have a potential performance obligation to provide a new target upon an exchange right being exercised. These amounts are recognized in revenue when the right of exchange expires or is exercised.

Because our agreements have one type of performance obligation (licenses) which are typically all transferred at the same time at agreement inception, allocation of transaction price often is not required. However, allocation is required when licenses for some of the individual targets are subject to rights of exchange, because revenue associated with these targets cannot be recognized. When allocation is needed, we perform an allocation of the upfront amount based on relative SSP of licenses for individual targets. We determine license SSP using an income-based valuation approach utilizing risk-adjusted discounted cash flow projections of the estimated return a licensor would receive where applicable, or an alternative valuation method such as indicative value from historical transactions. When amounts subject to uncertainties, such as milestones and royalties, are

Notes to Consolidated Financial Statements — (Continued)

included in the transaction price, we attribute them to the specific individual target licenses which generate such milestone or royalty amounts.

We also estimate SSP of bulk rHuPH20 and research and development services, to determine that our partners do not have material rights to order them at discounted prices. For supplies of bulk rHuPH20, because we effectively act as a contract manufacturer to our partners, we estimate and charge SSP based on the typical contract manufacturer margins consistent with all of our partners. We determine SSP of research and development services based on a fully-burdened labor rate. Our rates are comparable to those we observe in other collaborative agreements. We also have a history of charging similar rates to all of our partners.

Upfront amounts allocated to licenses to individual targets are recognized as revenue when the license is transferred to the partner, as discussed above, if the license is not subject to exchange rights, or when the exchange right expires or is exercised. Development milestones and other fees are recognized in revenue when they are included in the transaction price, because by that time, we have already transferred the related license to the partner.

In contracts to provide research and development services, such services represent the only performance obligation. The fees are charged based on hours worked by our employees and the fixed contractual rate per hour, plus third-party pass-through costs, on a monthly basis. We recognize revenues as the related services are performed based on the amounts billed, as the partner consumes the benefit of research and development work simultaneously as we perform these services, and the amounts billed reflect the value of these services to the customer.

Hypercon Technology Collaboration and Licensing Agreements

As a part of the acquisition of Elektrofi Inc, we acquired in-process collaboration and license agreements with collaboration partners who are attempting to formulate Hypercon technology with their existing drugs to develop an additional administrative option. The collaboration partner is responsible for all development, manufacturing, clinical, regulatory, sales and marketing costs for any products developed under the agreement; however, the agreement also includes Hypercon performing certain research and development (“R&D”) services to support the collaboration partner in their efforts. We assessed the nature of the promised goods and services in the contract which includes the license of the Hypercon technology representing a functional license of intellectual property to our customers, R&D services, and manufacturing technology transfer. These promises are not capable of being distinct performance obligations at this time due to the exclusive proprietary know-how and certain regulatory requirements associated with the manufacturing of the product. The collaboration partner simultaneously receives and consumes the benefits of the combined performance obligations as data is generated to support regulatory approval submissions. A significant component of the cost of R&D relates to our clinical trial research consultants, who are assisting with the monitor of the Hypercon technology to ensure the successful combination of the Hypercon technology with the collaboration partner’s drug.

The agreements include milestone payments, royalties, and an initial upfront payment. This upfront payment was received from the collaboration partner upon inception of the agreement and recorded as deferred revenue to be recognized as we perform certain R&D services to support the collaboration partner in their efforts to successful combine Hypercon technology with previously developed products. While the services are being provided, we allocate a portion of each deferred payment to the individual drug targets. Revenue is then recognized based upon the expected costs to complete as a percentage of the budget. These agreements are designed in a way that the R&D services are being completed in partnership with the collaboration partner at the approximate costs; therefore, the deferred revenue is being recognized as the work is completed for each partner’s drug. We may incur additional expenses outside of the R&D contract which are invoiced and recognized separately from the upfront payment. Deferred revenue associated with a target that has not been identified or no work has been performed is classified as other long-term liabilities on the consolidated balance sheets. Deferred revenue for expenses expected to be incurred within the next 12 months are classified as accrued expenses on the consolidated balance sheets.

Device License, Development and Supply Arrangements

We have several license, development and supply arrangements with pharmaceutical partners, under which we grant a license to our device technology and provide research and development services that often involve multiple performance obligations and highly-customized deliverables. For such arrangements, we identify each of the promised goods and services within the contract and the distinct performance obligations at inception of the contract and allocate consideration to each performance obligation based on relative SSP, which is generally determined based on the expected cost plus mark-up.

If the contract includes an enforceable right to payment for performance completed to date and performance obligations are satisfied over time, we recognize revenue over the development period using either the input or output method depending on which is most appropriate given the nature of the distinct deliverable. For other contracts that do not contain an enforceable right to payment for performance completed to date, revenue is recognized when control of the product is transferred to the customer. Factors that may indicate transfer of control has occurred include the transfer of legal title, transfer of physical

Notes to Consolidated Financial Statements — (Continued)

possession, the customer has obtained the significant risks and rewards of ownership of the assets, and we have a present right to payment.

Our payment terms for development contracts may include an upfront payment equal to a percentage of the total contract value with the remaining portion to be billed upon completion and transfer of the individual deliverables or satisfaction of the individual performance obligations. We record a contract liability for cash received in advance of performance, which is presented as deferred revenue within accrued expense and other long-term liabilities in our consolidated balance sheets and recognized as revenue in our consolidated statements of income when the associated performance obligations have been satisfied.

License fees and milestones received in exchange for the grant of a license to our functional intellectual property, such as patented technology and know-how in connection with a partnered development arrangement, are generally recognized at inception of the arrangement, or over the development period depending on the facts and circumstances, as the license is generally not distinct from the non-licensed goods or services to be provided under the contract. Milestone payments that are contingent upon the occurrence of future events are evaluated and recorded at the most likely amount, and to the extent that it is probable that a significant reversal of revenue will not occur when the associated uncertainty is resolved.

Refer to Note 5, *Revenue*, for further discussion on our collaborative arrangements.

Product Sales, Net**Proprietary Product Sales**

Our commercial portfolio of proprietary products includes XYOSTED and Hylenex recombinant which we sell primarily to wholesale pharmaceutical distributors and specialty pharmacies, who sell the products to hospitals, retail chain drug stores and other end-user customers. Sales to wholesalers are made pursuant to purchase orders subject to the terms of a master agreement, and delivery of individual packages of products represents performance obligations under each purchase order. We use contract manufacturers to produce our proprietary products and third-party logistics vendors to process and fulfill orders. We concluded we are the principal in the sales to wholesalers because we control access to services rendered by both vendors and direct their activities. We have no obligations to wholesalers to generate pull-through sales.

Revenue is recognized when control has transferred to the customer, which is typically upon delivery, at the net selling price, which reflects the variable consideration for which reserves and sales allowances are established for estimated returns, wholesale distribution fees, prompt payment discounts, government rebates and chargebacks, plan rebate arrangements and patient discount and support programs. We recognize revenue from product sales and related cost of sales upon product delivery to the wholesaler location. At that time, the wholesalers take control of the product as they take title, bear the risk of loss of ownership, and have an enforceable obligation to pay us. They also have the ability to direct sales of product to their customers on terms and at prices they negotiate. Although wholesalers have product return rights, we do not believe they have a significant incentive to return the product to us.

The determination of certain reserves and sales allowances requires us to make a number of judgments and estimates to reflect our best estimate of the transaction price and the amount of consideration to which we believe we would be ultimately entitled to receive. The expected value is determined based on unit sales data, contractual terms with customers and third-party payers, historical and estimated future percentage of rebates incurred on sales, historical and future insurance plan billings, any new or anticipated changes in programs or regulations that would impact the amount of the actual rebates, customer purchasing patterns, product expiration dates and levels of inventory in the distribution channel. The estimated amounts of credit for product returns, chargebacks, distribution fees, prompt payment discounts, rebates and customer co-pay support programs are included in accrued expenses and accounts receivable, net in our consolidated balance sheets upon recognition of revenue from product sales. We monitor actual product returns, chargebacks, discounts and fees subsequent to the sale. If these amounts differ from our estimates, we make adjustments to these allowances, which are applied to increase or reduce product sales revenue and earnings in the period of adjustment.

Selling prices initially billed to wholesalers are subject to discounts for prompt payment and subsequent chargebacks when wholesalers sell our products at negotiated discounted prices to members of certain group purchasing organizations, pharmacy benefit managers and government programs. We also pay quarterly distribution fees to certain wholesalers for inventory reporting and chargeback processing, and to pharmacy benefit managers and group purchasing organizations as administrative fees for services and for access to their members. We concluded the benefits received in exchange for these fees are not distinct from our sales of our products, and accordingly we apply these amounts to reduce revenues. Wholesalers also have rights to return unsold product nearing or past the expiration date. Because of the shelf life of our products and our lengthy return period, there may be a significant period of time between when the product is shipped and when we issue credits on returned product.

Notes to Consolidated Financial Statements — (Continued)

We estimate the transaction price when we receive each purchase order taking into account the expected reductions of the selling price initially billed to the wholesaler arising from all of the above factors. We have compiled historical experience and data to estimate future returns and chargebacks of our products and the impact of the other discounts and fees we pay. When estimating these adjustments to the transaction price, we reduce it sufficiently to be able to assert that it is probable that there will be no significant reversal of revenue when the ultimate adjustment amounts are known.

Each purchase order contains only one type of product, and is usually shipped to the wholesaler in a single shipment. Therefore, allocation of the transaction price to individual packages is not required.

In connection with the orders placed by wholesalers, we incur costs such as commissions to our sales representatives. However, as revenue from product sales is recognized upon delivery to the wholesaler, which occurs shortly after we receive a purchase order, we do not capitalize these commissions and other costs, based on application of the practical expedient allowed within the applicable guidance.

Partnered Product Sales**Bulk rHuPH20**

We sell bulk rHuPH20 to partners for use in research and development and, subsequent to receiving marketing approval, we sell it for use in collaboration commercial products. Sales are made pursuant to purchase orders subject to the terms of the collaborative agreement or a supply agreement, and delivery of units of bulk rHuPH20 represent performance obligations under each purchase order. We provide a standard warranty that the product conforms to specifications. We use contract manufacturers to produce bulk rHuPH20 and have concluded we are the principal in the sales to partners. The transaction price for each purchase order of bulk rHuPH20 is fixed based on the cost of production plus a contractual markup, and is not subject to adjustments. Allocation of the transaction price to individual quantities of the product is usually not required because each order contains only one type of product.

