UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended September 30, 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: 001-36421

Aurinia Pharmaceuticals Inc.

(Exact Name of Registrant as Specified in its Charter)

Alberta, Canada (State or other jurisdiction of incorporation or organization)		**98-1231763** (I.R.S. Employer Identification Number)
#140, 14315 - 118 Avenue **Edmonton, Alberta T5L 4S6** (Address of principal executive offices)		

(250) 744-2487

Registrant's telephone number, including area code

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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

Indicate the number of shares outstanding of each of the registrant's classes of common shares, as of the latest predictable date. As of November 3, 2025, the registrant had 131,840,559 of common shares outstanding.

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

Title of each class	**Trading Symbol**	**Name of exchange on which registered**
Common shares, no par value	AUPH	The Nasdaq Global Market LLC

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AURINIA PHARMACEUTICALS INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 30, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Current assets:		
Cash, cash equivalents and restricted cash	**$ 73,189**	$ 83,433
Short-term investments	**278,619**	275,043
Accounts receivable, net	**30,728**	36,544
Inventory, net	**44,793**	39,228
Prepaid expenses and deposits	**11,107**	11,219
Other current assets	**301**	1,129
Total current assets	**438,737**	446,596
Finance right-of-use lease assets	**78,813**	92,072
Intangible assets, net	**3,901**	4,355
Operating right-of-use lease assets	**3,718**	4,068
Property and equipment, net	**2,266**	2,731
Other noncurrent assets	**93**	823
Total assets	**$ 527,528**	$ 550,645
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 2,214**	$ 5,187
Accrued expenses	**49,536**	64,971
Finance lease liabilities, current portion	**16,309**	14,046
Deferred revenue	**4,602**	11,002
Operating lease liabilities, current portion	**1,057**	1,026
Other current liabilities	**2,502**	1,531
Total current liabilities	**76,220**	97,763
Finance lease liabilities, less current portion	**55,727**	58,554
Deferred revenue, less current portion	**12,249**	1,699
Deferred compensation and other noncurrent liabilities	**12,442**	9,408
Operating lease liabilities, less current portion	**5,119**	5,743
Total liabilities	**161,757**	173,167
Commitments and contingencies (Note 5)		
Shareholders' equity		
Common shares - no par value, unlimited shares authorized, 131,841 and 140,883 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	**1,116,797**	1,187,696
Additional paid-in capital	**109,885**	126,999
Accumulated other comprehensive loss	**(749)**	(647)
Accumulated deficit	**(860,162)**	(936,570)
Total shareholders' equity	**365,771**	377,478
Total liabilities and shareholders' equity	**$ 527,528**	$ 550,645

See accompanying notes.

AURINIA PHARMACEUTICALS INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)
(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Revenue				
Net product sales	**$ 70,627**	$ 55,503	**$ 197,172**	$ 158,604
License, collaboration and royalty revenue	**2,841**	12,268	**8,769**	16,662
Total revenue	**73,468**	67,771	**205,941**	175,266
Operating expenses				
Cost of revenue	**8,177**	6,035	**23,866**	22,696
Selling, general and administrative	**26,182**	42,367	**72,539**	134,996
Research and development	**8,435**	3,047	**21,610**	12,678
Restructuring	**—**	—	**1,647**	7,755
Other expense, net	**929**	4,574	**14,604**	159
Total operating expenses	**43,723**	56,023	**134,266**	178,284
Income (loss) from operations	**29,745**	11,748	**71,675**	(3,018)
Interest income	**3,316**	4,267	**10,075**	12,982
Interest expense	**(1,099)**	(1,208)	**(3,283)**	(3,689)
Net income before income taxes	**31,962**	14,807	**78,467**	6,275
Income tax expense	**411**	457	**2,059**	1,952
Net income	**$ 31,551**	$ 14,350	**$ 76,408**	$ 4,323
Other comprehensive income:				
Unrealized gain (loss) on available-for-sale securities	**156**	474	**(102)**	345
Comprehensive income	**$ 31,707**	$ 14,824	**$ 76,306**	$ 4,668
Earnings per share				
Basic	**$ 0.24**	$ 0.10	**$ 0.57**	$ 0.03
Diluted	**$ 0.23**	$ 0.10	**$ 0.55**	$ 0.03
Shares used in computing earnings per share				
Basic	**131,808**	143,051	**135,163**	143,353
Diluted	**136,008**	145,651	**138,959**	145,010

See accompanying notes.

AURINIA PHARMACEUTICALS INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)
(in thousands)

	Common Shares					
	Shares	Amount	Additional paid-in capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
Balance at December 31, 2024	**140,883**	**$ 1,187,696**	**$ 126,999**	**$ (647)**	**$ (936,570)**	**$ 377,478**
Purchases of common shares under Share Repurchase Plan	(5,807)	(47,400)	—	—	—	(47,400)
Issuance of common shares from exercise of stock options and vesting of RSUs and performance awards	2,671	22,966	(22,611)	—	—	355
Share-based compensation	—	—	(3,409)	—	—	(3,409)
Unrealized loss on available-for-sale securities	—	—	—	(178)	—	(178)
Net income	—	—	—	—	23,344	23,344
Balance at March 31, 2025	**137,747**	**$ 1,163,262**	**$ 100,979**	**$ (825)**	**$ (913,226)**	**$ 350,190**
Purchases of common shares under Share Repurchase Plan	(5,352)	(43,362)	—	—	—	(43,362)
Issuance of common shares from exercise of stock options and vesting of RSUs	190	2,062	(863)	—	—	1,199
Issuance of common shares under ESPP	83	620	(219)	—	—	401
Share-based compensation	—	—	5,440	—	—	5,440
Unrealized loss on available-for-sale securities	—	—	—	(80)	—	(80)
Net income	—	—	—	—	21,513	21