We recognize revenue from the sale of bulk rHuPH20 as product sales and related cost of sales upon transfer of title to our partners. At that time, the partners take control of the product, bear the risk of loss of ownership, and have an enforceable obligation to pay us.

Devices

We are party to several license, development, supply and distribution arrangements with pharmaceutical partners, under which we produce and are the exclusive supplier of certain products, devices and/or components. We recognize revenue from the sale of certain products, devices and/or components as product sales and related costs of sales at the point in time in which control is transferred to the customer, which is typically upon shipment of the goods to our partner. Sales terms and pricing are governed by the respective supply and distribution agreements, and there is generally no right of return. We provide a standard warranty that the product conforms to specifications. We use contract manufacturers to produce certain products, devices and/or components, and have concluded we are the principal in the sales to partners. Revenue is recognized at the transaction price, which includes the contractual per unit selling price. Allocation of the transaction price to individual quantities of the product is usually not required because each order contains only one type of product.

Cost of Sales

Cost of sales consists primarily of raw materials, third-party manufacturing costs, fill and finish costs, freight costs, internal costs and manufacturing overhead associated with the production of proprietary and partnered products. Cost of sales also consists of the write-down of excess, dated and obsolete inventories and the write-off of inventories that do not meet certain product specifications, if any.

Research and Development Expenses

Research and development expenses include salaries and benefits, allocation of facilities and other overhead expenses, research related manufacturing services, contract services, and other outside expenses related to manufacturing, preclinical and regulatory activities and our partner development platforms. Research and development expenses are charged to operating expenses as incurred when these expenditures relate to our research and development efforts and have no alternative future uses.

We are obligated to make upfront payments upon execution of certain research and development agreements. Advance payments, including nonrefundable amounts, for goods or services that will be used or rendered for future research and development activities are deferred. Such amounts are recognized as expense as the related goods are delivered or the related services are performed or such time when we do not expect the goods to be delivered or services to be performed.

Share-Based Compensation

We record compensation expense associated with stock options, restricted stock units (“RSUs”), performance stock units (“PSUs”) and shares issued under our employee stock purchase plan (“ESPP”) in accordance with the authoritative guidance for share-based compensation. The cost of employee services received in exchange for an award of an equity instrument is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense on a straight-line basis over the requisite service period of the award. Share-based compensation expense for an award with a performance condition is recognized when the achievement of such performance condition is determined to be probable. If the outcome of such performance condition is not determined to be probable or is not met, no compensation expense is recognized and any previously recognized compensation expense is reversed. Forfeitures are recognized as a reduction of share-based compensation expense as they occur.

Income Taxes

We provide for income taxes using the liability method. Under this method, deferred income tax assets and liabilities are determined based on the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases at each reporting period. We measure deferred tax assets and liabilities using enacted tax rates for the year in which the differences are expected to reverse. Significant judgment is required by management to determine our provision for income taxes, our deferred tax assets and liabilities, and any associated valuation allowances recorded against our net deferred tax assets. Deferred tax assets (“DTA”) and other tax benefits are recorded when they are more likely than not to be realized. On a quarterly basis, we assess the need for valuation allowance on our DTAs, weighing all positive and negative evidence, to assess if it is more-likely-than-not that some or all of our DTAs will be realized.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was signed into law. The OBBBA addresses key provisions of the 2017 Tax Cuts and Jobs Act including the immediate expensing of domestic research and development expenditures and 100% bonus depreciation on qualified property. The impacts of the OBBBA are reflected in our consolidated statements of operations for the year ended December 31, 2025, of which there was no material impact to our income tax expense. As of December 31, 2025, certain provisions of the OBBBA will change the timing of cash tax payments in the current fiscal year and future periods.

Segment Information

We generate revenues from payments received (i) as royalties from licensing our ENHANZE technology and other royalty arrangements, (ii) under collaborative agreements with our partners and (iii) from sales of our proprietary and partnered products. There are no intra-entity sales or transfers. We operate our business in one operating segment, which includes all activities related to the research, development and commercialization of our proprietary enzymes, devices, Hypercon technology, and the Surf Bio technology. This operating segment also includes revenues and expenses related to (i) research and development and manufacturing activities conducted under our collaborative agreements with third parties, (ii) product sales of proprietary and partnered products and (iii) associated selling, general and administrative expenses.

The chief operating decision-maker (“CODM”), our Chief Executive Officer, reviews the operating results on an aggregate basis and manages the operations as a single operating segment. The CODM assesses the segment’s performance and decides how to allocate resources based on consolidated net income that is reported in our consolidated statements of income. The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets. The significant expense categories regularly provided to the CODM include cost of sales, research and development, amortization of intangibles, and selling, general and administrative expenses. These expense categories are reported as separate line items in our consolidated statements of income.

Adoption and Pending Adoption of Recent Accounting Pronouncements

The following table provides a brief description of recently issued accounting standards, those adopted in the current period and those not yet adopted:

Standard	Description	Effective Date	Adoption Method	Effect on the Financial Statements or Other Significant Matters
In September 2025, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2025-06, Intangibles–Goodwill and Other Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software	The new guidance includes amendments to clarify and modernize the accounting for costs related to internal-use software, including removing all references to project stages and clarifying thresholds used to begin capitalizing internal-use software development costs.	Annual periods beginning after December 15, 2027 (our 2028 Form 10-K), and interim reporting periods within those annual reporting periods (our Q1 2027 Form 10-Q) – Early adoption is permitted.	Prospective, Retrospective or Modified Transition Approach	We early adopted the new guidance in the interim period ended September 30, 2025, on a prospective basis. The adoption did not have a material impact on our consolidated financial statements or financial statement disclosures.
In November 2024, the FASB issued ASU 2024-04, Debt–Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments	The new guidance includes amendments to clarify the requirements for determining whether certain early settlements of convertible debt instruments should be accounted for as an induced conversion or extinguishment.	Annual periods beginning after December 15, 2025 (our 2026 Form 10-K), and interim reporting periods within those annual reporting periods (our Q1 2026 Form 10-Q) – Early adoption is permitted.	Prospective or Retrospective	We early adopted the new guidance on January 1, 2025, on a prospective basis. The adoption did not have a material impact on our consolidated financial statements or financial statement disclosures.
In November 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses	The new guidance is intended to enhance expense disclosures by requiring disaggregation of certain expenses included in the consolidated statements of income into specified expense categories in the notes to the consolidated financial statements.	Annual periods beginning after December 15, 2026 (our 2027 Form 10-K), and interim reporting periods beginning after December 15, 2027 (our Q1 2028 Form 10-Q) – Early adoption is permitted.	Prospective or Retrospective	We are currently evaluating the impact of the standard on our consolidated financial statements and related disclosures.
In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures	The new guidance includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction.	Annual periods beginning after December 15, 2024 (our 2025 Form 10-K) – Early adoption is permitted.	Prospective or Retrospective	We adopted the new guidance on January 1, 2025, on a retrospective basis. The adoption did not have a material effect on our consolidated financial statements, but resulted in expanded financial statement disclosures.

3. Business Combinations

Elektrofi, Inc.

On November 18, 2025, we acquired all outstanding equity interests of Elektrofi, Inc. according to the terms and conditions of the Agreement and Plan of Merger dated as of September 30, 2025 (the “Elektrofi Merger Agreement”). Elektrofi is a biopharmaceutical company with an innovative microparticle technology that has been demonstrated in non-clinical testing to enable hyperconcentration of drugs and biologics and reduce the injection volume for the same dosage, potentially expanding opportunities for at-home and health care provider administration. We acquired Elektrofi as a part of our strategy to expand our drug delivery technology offerings.

Hypercon technology is an innovative microparticle technology that has been demonstrated in non-clinical testing to enable hyperconcentration of drugs and biologics and reduce the injection volume for the same dosage, potentially expanding opportunities for at-home and health care provider administration.

The total purchase consideration of Elektrofi was \$810.4 million. Each share of Elektrofi common stock issued and outstanding was converted into the right to receive \$28.80 per share in cash without interest, less any applicable withholding taxes (“Merger Consideration”). Additionally, in connection with the transaction, \$56.5 million was paid to Elektrofi option holders for options granted and outstanding as of November 18, 2025 under the Elektrofi 2015 Equity Compensation Plan. Other components of purchase consideration included an estimated fair value of contingent consideration of \$23.0 million related to future milestone payments, and cash paid at closing to settle seller transaction costs of \$18.4 million paid by us on behalf of Elektrofi.

The acquisition of Elektrofi was funded by cash on hand and rollover equity. We recognized transaction costs of \$13.7 million in the year ended December 31, 2025. These costs are reported in selling, general and administrative expenses in our consolidated statements of income. Transaction costs include, but are not limited to, investment banker, advisory, legal, and other professional fees.

Purchase Consideration

The total purchase consideration was comprised of the following (in thousands):

Cash consideration payments to stockholders and option holders as of November 18, 2025	\$	787,392
Estimated fair value of contingent consideration		23,000
Total purchase consideration	\$	<u>810,392</u>

Fair Value of Assets Acquired and Liabilities Assumed

The acquisition of Elektrofi has been accounted for using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*, with Halozyme treated as the accounting acquirer, which requires, among other things, that the assets acquired and liabilities assumed be recognized at their fair value on the acquisition date. Acquisition accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. The process for estimating the fair values of identifiable intangible assets and certain tangible assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates.

The table below presents the preliminary estimated fair values of assets acquired and liabilities assumed on the acquisition date based on valuations and management estimates. Fair value estimates are based on a complex series of judgments about future events and uncertainties and rely heavily on estimates and assumptions. The judgments used to determine the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact our results of operations. We are still finalizing the allocation of the purchase price, therefore, the fair value estimates assigned to intangible assets, goodwill and the related tax impacts of the acquisition, among other items, are subject to change as additional information is received to complete our analysis and certain tax returns are finalized. As a result, the preliminary estimates may be revised during the measurement period. These differences could change the value of the intangible assets acquired, the contingent liability assumed, and the tax impacts related to the acquisition and could have a material impact on our results of operations and financial position.

Halozyme Therapeutics, Inc.
Notes to Consolidated Financial Statements — (Continued)

(in thousands)	Fair Value
Assets acquired	
Cash and cash equivalents	\$ 84,427
Accounts receivable, net	4,755
Prepaid expenses and other current assets	879
Total current assets	90,061
Property and equipment, net	7,338
Operating lease right-of-use assets	8,441
Goodwill ⁽¹⁾	163,539
Intangible assets	705,000
Other assets	182
Total assets acquired	<u>\$ 974,561</u>
Liabilities assumed	
Accounts payable	(929)
Accrued expenses and other current liabilities	(26,803)
Deferred revenue, current	(5,674)
Operating lease liabilities, current	(3,440)
Other current liabilities	(51)
Total current liabilities	(36,897)
Deferred revenue, net of current portion	(19,974)
Operating lease liabilities, net of current portion	(4,484)
Other liabilities ⁽²⁾	(102,816)
Total liabilities assumed	<u>\$ (164,171)</u>
Net assets acquired	810,392
Less cash acquired	(84,427)
Total purchase price, net of cash acquired	<u>\$ 725,965</u>

⁽¹⁾ Goodwill is the excess of the consideration transferred over the net assets recognized and represents the expected synergies of the combined operations and the assembled workforce acquired in the acquisition. Goodwill recognized as a result of the acquisition is not expected to be deductible for tax purposes.

⁽²⁾ Includes \$102.8 million of deferred tax liabilities.

Identifiable Intangible Assets

The estimated fair value of the Hypercon developed technology platform asset was prepared using the replacement cost method which calculates present-day cost of replacing that asset with a similar asset in a similar condition. The estimated fair value of customer relationship assets were prepared using the multi-period excess earnings method which calculates the present value of the incremental after-tax cash flows attributable solely to each customer relationship. The estimated fair value of the trade name asset was prepared using the relief from royalty method which calculates the value of the trade name based on royalties that would be paid if licensed by a third party. The estimated useful lives are based on forecasted periods of benefit for each intangible asset. Useful lives and preliminary values are presented in the table below.

	Amount (in thousands)	Useful life (years)
Hypercon developed technology platform	\$ 230,000	15
Customer relationships	470,000	15
Trade name	5,000	15
Estimated fair value of intangible assets acquired	<u>\$ 705,000</u>	

Surf Bio, Inc.

On December 22, 2025, we acquired all outstanding equity interests of Surf Bio, Inc. according to the terms and conditions of the Agreement and Plan of Merger dated as of December 18, 2025 (the “Surf Bio Merger Agreement”). Surf Bio is a preclinical biopharmaceutical company that is transforming how antibodies and biologics are delivered to patients. We acquired Surf Bio as a part of our strategy to expand our drug delivery technology offerings.

The total purchase consideration of Surf Bio was \$305.0 million to selling shareholders, inclusive of \$10.2 million in transaction expenses. We acquired \$6.4 million in cash and restricted cash, of which \$4.3 million was used to fund seller payments and transaction expenses. An incremental \$100.0 million in consideration is contingent to the sellers in the form of milestone payments which are dependent on the occurrence of future events.

The acquisition of Surf Bio was not considered a business combination as Surf Bio did not meet the definition of a business under ASC 805-10, Business Combinations. Rather, the asset purchase transaction was accounted for under the authoritative guidance for asset acquisitions within ASC 805-50, whereby the underlying asset was deemed an IPR&D asset with no alternative future use. We allocated the cost of the acquisition, or \$294.2 million, among the assets acquired based on the relative fair value of such assets. The \$294.2 million consisted of \$294.8 million in consideration paid to the sellers, plus \$10.2 million of transaction expenses, less \$10.8 million in accelerated stock-based compensation expense. The acquired assets’ value is predominately concentrated in the IPR&D asset. In accordance with ASC 805-50, the fair value allocated to the IPR&D asset, or \$284.9 million, was recorded in the consolidated statements of income in the year ended December 31, 2025. The fair value of other assets acquired and liabilities assumed were capitalized to the consolidated balance sheet. The \$100.0 million in contingent consideration will be recognized in the future when and if milestones are met (i.e., when the contingent consideration is paid or payable) and does not meet the definition of a derivative.

Halozyme Therapeutics, Inc.
Notes to Consolidated Financial Statements — (Continued)

4. Fair Value Measurement

Available-for-sale marketable securities consisted of the following (in thousands):

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. treasury securities	\$ 9,002	\$ —	\$ (2)	\$ 9,000
Total marketable securities, available-for-sale	<u>\$ 9,002</u>	<u>\$ —</u>	<u>\$ (2)</u>	<u>\$ 9,000</u>

	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Asset-backed securities	\$ 251	\$ —	\$ —	\$ 251
Corporate debt securities	102,632	150	(207)	102,575
U.S. treasury securities	367,700	442	(572)	367,570
Agency bonds	9,844	—	(16)	9,828
Total marketable securities, available-for-sale	<u>\$ 480,427</u>	<u>\$ 592</u>	<u>\$ (795)</u>	<u>\$ 480,224</u>

As of December 31, 2025, all available-for-sale marketable securities with a fair market value of \$9.0 million were in an immaterial gross unrealized loss position. Based on our review of these marketable securities, we believe none of the unrealized loss is as a result of a credit loss as of December 31, 2025 because we do not intend to sell these securities and it is not more-likely-than-not that we will be required to sell these securities before the recovery of their amortized cost basis.

The estimated fair value of our contractual maturities of available-for-sale debt securities were as follows (in thousands):

	December 31, 2025	December 31, 2024
Due within one year	\$ 9,000	\$ 314,978
Due after one year but within five years ⁽¹⁾	—	165,246
Total estimated fair value of available-for-sale securities	<u>\$ 9,000</u>	<u>\$ 480,224</u>

⁽¹⁾ These investments are classified as current assets which reflects management's intention to use the proceeds from the sale of these investments to fund operations, as necessary.

Halozyme Therapeutics, Inc.
Notes to Consolidated Financial Statements — (Continued)

The following table summarizes, by major security type, our cash equivalents and available-for-sale marketable securities measured at fair value on a recurring basis and are categorized using the fair value hierarchy (in thousands):

	December 31, 2025			December 31, 2024		
	Level 1	Level 2	Total Estimated Fair Value	Level 1	Level 2	Total Estimated Fair Value
Assets						
Cash equivalents						
Money market funds	\$ 175	\$ —	\$ 175	\$ 55,182	\$ —	\$ 55,182
Available-for-sale marketable securities						
Asset-backed securities	—	—	—	—	251	251
Corporate debt securities	—	—	—	—	102,575	102,575
U.S. treasury securities	9,000	—	9,000	367,570	—	367,570
Agency bonds	—	—	—	9,828	—	9,828
Derivative instruments						
Currency hedging contracts ⁽¹⁾	—	—	—	—	4,006	4,006
Total assets measured at fair value	\$ 9,175	\$ —	\$ 9,175	\$ 432,580	\$ 106,832	\$ 539,412
Liabilities						
Derivative instruments						
Currency hedging contracts ⁽¹⁾	\$ —	\$ 22,891	\$ 22,891	\$ —	\$ 17	\$ 17

⁽¹⁾ Based on observable market transactions of spot currency rates, forward currency rates or equivalently-termed instruments. Carrying amounts of the financial assets and liabilities are equal to the fair value. As of December 31, 2025, the derivative liabilities recorded within accrued expenses and other long-term liabilities in our consolidated balance sheets were \$7.7 million and \$15.1 million, respectively. As of December 31, 2024, the derivative assets recorded within prepaid expenses and other current assets and prepaid expenses and other assets in our consolidated balance sheets were \$2.4 million and \$1.6 million, respectively. The derivative liabilities recorded within other long-term liabilities in our consolidated balance sheets as of December 31, 2024 were not material.

We had no available-for-sale securities that were classified within Level 3 as of December 31, 2025 and 2024.

A contingent liability was assumed as part of the Antares acquisition related to TLANDO. The acquisition date fair value was measured using the income approach, specifically the probability weighted expected return method for the development milestone payments and the option pricing methodology using the Monte Carlo simulation for commercial milestone payments and royalty payments. Estimates and assumptions used in the Monte Carlo simulation include forecasted revenues, cost of debt, risk free rate, weighted average cost of capital, revenue market price risk and revenue volatility. Estimates and assumptions used in the income approach include the probability of achieving certain milestones and a discount rate. These unobservable inputs represent a Level 3 measurement because they are supported by little or no market activity and reflect our own assumptions in measuring fair value. Changes in the fair value subsequent to the acquisition date is recognized in our consolidated statements of income. In September 2023, we provided Lipocine notice of termination of the TLANDO license agreement effective January 31, 2024. Based on the fair value remeasurement performed, we recognized a gain on change in fair value of the contingent liability of \$13.2 million for the twelve months ended December 31, 2023 in our consolidated statements of income.

A contingent liability with a preliminary value of \$23.0 million was assumed as part of the Elektrofi acquisition related to future milestone payments. The acquisition date fair value of contingent consideration was measured using the income

Notes to Consolidated Financial Statements — (Continued)

approach, specifically the probability weighted expected return method for the development milestone payments. The fair value of the contingent liability will be remeasured quarterly. Estimates and assumptions used in the valuation include probability of achieving certain milestones, the expected timing of achieving these milestones, and a discount rate. These unobservable inputs represent a Level 3 measurement because they are supported by little or no market activity and reflect our own assumptions in measuring fair value. Changes in the fair value subsequent to the acquisition date will be recognized in our consolidated statements of income.

Halozyme Therapeutics, Inc.
Notes to Consolidated Financial Statements — (Continued)

5. Revenue

Our disaggregated revenues were as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Royalties	\$ 867,840	\$ 570,991	\$ 447,865
Product sales, net			
Proprietary product sales	194,608	166,620	130,834
Bulk rHuPH20 sales	133,023	86,334	115,442
Device partnered product sales	48,813	50,538	54,578
Total product sales, net	376,444	303,492	300,854
Revenues under collaborative agreements			
Upfront license and target nomination fees	18,471	27,000	2,000
Event-based development and regulatory milestones and other fees	47,000	72,500	69,000
Sales-based milestones	70,000	30,000	—
Device licensing and development revenue	16,856	11,341	9,534
Total revenues under collaborative agreements	152,327	140,841	80,534
Total revenues	<u>\$ 1,396,611</u>	<u>\$ 1,015,324</u>	<u>\$ 829,253</u>

During the year ended December 31, 2025, we recognized revenue related to licenses granted to partners in prior periods in the amount of \$984.8 million. This amount represents royalties and sales milestone earned in the current period, in addition to \$47.0 million of variable consideration in the contracts where uncertainties were resolved and the development milestones are expected to be achieved or were achieved. We also recognized revenue of \$2.0 million during the year ended December 31, 2025 that had been included in accrued expenses and other long-term liabilities in our consolidated balance sheets as of December 31, 2024.

Accounts receivable, net, other contract assets and deferred revenues (contract liabilities) from contracts with customers, including partners, consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Accounts receivable, net	\$ 426,273	\$ 288,204
Other contract assets	15,000	20,251
Deferred revenues	35,482	10,343

As of December 31, 2025, the amounts included in the transaction price of our contracts with customers, including collaboration partners, and allocated to goods and services not yet provided were \$325.0 million, of which \$289.5 million relates to unfulfilled product purchase orders and \$35.5 million has been collected and is reported as other long-term liabilities in our consolidated balance sheets. The unfulfilled product purchase orders are estimated to be delivered by the end of 2027. Of the total deferred revenues of \$35.5 million, \$6.8 million is expected to be used by our customers within the next 12 months.

We recognized contract assets of \$15.0 million as of December 31, 2025, which related to development milestones deemed probable of receipt for intellectual property licenses granted to partners in prior periods and for goods or services when control has transferred to the customer, and corresponding revenue is recognized but is not yet billable to the customer in accordance with the terms of the contract.

Halozyme Therapeutics, Inc.
Notes to Consolidated Financial Statements — (Continued)

6. Certain Balance Sheet Items

Accounts receivable, net and contract assets consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Product sales to partners	\$ 69,832	\$ 37,599
Revenues under collaborative agreements	40,020	29,452
Royalty payments	259,298	164,348
Other product sales	65,117	65,542
Other receivable	1,612	—
Contract assets	15,000	20,251
Total accounts receivable and contract assets	450,879	317,192
Allowance for distribution fees and discounts	(9,606)	(8,737)
Total accounts receivable, net and contract assets	<u>\$ 441,273</u>	<u>\$ 308,455</u>

Inventories consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Raw materials	\$ 21,869	\$ 24,015
Work-in-process	30,920	30,169
Finished goods	144,454	142,944
Total inventories	197,243	197,128
Less long-term portion ⁽¹⁾	(20,768)	(55,268)
Total inventories, current	<u>\$ 176,475</u>	<u>\$ 141,860</u>

⁽¹⁾ Long-term portion of inventories represents inventory expected to remain on hand beyond one year and therefore is included in prepaid expenses and other assets in the consolidated balance sheets.

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

	December 31, 2025	December 31, 2024
Prepaid manufacturing expenses	\$ 71,925	\$ 36,317
Other prepaid expenses	14,563	10,562
Long-term inventories	20,768	55,268
Other assets	10,934	17,400
Total prepaid expenses and other assets	118,190	119,547
Less long-term portion	(53,551)	(80,596)
Total prepaid expenses and other assets, current	<u>\$ 64,639</u>	<u>\$ 38,951</u>

Prepaid manufacturing expenses include raw materials, slot reservation fees and other amounts paid to contract manufacturing organizations. Such amounts are reclassified to work-in-process inventory as materials are used or the contract manufacturing organization services are complete.

Halozyme Therapeutics, Inc.
Notes to Consolidated Financial Statements — (Continued)

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

	December 31, 2025	December 31, 2024
Research equipment	\$ 18,305	\$ 9,811
Manufacturing equipment	41,863	39,760
Computer and office equipment	8,034	7,955
Internal-use software	1,878	1,755
Leasehold improvements	7,521	7,012
Subtotal	77,601	66,293
Accumulated depreciation and amortization	(33,159)	(25,429)
Subtotal	44,442	40,864
Right of use of assets	37,695	34,171
Total property and equipment, net	<u>\$ 82,137</u>	<u>\$ 75,035</u>

Depreciation and amortization expense was approximately \$11.4 million, \$10.3 million, and \$11.1 million, inclusive of ROU asset amortization of \$6.5 million, \$5.7 million and \$5.5 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Accrued expenses consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Accrued compensation and payroll taxes	\$ 28,621	\$ 24,400
Accrued outsourced manufacturing expenses	11,775	16,682
Taxes payable	44,148	30,995
Product returns and sales allowance	46,594	54,588
Other accrued expenses	104,349	26,239
Lease liability	34,569	30,705
Total accrued expenses	270,056	183,609
Less long-term portion	(113,863)	(54,758)
Total accrued expenses, current	<u>\$ 156,193</u>	<u>\$ 128,851</u>

Expense associated with the accretion of the lease liabilities was approximately \$2.2 million, \$2.2 million and \$2.5 million for the twelve months ended December 31, 2025, 2024 and 2023, respectively. Total lease expense for the twelve months ended December 31, 2025, 2024 and 2023 was \$8.7 million, \$7.9 million and \$8.0 million, respectively.

Cash paid for amounts related to leases for the twelve months ended December 31, 2025, 2024 and 2023 was \$7.7 million, \$6.9 million and \$6.7 million, respectively.

7. Goodwill and Intangible Assets, net

Goodwill

A summary of the activity impacting goodwill is presented below (in thousands):

Balance as of December 31, 2024	\$ 416,821
Goodwill acquired	163,539
Balance as of December 31, 2025	<u>\$ 580,360</u>

Intangible Assets, net

Our acquired intangible assets are amortized using the straight-line method over their estimated useful lives of seven to fifteen years. The following table shows the cost, accumulated amortization and weighted average useful life in years for our acquired intangible assets as of December 31, 2025 (in thousands).

	Weighted Average Useful Life (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Auto-injector technology platform	7	\$ 402,000	\$ 207,021	\$ 194,979
XYOSTED proprietary product	10	136,200	49,098	87,102
Hypercon developed technology platform	15	230,000	1,831	228,169
Customer relationships	15	470,000	3,743	466,257
Trade name	15	5,000	40	4,960
Total intangible assets, net ⁽¹⁾		<u>\$ 1,243,200</u>	<u>\$ 261,733</u>	<u>\$ 981,467</u>

⁽¹⁾ An impairment charge of \$48.7 million was recognized during the year ended December 31, 2025 resulting in the full impairment of the ATRS-1902 IPR&D intangible asset. The impairment charge resulted from a strategic decision to discontinue the development of ATRS-1902 due to strategic initiatives executed in the quarter ended December 31, 2025.

The following table shows the cost, accumulated amortization and weighted average useful life in years for our acquired intangible assets as of December 31, 2024 (in thousands).

	Weighted Average Useful Life (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Auto-injector technology platform	7	\$ 402,000	\$ 149,592	\$ 252,408
XYOSTED proprietary product	10	136,200	35,478	100,722
Total infinite-lived intangible assets, net		<u>\$ 538,200</u>	<u>\$ 185,070</u>	<u>\$ 353,130</u>
ATRS-1902 (IPR&D)	Indefinite			48,700
Total intangible assets, net				<u>\$ 401,830</u>

Notes to Consolidated Financial Statements — (Continued)

Estimated future annual amortization of finite-lived intangible assets is shown in the following table (in thousands). Actual amortization expense to be reported in future periods could differ from these estimates as a result of acquisitions, divestitures, and asset impairments, among other factors.

<u>Year</u>	<u>Amortization Expense</u>
2026	\$ 118,049
2027	118,049
2028	118,049
2029	83,314
2030	60,620
Thereafter	483,386
Total	\$ 981,467

8. Long-Term Debt, Net***0.875% Convertible Notes due 2032***

In November 2025, we completed the sale of \$750.0 million in aggregate principal amount of 0.875% Convertible Senior Notes due 2032 (the “2032 Convertible Notes”). The net proceeds from the issuance of the 2032 Convertible Notes, after deducting the initial purchasers’ fee of \$15.0 million, was approximately \$735.0 million. We also incurred additional debt issuance costs totaling \$0.5 million. Debt issuance costs and the initial purchasers’ fee are presented as a debt discount.

The 2032 Convertible Notes pay interest semi-annually in arrears on May 15th and November 15th of each year at an annual rate of 0.875%. The 2032 Convertible Notes are general unsecured obligations and rank senior in right of payment to all indebtedness that is expressly subordinated in right of payment to the 2032 Convertible Notes, rank equally in right of payment with all existing and future liabilities that are not so subordinated, are effectively junior to any secured indebtedness to the extent of the value of the assets securing such indebtedness, and are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our current or future subsidiaries. The 2032 Convertible Notes have a maturity date of November 15, 2032.

Holder may convert their 2032 Convertible Notes at their option only in the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on March 31, 2026, if the last reported sale price per share of common stock exceeds 130% of the conversion price for each of at least 20 trading days during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the “measurement period”) in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day; (3) upon the occurrence of certain corporate events or distributions on our common stock, as described in the indenture for the 2032 Convertible Notes; (4) if we call such notes for redemption; and (5) at any time from, and including, May 15, 2032, until the close of business on the second scheduled trading day immediately before the maturity date. As of December 31, 2025, the 2032 Convertible Notes were not convertible.

Upon conversion, we will pay cash for the settlement of principal, and for the premium, if applicable, we will pay cash, deliver shares of common stock or a combination of cash and shares of common stock, at our election. The initial conversion rate for the 2032 Convertible Notes is 11.4683 shares of common stock per \$1,000 in principal amount of 2032 Convertible Notes, equivalent to a conversion price of approximately \$87.20 per share of our common stock. The conversion rate is subject to adjustment in some events but will not be adjusted for any accrued or unpaid interest.

As of December 31, 2025, we were in compliance with all covenants.

2032 Capped Call Transactions

In connection with the offering of the 2032 Convertible Notes, we entered into capped call transactions with certain counterparties (the “2032 Capped Call Transactions”). The 2032 Capped Call Transactions are expected generally to reduce potential dilution to holders of our common stock upon conversion of the 2032 Convertible Notes or at our election (subject to certain conditions) offset any cash payments we are required to make in excess of the principal amount of such converted 2032 Convertible Notes. The cap price of the 2032 Capped Call Transactions is initially \$136.78 per share of common stock, representing a premium of 100% above the last reported sale price of \$68.30 per share of common stock on November 5, 2025, and is subject to certain adjustments under the terms of the 2032 Capped Call Transactions. As of December 31, 2025, no 2032 Capped Call Transactions had been exercised.

Pursuant to their terms, the 2032 Capped Call Transactions qualify for classification within stockholders’ equity in our consolidated balance sheets, and their fair value is not remeasured and adjusted as long as they continue to qualify for stockholders’ equity classification. We paid approximately \$106.8 million for the 2032 Capped Call Transactions, including applicable transaction costs, which was recorded as a reduction to additional paid-in capital in our consolidated balance sheets. The 2032 Capped Call Transactions are separate transactions entered into by us with certain counterparties, are not part of the terms of the 2032 Convertible Notes, and do not affect any holder’s rights under the 2032 Convertible Notes. Holders of the 2032 Convertible Notes do not have any rights with respect to the 2032 Capped Call Transactions.

0.00% Convertible Notes due 2031

In November 2025, we completed the sale of \$750.0 million in aggregate principal amount of 0.00% Convertible Senior Notes due 2031 (the “2031 Convertible Notes”). The net proceeds from the issuance of the 2031 Convertible Notes, after deducting the initial purchasers’ fee of \$15.0 million, was approximately \$735.0 million. We also incurred additional debt issuance costs totaling \$0.5 million. Debt issuance costs and the initial purchasers’ fee are presented as a debt discount.

Notes to Consolidated Financial Statements — (Continued)

The 2031 Convertible Notes will not bear regular interest and the principal amount of the 2031 Convertible Notes will not accrete. The 2031 Convertible Notes are general unsecured obligations and rank senior in right of payment to all indebtedness that is expressly subordinated in right of payment to the 2031 Convertible Notes, rank equally in right of payment with all existing and future liabilities that are not so subordinated, are effectively junior to any secured indebtedness to the extent of the value of the assets securing such indebtedness and are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our current or future subsidiaries. The 2031 Convertible Notes have a maturity date of February 15, 2031.

Holders may convert their 2031 Convertible Notes at their option only in the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on March 31, 2026, if the last reported sale price per share of common stock exceeds 130% of the conversion price for each of at least 20 trading days during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the “measurement period”) in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day; (3) upon the occurrence of certain corporate events or distributions on our common stock, as described in the indenture for the 2031 Convertible Notes; (4) if we call such notes for redemption; and (5) at any time from, and including, August 15, 2030, until the close of business on the scheduled trading day immediately before the maturity date. As of December 31, 2025, the 2031 Convertible Notes were not convertible.

Upon conversion, we will pay cash for the settlement of principal and for the premium, if applicable, we will pay cash, deliver shares of common stock or a combination of cash and shares of common stock, at our election. The initial conversion rate for the 2031 Convertible Notes is 11.4683 shares of common stock per \$1,000 in principal amount of 2031 Convertible Notes, equivalent to a conversion price of approximately \$87.20 per share of our common stock. The conversion rate is subject to adjustment.

As of December 31, 2025, we were in compliance with all covenants.

2031 Capped Call Transactions

In connection with the offering of the 2031 Convertible Notes, we entered into capped call transactions with certain counterparties (the “2031 Capped Call Transactions”). The 2031 Capped Call Transactions are expected generally to reduce potential dilution to holders of our common stock upon conversion of the 2031 Convertible Notes or at our election (subject to certain conditions) offset any cash payments we are required to make in excess of the principal amount of such converted 2031 Convertible Notes. The cap price of the 2031 Capped Call Transactions is initially \$136.78 per share of common stock, representing a premium of 100% above the last reported sale price of \$68.30 per share of common stock on November 5, 2025, and is subject to certain adjustments under the terms of the 2031 Capped Call Transactions. As of December 31, 2025, no 2031 Capped Call Transactions had been exercised.

Pursuant to their terms, the 2031 Capped Call Transactions qualify for classification within stockholders’ equity in our consolidated balance sheets, and their fair value is not remeasured and adjusted as long as they continue to qualify for stockholders’ equity classification. We paid approximately \$104.0 million for the 2031 Capped Call Transactions, including applicable transaction costs, which was recorded as a reduction to additional paid-in capital in our consolidated balance sheets. The 2031 Capped Call Transactions are separate transactions entered into by us with certain counterparties, are not part of the terms of the 2031 Convertible Notes, and do not affect any holder’s rights under the 2031 Convertible Notes. Holders of the 2031 Convertible Notes do not have any rights with respect to the 2031 Capped Call Transactions.

1.00% Convertible Notes due 2028

In August 2022, we completed the sale of \$720.0 million in aggregate principal amount of 1.00% Convertible Senior Notes due 2028 (the “2028 Convertible Notes”). The net proceeds from the issuance of the 2028 Convertible Notes, after deducting the initial purchasers’ fee of \$18.0 million, was approximately \$702.0 million. We also incurred additional debt issuance costs totaling \$1.0 million. Debt issuance costs and the initial purchasers’ fee are presented as a debt discount.

The 2028 Convertible Notes pay interest semi-annually in arrears on February 15th and August 15th of each year at an annual rate of 1.00%. The 2028 Convertible Notes are general unsecured obligations and rank senior in right of payment to all indebtedness that is expressly subordinated in right of payment to the 2028 Convertible Notes, rank equally in right of payment with all existing and future liabilities that are not so subordinated, are effectively junior to any secured indebtedness to the extent of the value of the assets securing such indebtedness, and are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our current or future subsidiaries. The 2028 Convertible Notes have a maturity date of August 15, 2028.

Notes to Consolidated Financial Statements — (Continued)

Holders may convert their 2028 Convertible Notes at their option only in the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on December 31, 2022, if the last reported sale price per share of common stock exceeds 130% of the conversion price for each of at least 20 trading days during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the “measurement period”) in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day; (3) upon the occurrence of certain corporate events or distributions on our common stock, as described in the indenture for the 2028 Convertible Notes; (4) if we call such notes for redemption; and (5) at any time from, and including, February 15, 2028 until the close of business on the second scheduled trading day immediately before the maturity date. As of December 31, 2025, the 2028 Convertible Notes were not convertible.

Upon conversion, we will pay cash for the settlement of principal, and for the premium, if applicable, we will pay cash, deliver shares of common stock or a combination of cash and shares of common stock, at our election. The initial conversion rate for the 2028 Convertible Notes is 17.8517 shares of common stock per \$1,000 in principal amount of 2028 Convertible Notes, equivalent to a conversion price of approximately \$56.02 per share of our common stock. The conversion rate is subject to adjustment in some events but will not be adjusted for any accrued or unpaid interest.

In connection with the offering of the 2032 Convertible Notes and 2031 Convertible Notes, we used a portion of the net proceeds of the offering to enter into privately negotiated agreement with certain holder of its outstanding 2028 Convertible Notes to repurchase their 2028 Convertible Notes for cash. In connection with the repurchases, we paid approximately \$342.9 million in cash, which included a premium, inducement expense and accrued interest.

As of December 31, 2025, we were in compliance with all covenants.

2028 Capped Call Transactions

In connection with the offering of the 2028 Convertible Notes, we entered into capped call transactions with certain counterparties (the “2028 Capped Call Transactions”). The 2028 Capped Call Transactions are expected generally to reduce potential dilution to holders of our common stock upon conversion of the 2028 Convertible Notes or at our election (subject to certain conditions) offset any cash payments we are required to make in excess of the principal amount of such converted 2028 Convertible Notes. The cap price of the 2028 Capped Call Transactions is initially \$75.4075 per share of common stock, representing a premium of 75% above the last reported sale price of \$43.09 per share of common stock on August 15, 2022, and is subject to certain adjustments under the terms of the 2028 Capped Call Transactions. As of December 31, 2025, no 2028 Capped Call Transactions had been exercised.

Pursuant to their terms, the 2028 Capped Call Transactions qualify for classification within stockholders’ equity in our consolidated balance sheets, and their fair value is not remeasured and adjusted as long as they continue to qualify for stockholders’ equity classification. We paid approximately \$69.1 million for the 2028 Capped Call Transactions, including applicable transaction costs, which was recorded as a reduction to additional paid-in capital in our consolidated balance sheets. The 2028 Capped Call Transactions are separate transactions entered into by us with certain counterparties, are not part of the terms of the 2028 Convertible Notes, and do not affect any holder’s rights under the 2028 Convertible Notes. Holders of the 2028 Convertible Notes do not have any rights with respect to the 2028 Capped Call Transactions.

0.25% Convertible Notes due 2027

In March 2021, we completed the sale of \$805.0 million in aggregate principal amount of 0.25% Convertible Senior Notes due 2027 (the “2027 Convertible Notes”). The net proceeds from the issuance of the 2027 Convertible Notes, after deducting the initial purchasers’ fee of \$20.1 million, was approximately \$784.9 million. We also incurred additional debt issuance costs totaling \$0.4 million. Debt issuance costs and the initial purchasers’ fee are presented as a debt discount.

The 2027 Convertible Notes pay interest semi-annually in arrears on March 1st and September 1st of each year at an annual rate of 0.25%. The 2027 Convertible Notes are general unsecured obligations and rank senior in right of payment to all indebtedness that is expressly subordinated in right of payment to the 2027 Convertible Notes, rank equally in right of payment with all existing and future liabilities that are not so subordinated, are effectively junior to any secured indebtedness to the extent of the value of the assets securing such indebtedness and are structurally subordinated to all indebtedness and other liabilities (including trade payables) of our current or future subsidiaries. The 2027 Convertible Notes have a maturity date of March 1, 2027.

Notes to Consolidated Financial Statements — (Continued)

Holders may convert their 2027 Convertible Notes at their option only in the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on June 30, 2021, if the last reported sale price per share of common stock exceeds 130% of the conversion price for each of at least 20 trading days during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the “measurement period”) in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day; (3) upon the occurrence of certain corporate events or distributions on our common stock, as described in the indenture for the 2027 Convertible Notes; (4) if we call such notes for redemption; and (5) at any time from, and including, September 1, 2026 until the close of business on the scheduled trading day immediately before the maturity date. As of December 31, 2025, the 2027 Convertible Notes were not convertible.

Upon conversion, we will pay cash for the settlement of principal and for the premium, if applicable, we will pay cash, deliver shares of common stock or a combination of cash and shares of common stock, at our election. The initial conversion rate for the 2027 Convertible Notes is 12.9576 shares of common stock per \$1,000 in principal amount of 2027 Convertible Notes, equivalent to a conversion price of approximately \$77.17 per share of our common stock. The conversion rate is subject to adjustment.

In connection with the offering of the 2032 Convertible Notes and 2031 Convertible Notes, we used a portion of the net proceeds of the offering to enter into privately negotiated agreement with certain holder of its outstanding 2027 Convertible Notes to repurchase their 2027 Convertible Notes for cash. In connection with the repurchases, we paid approximately \$676.8 million in cash, which included a premium, inducement expense and accrued interest.

As of December 31, 2025, we were in compliance with all covenants.

1.25% Convertible Notes due 2024

In November 2019, we completed the sale of \$460.0 million in aggregate principal amount of 1.25% Convertible Senior Notes due 2024 (the “2024 Convertible Notes”). The net proceeds from the issuance of the 2024 Convertible Notes, after deducting the initial purchasers’ fee of \$12.7 million, was approximately \$447.3 million. We also incurred debt issuance cost totaling \$0.3 million. Debt issuance costs and the initial purchasers’ fee were presented as a debt discount.

In January 2021, we notified the note holders of our irrevocable election to settle the principal of the 2024 Convertible Notes in cash and for the premium, to deliver shares of common stock. The conversion rate for the 2024 Convertible Notes was 41.9208 shares of common stock per \$1,000 in principal amount of 2024 Convertible Notes, equivalent to a conversion price of approximately \$23.85 per share of our common stock. The conversion rate was subject to adjustment.

In January 2023, we issued a notice for the redemption of 2024 Convertible Notes. Holders of the notes could convert their notes at any time prior to the close of the business day prior to the redemption date. In March 2023, holders of the notes elected to convert the 2024 Convertible Notes in full. In connection with the conversion, we paid approximately \$13.5 million in cash which included principal and accrued interest, and issued 288,886 shares of our common stock representing the intrinsic value based on the contractual conversion rate.

Halozyme Therapeutics, Inc.
Notes to Consolidated Financial Statements — (Continued)

Net Carrying Amounts of our Convertible Notes

The carrying amount and fair value of our Convertible Notes were as follows (in thousands).

	December 31, 2025	December 31, 2024
Principal amount		
2027 Convertible Notes	\$ 209,575	\$ 805,000
2028 Convertible Notes	469,999	720,000
2031 Convertible Notes	750,000	—
2032 Convertible Notes	750,000	—
Total principal amount	\$ 2,179,574	\$ 1,525,000
Unamortized debt discount		
2027 Convertible Notes	\$ (1,058)	\$ (7,518)
2028 Convertible Notes	(5,561)	(11,684)
2031 Convertible Notes	(15,108)	—
2032 Convertible Notes	(15,217)	—
Total unamortized debt discount	\$ (36,944)	\$ (19,202)
Carrying amount		
2027 Convertible Notes	\$ 208,517	\$ 797,482
2028 Convertible Notes	464,438	708,316
2031 Convertible Notes	734,892	—
2032 Convertible Notes	734,783	—
Total carrying amount	\$ 2,142,630	\$ 1,505,798
Fair value based on trading levels (Level 2)		
2027 Convertible Notes	\$ 229,736	\$ 769,218
2028 Convertible Notes	624,690	779,882
2031 Convertible Notes	755,655	—
2032 Convertible Notes	764,213	—
Total fair value of outstanding notes	\$ 2,374,294	\$ 1,549,100

Halozyme Therapeutics, Inc.
Notes to Consolidated Financial Statements — (Continued)

The following table summarizes the components of interest expense and the effective interest rates for each of our Convertible Notes (in thousands).

	Year Ended December 31,		
	2025	2024	2023
Coupon interest			
2024 Convertible Notes	\$ —	\$ —	\$ 36
2027 Convertible Notes	1,810	2,013	2,013
2028 Convertible Notes	6,860	7,200	7,200
2032 Convertible Notes	893	—	—
Total coupon interest	\$ 9,563	\$ 9,213	\$ 9,249
Amortization of debt discount			
2024 Convertible Notes	\$ —	\$ —	\$ 24
2027 Convertible Notes	3,029	3,432	3,409
2028 Convertible Notes	2,980	3,118	3,073
2031 Convertible Notes	397	—	—
2032 Convertible Notes	289	—	—
Total amortization of debt discount	\$ 6,695	\$ 6,550	\$ 6,506
Interest expense			
2024 Convertible Notes	\$ —	\$ —	\$ 60
2027 Convertible Notes	4,839	5,445	5,422
2028 Convertible Notes	9,840	10,318	10,273
2031 Convertible Notes	397	—	—
2032 Convertible Notes	1,182	—	—
Total interest expense	\$ 16,258	\$ 15,763	\$ 15,755
Effective interest rates			
2027 Convertible Notes	0.7 %	0.7 %	0.7 %
2028 Convertible Notes	1.5 %	1.5 %	1.5 %
2031 Convertible Notes	0.4 %	— %	— %
2032 Convertible Notes	1.2 %	— %	— %

Revolving Credit and Term Loan Facilities

In May 2022, we entered into a credit agreement, which was subsequently amended (i) in August 2022 (the “First Amendment”), (ii) in March 2023 (the “Second Amendment”) and (iii) in November 2025 (the “Third Amendment”) with Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and the other lenders and L/C Issuers party thereto (the credit agreement as amended by the First Amendment, the Second Amendment and the Third Amendment, the “2022 Credit Agreement”), evidencing a credit facility (the “2022 Facility”) that provides for a \$750 million revolving credit facility (the “Amended Revolving Credit Facility”). The Amended Revolving Credit Facility will mature on the earlier of (a) November 5, 2030 and (b) the Springing Revolver Maturity Date (as defined in the 2022 Credit Agreement), unless the Amended Revolving Credit Facility is extended prior to such date in accordance with the 2022 Credit Agreement.

Borrowings under the Amended Revolving Credit Facility bear interest at a rate equal to an applicable margin plus: (a) the applicable Term SOFR (as defined in the Credit Agreement) rate, or (b) a base rate determined by reference to the highest of (1) the federal funds effective rate plus 0.50%, (2) the Bank of America prime rate, (3) the Term SOFR rate for an interest period of one month plus 1.00%, and (4) 1.00%. The applicable margin for the Amended Revolving Credit Facility ranges, based on our consolidated total net leverage ratio, from 0.25% to 1.25% in the case of base rate loans and from 1.25% to 2.25% in the case of Term SOFR rate loans. In addition to paying interest on the outstanding principal under the Amended Revolving Credit

Notes to Consolidated Financial Statements — (Continued)

Facility, we will pay (i) a commitment fee in respect of the unutilized commitments thereunder and (ii) customary letter of credit fees and agency fees.

The margin for the 2022 Facility ranges, based on our consolidated total net leverage ratio, from 0.25% to 1.25% in the case of base rate loans and from 1.25% to 2.25% in the case of Term SOFR rate loans. In addition to paying interest on the outstanding principal under the 2022 Facility, we will pay (i) a commitment fee in respect of the unutilized commitments thereunder and (ii) customary letter of credit fees and agency fees. The commitment fees range from 0.15% to 0.35% per annum based on our consolidated net leverage ratio.

As of December 31, 2025, the Revolving Credit Facility was undrawn. We incurred a total of \$7.3 million in third-party costs related to the 2022 Credit Agreement which are recorded as debt issuance cost within prepaid expenses and other assets in our consolidated balance sheets. As of December 31, 2025, the unamortized debt issuance cost related to the revolving credit facility was \$4.6 million.

Future maturities and interest payments of long-term debt as of December 31, 2025, are as follows (in thousands):

2026	\$ 11,841
2027	221,099
2028	481,261
2029	6,563
2030	6,563
Thereafter	1,513,125
Total minimum payments	<u>2,240,452</u>
Less amount representing coupon interest	(60,878)
Gross balance of long-term debt	2,179,574
Less unamortized debt discount	(36,944)
Carrying value of long-term debt	2,142,630
Less current portion of long-term debt	—
Long-term debt, less current portion and unamortized debt discount	<u>\$ 2,142,630</u>

9. Stockholders' Equity

Share-based Compensation

We currently grant stock options, RSUs and PSUs under our Amended and Restated 2021 Stock Plan (“2021 Stock Plan”), which was approved by the stockholders on May 5, 2021 and provides for the grant of up to 17.8 million shares of common stock to selected employees, consultants and non-employee members of our Board of Directors as stock options, stock appreciation rights, RSUs and PSUs. Awards are subject to terms and conditions established by the Compensation Committee of our Board of Directors. During the year ended December 31, 2025, we granted share-based awards under the 2021 Stock Plan. As of December 31, 2025, 6.9 million shares were subject to outstanding awards and 8.1 million shares were available for future grants of share-based awards.

The following table summarizes share-based compensation expense included in our consolidated statements of income related to share-based awards excluding the acceleration of Elektrofi and Surf Bio equity awards (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Research and development	\$ 14,555	\$ 12,985	\$ 13,345
Selling, general and administrative	37,010	30,400	23,275
Total share-based compensation expense	<u>\$ 51,565</u>	<u>\$ 43,385</u>	<u>\$ 36,620</u>

Share-based compensation expense by type of share-based award was as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Stock options	\$ 15,650	\$ 16,078	\$ 16,351
RSUs, PSUs and ESPP	35,915	27,307	20,269
Total share-based compensation expense	<u>\$ 51,565</u>	<u>\$ 43,385</u>	<u>\$ 36,620</u>

Total unrecognized estimated compensation cost by type of award and the weighted-average remaining requisite service period over which such expense is expected to be recognized as of December 31, 2025 (in thousands, unless otherwise noted):

	December 31, 2025	
	Unrecognized Expense	Remaining Weighted-Average Recognition Period (in years)
Stock options	\$ 31,516	2.25
RSUs	56,647	2.47
PSUs	23,426	1.95
ESPP	270	0.34

ESPP. In February 2021, our Board of Directors approved our 2021 ESPP and our stockholders approved the plan in May 2021. The 2021 ESPP enables eligible employees to purchase shares of our common stock at the end of each offering period at a price equal to 85% of the fair market value of the shares on the first business day or the last business day of the offering period, whichever is lower. Share purchases are funded through payroll deduction of at least 1% and up to 15% of an employee’s compensation for each payroll period, and no employee may purchase shares under the 2021 ESPP that exceeds \$25,000 worth of our common stock for a calendar year. As of December 31, 2025, 2,516,896 shares were available for future purchase. The offering period is generally for a six-month period and the first offering period commenced on June 16, 2021. Offering periods shall commence on or about the sixteenth day of June and December of each year and end on or about the fifteenth day of the next December and June, respectively, occurring thereafter. During the twelve months ended December 31, 2025, 42,698 shares were issued pursuant to the 2021 ESPP.

Notes to Consolidated Financial Statements — (Continued)

Stock Options. Options granted under the 2021 Stock Plan must have an exercise price equal to at least 100% of the fair market value of our common stock on the date of grant. The options generally have a maximum contractual term of ten years and vest at the rate of one-fourth of the shares on the first anniversary of the date of grant and 1/48 of the shares monthly thereafter. Certain option awards provide for accelerated vesting if there is a change in control (as defined in the 2021 Stock Plan).

A summary of our stock option award activity as of and for the year ended December 31, 2025 is as follows:

	Shares Underlying Stock Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2024	5,476,206	\$ 31.83		
Granted	781,657	46.71		
Exercised	(1,122,386)	24.91		
Canceled/forfeited	(276,344)	44.62		
Outstanding as of December 31, 2025	<u>4,859,133</u>	35.10	5.90	\$ 70.5
Vested and expected to vest as of December 31, 2025	<u>4,859,133</u>	35.10	5.90	70.5
Exercisable as of December 31, 2025	<u>3,371,956</u>	\$ 30.87	4.82	\$ 58.5

The weighted average grant date fair value of options granted during the years ended December 31, 2025, 2024 and 2023 was \$29.52 per share, \$17.75 per share and \$17.72 per share, respectively. The total intrinsic value of options exercised during the years ended December 31, 2025, 2024 and 2023 was approximately \$46.3 million, \$31.4 million and \$13.7 million, respectively. Cash received from stock option exercises for the years ended December 31, 2025, 2024 and 2023 was approximately \$28.0 million, \$32.7 million and \$10.0 million, respectively.

The exercise price of stock options granted is equal to the closing price of the common stock on the date of grant. The fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton option pricing model (“Black-Scholes Model”). Expected volatility is based on historical volatility of our common stock. The expected term of options granted is based on analyses of historical employee termination rates and option exercises. The risk-free interest rate is based on the U.S. Treasury yield for a period consistent with the expected term of the option in effect at the time of the grant. The dividend yield assumption is based on the expectation of no future dividend payments. The assumptions used in the Black-Scholes Model were as follows:

	Year Ended December 31,		
	2025	2024	2023
Expected volatility	39.68 - 42.14%	40.01 - 42.13%	39.68 - 40.82%
Average expected term (in years)	4.8	5.0	4.8
Risk-free interest rate	3.67 - 4.34%	3.65 - 4.70%	3.37 - 4.72%
Expected dividend yield	—	—	—

Notes to Consolidated Financial Statements — (Continued)

Restricted Stock Units. A RSU is a promise by us to issue a share of our common stock upon vesting of the unit. RSUs will generally vest at the rate of one-fourth of the shares on each anniversary of the date of grant.

The following table summarizes our RSU activity during the year ended December 31, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2024	1,398,776	\$ 42.43		
Granted	772,787	60.04		
Vested	(459,420)	42.53		
Forfeited	(190,237)	47.59		
Outstanding as of December 31, 2025	<u>1,521,906</u>	\$ 50.69	1.33	\$ 72.8

The estimated fair value of the RSUs was based on the closing market value of our common stock on the date of grant. The total grant date fair value of RSUs vested during the years ended December 31, 2025, 2024 and 2023 was approximately \$19.5 million, \$15.5 million and \$12.9 million, respectively. The fair value of RSUs vested during the years ended December 31, 2025, 2024 and 2023 was approximately \$26.8 million, \$16.5 million and \$18.3 million, respectively.

Performance Stock Units. A PSU is a promise by us to issue a share of our common stock upon achievement of a specific performance condition.

The following table summarizes our PSU activity during the year ended December 31, 2025:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2024	482,403	\$ 46.64
Granted	442,868	49.05
Vested	(154,032)	41.79
Forfeited	(55,096)	53.70
Outstanding as of December 31, 2025	<u>716,143</u>	\$ 48.63

The estimated fair value of the PSUs was based on the closing market value of our common stock on the date of grant. The fair value of PSUs vested during the years ended December 31, 2025, 2024 and 2023 was \$9.0 million, \$1.6 million and \$0.2 million, respectively.

Share Repurchases

In December 2021, our Board of Directors authorized a capital return program to repurchase up to \$750.0 million of our outstanding common stock over a three-year period which we completed in June 2024. A total of 19.1 million shares were repurchased over the three-year period at an average price per share of \$39.31.

In February 2024, our Board of Directors authorized a new capital return program to repurchase up to \$750.0 million of our outstanding common stock. In December 2024, we entered into an Accelerated Share Repurchase (“ASR”) agreement with Bank of America, N.A. to repurchase \$250.0 million of our outstanding common stock. Pursuant to the agreement, at the inception of the ASR, we paid \$250.0 million to Bank of America, N.A. and took initial delivery of 4.2 million shares, representing approximately 80 percent of the total shares to be repurchased under the ASR agreement measured based on the closing price of our common stock on the transaction trade date. In March 2025, we finalized the ASR transaction resulting in a total repurchase of 4.7 million shares at an average price of \$53.95 per share.

Notes to Consolidated Financial Statements — (Continued)

In May 2025, we announced a second \$250.0 million share repurchase under the \$750.0 million approved program from February 2024. The second \$250.0 million share repurchase was completed in June 2025, resulting in a total purchase of 4.8 million shares at an average price of \$52.09 per share.

In June 2025, we initiated the third \$250.0 million share repurchase tranche under the \$750.0 million approved program from February 2024. As of December 31, 2025, \$92.3 million has been used to repurchase approximately 1.7 million shares at an average price of \$52.89 per share.

We had the following share repurchase activity under the approved share repurchase program (in thousands, except share and per share amounts):

	2025		
	Total Number of Shares Purchased	Weighted-Average Price Paid Per Share	Total Cost
First quarter ⁽¹⁾	452,453	\$ 53.95	\$ 24,410
Second quarter ⁽²⁾	5,818,338	52.16	303,490
Third quarter ⁽²⁾	725,514	53.59	38,882
Fourth quarter	—	—	—
	6,996,305	\$ 52.42	\$ 366,782

⁽¹⁾ The shares we repurchased during the first quarter are part of the ASR initiated in December 2024.

⁽²⁾ Included in the total cost of shares purchased is a commission fee of \$0.02 per share.

All shares repurchased under our capital return programs have been retired and have resumed their status of authorized and unissued shares.

10. Earnings per share

Basic earnings per share is computed by dividing net income for the period by the weighted average number of common shares outstanding during the period, without consideration for common stock equivalents. Outstanding stock options, unvested RSUs, unvested PSUs, common shares expected to be issued under our ESPP and the Convertible Notes are considered common stock equivalents and are only included in the calculation of diluted earnings per common share when net income is reported and their effect is dilutive.

Potentially dilutive common shares issuable upon vesting of stock options, RSUs and PSUs are determined using the average share price for each period under the treasury stock method. Potentially dilutive common shares issuable upon conversion of the Convertible Notes are determined using the if-converted method. Since we have committed to settle the principal amount of the Convertible Notes in cash upon conversion only, the number of shares for the conversion spread will be included as a dilutive common stock equivalent.

A reconciliation of the numerators and the denominators of the basic and diluted earnings per share computations is as follows (in thousands, except per share amounts):

	Year Ended December 31,		
	2025	2024	2023
Numerator			
Net income	\$ 316,889	\$ 444,091	\$ 281,594
Denominator			
Weighted average common shares outstanding for basic earnings per share	119,840	126,827	131,927
Dilutive potential common stock outstanding			
Stock options	2,077	1,827	1,824
RSUs, PSUs and ESPP	969	696	388
Convertible Notes	1,018	74	58
Weighted average common shares outstanding for diluted earnings per share	123,904	129,424	134,197
Earnings per share			
Basic	\$ 2.64	\$ 3.50	\$ 2.13
Diluted	\$ 2.56	\$ 3.43	\$ 2.10

Shares which have been excluded from the calculation of diluted earnings per common share because their effect was anti-dilutive include the following (shares in millions):

	Year Ended December 31,		
	2025	2024	2023
Anti-dilutive securities ⁽¹⁾	24.6	26.1	27.8

⁽¹⁾ The anti-dilutive securities include outstanding stock options, unvested RSUs, unvested PSUs, common shares expected to be issued under our ESPP and Convertible Notes.

11. Commitments and Contingencies

Operating Leases

Our properties consist of leased office, laboratory, warehouse and assembly facilities. Our administrative offices and research facilities are located in San Diego, California. We also lease a building in Minnetonka, Minnesota consisting of office, assembly operations, and warehousing space, two leased buildings in Boston, Massachusetts consisting of office and lab space and have a small leased administrative office in Ewing, New Jersey. We lease an aggregate of approximately 196,000 square feet of space. We pay a pro rata share of operating costs, insurance costs, utilities and real property taxes. Additionally, we lease certain office equipment and vehicles under operating leases. Total rent expense was approximately \$9.4 million, \$8.6 million and \$9.3 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Approximate annual future minimum operating lease payments as of December 31, 2025 are as follows (in thousands):

<u>Year</u>	<u>Operating Leases</u>
2026	\$ 11,277
2027	9,005
2028	7,857
2029	6,271
2030	5,334
Thereafter	747
Total minimum lease payments	40,491
Less imputed interest	(5,922)
Total	<u>\$ 34,569</u>

The weighted-average remaining lease term of our operating leases is approximately 4.16 years.

Legal Contingencies

From time to time, we may be involved in disputes, including litigation, relating to claims arising out of operations in the normal course of our business. Any of these claims could subject us to costly legal expenses and, while we generally believe that we have adequate insurance to cover many different types of liabilities, our insurance carriers may deny coverage or our policy limits may be inadequate to fully satisfy any damage awards or settlements. If this were to happen, the payment of any such awards could have a material adverse effect on our consolidated statements of income and balance sheets. Additionally, any such claims, whether or not successful, could damage our reputation and business. We currently are not a party to any legal proceedings, the adverse outcome of which, in our opinion, individually or in the aggregate, would have a material adverse effect on our consolidated statements of income or balance sheets.

Halozyme Therapeutics, Inc.
Notes to Consolidated Financial Statements — (Continued)

12. Income Taxes

Total income before income tax expense summarized by region was as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
United States	\$ 467,527	\$ 557,852	\$ 348,828
Foreign	(652)	(720)	(499)
Income before income tax expense	<u>\$ 466,875</u>	<u>\$ 557,132</u>	<u>\$ 348,329</u>

Significant components of our net deferred tax assets (liabilities) were as follows (in thousands).

	December 31,	
	2025	2024
Deferred tax assets		
Net operating loss carryforwards	\$ 60,853	\$ 20,736
Capped call transactions	46,806	—
Research and development and credits	22,308	17,868
Share-based compensation	9,960	6,567
ASC 842 lease liability	7,927	7,126
Capitalized research expense	5,370	30,253
Inventory related reserves	19,691	19,867
Other, net	16,949	4,206
Total deferred tax assets	189,864	106,623
Valuation allowance for deferred tax assets	(878)	(2,363)
Deferred tax assets, net of valuation allowance	<u>188,986</u>	<u>104,260</u>
Deferred tax liabilities		
Non-deductible book amortization	(217,883)	(89,247)
ASC 842 right of use asset	(8,589)	(7,882)
Other, net	(5,438)	(3,276)
Total deferred tax liabilities	<u>(231,910)</u>	<u>(100,405)</u>
Net deferred tax (liabilities) asset	<u>\$ (42,924)</u>	<u>\$ 3,855</u>

A valuation allowance of \$0.9 million and \$2.4 million has been established to offset the net DTAs as of December 31, 2025 and 2024, respectively, as realization of such assets is uncertain.

On a periodic basis, we reassess the valuation allowance of our DTAs, weighing all positive and negative evidence, to assess if it is more-likely-than-not that some or all our DTAs will be realized. After assessing both positive and negative evidence, we determined that it was more likely than not that our DTAs would be realized except for certain deferred tax assets associated with net operating losses in foreign jurisdictions where we do not expect benefit.

Halozyme Therapeutics, Inc.
Notes to Consolidated Financial Statements — (Continued)

Income tax expense (benefit) was comprised of the following components (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Current - federal	\$ 137,708	\$ 98,139	\$ 24,963
Current - state	16,741	13,762	5,717
Deferred - federal	(4,769)	1,815	34,037
Deferred - state	306	(675)	2,018
Total income tax expense	\$ 149,986	\$ 113,041	\$ 66,735

The provision for income taxes on earnings subject to income taxes differs from the statutory federal income tax rate due to the following (dollars in thousands):

	Year Ended December 31,					
	2025		2024		2023	
	Dollar	Percent	Dollar	Percent	Dollar	Percent
U.S. federal statutory tax expense and rate	\$ 98,044	21.00 %	\$ 116,998	21.00 %	\$ 73,254	21.00 %
State and local income taxes, net of federal income tax effect ⁽¹⁾	13,252	2.84 %	10,963	1.97 %	4,134	1.19 %
Foreign tax effects	137	0.03 %	151	0.03 %	105	0.03 %
Effect of cross-border tax laws						
Foreign-derived intangible income	(22,921)	(4.91)%	(19,644)	(3.53)%	(11,989)	(3.44)%
Tax credits						
Research and development tax credits	(1,840)	(0.39)%	(1,457)	(0.27)%	(4,394)	(1.26)%
Changes in valuation allowances	(1,498)	(0.32)%	96	0.02 %		
Nontaxable or non-deductible items						
Non-deductible acquired IPR&D	59,826	12.81 %	—	— %	—	— %
Other	5,458	1.17 %	1,942	0.35 %	2,605	0.75 %
Changes in unrecognized tax benefits	655	0.14 %	2,610	0.47 %	455	0.13 %
Other adjustments	(1,127)	(0.24)%	1,382	0.25 %	2,565	0.73 %
Income tax expense and effective income tax rate	\$ 149,986	32.13 %	\$ 113,041	20.29 %	\$ 66,735	19.13 %

⁽¹⁾ State taxes in NY, NJ, MN, PA, CA and MA made up the majority (greater than 50%) of the tax effect in this category.

As of December 31, 2025, our unrecognized tax benefit and uncertain tax positions were \$26.9 million, of which \$25.7 million will impact the effective tax rate when resolved. Interest and/or penalties related to uncertain income tax positions are recognized by us as a component of income tax expense. For the years ended December 31, 2025, 2024 and 2023, we recognized an immaterial amount of interest and penalties.

Halozyme Therapeutics, Inc.
Notes to Consolidated Financial Statements — (Continued)

The following table summarizes the activity related to our unrecognized tax benefits (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Gross unrecognized tax benefits, beginning of period	\$ 24,519	\$ 21,918	\$ 19,482
Increases in tax positions for current year	702	612	791
Increases in tax positions for prior years	244	2,181	1,645
Increases in tax positions related to business acquisition	1,418	—	—
Decreases in tax positions for prior years and lapse in statute of limitations	(18)	(192)	—
Gross unrecognized tax benefits, end of period	<u>\$ 26,865</u>	<u>\$ 24,519</u>	<u>\$ 21,918</u>

As of December 31, 2025, we had U.S. federal, California, Massachusetts and other state net operating loss carryforwards of approximately \$145.6 million, \$236.5 million, \$139.2 million and \$60.6 million, respectively. The U.S. federal net operating loss will carry forward indefinitely until utilized. State net operating losses will begin to expire in 2029 unless previously utilized.

As of December 31, 2025, we had U.S. federal, California and Massachusetts research and development tax credit carryforwards of approximately \$4.9 million, \$25.1 million and \$2.5 million, respectively. The U.S. federal research and development tax credits will begin to expire in 2040 unless previously utilized. The California research and development tax credits will carry forward indefinitely until utilized. The Massachusetts research and development tax credits will begin to expire in 2036 unless previously utilized.

Pursuant to Internal Revenue Code Section 382, the annual use of the net operating loss carryforwards and research and development tax credits could be limited by any greater than 50% ownership change during any three-year testing period. As a result of any such ownership change, portions of our net operating loss carryforwards and research and development tax credits are subject to annual limitations. We completed an updated Section 382 analysis regarding the limitation of the net operating losses and research and development credits as of the acquisition of Antares and Elektrofí. Based upon the analysis, we determined that ownership changes occurred in prior years; however, the annual limitations on net operating loss and research and development tax credit carryforwards will not have a material impact on the future utilization of such carryforwards.

We do not provide for U.S. income taxes on the undistributed earnings of our foreign subsidiary as it is our intention to utilize those earnings in the foreign operations for an indefinite period of time. As of December 31, 2025 and 2024, there were no undistributed earnings in foreign subsidiaries.

We are subject to taxation in the U.S. and in various state and foreign jurisdictions. Our tax years for 2008 and forward are subject to examination by the U.S. federal and state tax authorities due to the carryforward of unutilized net operating losses and research and development credits.

Income taxes paid, net of refunds, are as following (in thousands):

	Year Ended December 31,		
	2025	2024	2023
U.S. Federal	\$ 119,100	\$ 65,000	\$ 22,621
State			
Pennsylvania ⁽¹⁾	—	—	3,320
All other states	15,541	15,618	5,815
Total income taxes paid, net of refunds	<u>\$ 134,641</u>	<u>\$ 80,618</u>	<u>\$ 31,756</u>

⁽¹⁾ Jurisdiction in which income taxes paid, net of refunds, exceeded 5% of the total income taxes paid, net of refunds. The amount of income taxes paid, net of refunds, during the years ended December 31, 2024 and December 31, 2025 did not meet the 5% disaggregation threshold, and therefore, is included in “All other states.”

13. Employee Savings Plan

We have an employee savings plan pursuant to Section 401(k) of the Internal Revenue Code. All employees are eligible to participate, provided they meet the requirements of the plan. We are not required to make matching contributions under the plan. However, we voluntarily contributed to the plan approximately \$3.6 million, \$3.3 million and \$3.3 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Schedule II - Valuation and Qualifying Accounts
(in thousands)

	Balance at Beginning of Period	Acquired	Additions	Deductions	Balance at End of Period
For the year ended December 31, 2025					
Accounts receivable allowances ⁽¹⁾	\$ 8,737	\$ —	\$ 64,702	\$ (63,833)	\$ 9,606
For the year ended December 31, 2024					
Accounts receivable allowances ⁽¹⁾	\$ 6,747	\$ —	\$ 54,090	\$ (52,100)	\$ 8,737
For the year ended December 31, 2023					
Accounts receivable allowances ⁽¹⁾	\$ 1,914	\$ —	\$ 49,596	\$ (44,763)	\$ 6,747

⁽¹⁾ Allowances are for chargebacks, prompt payment discounts and distribution fees related to proprietary product sales.



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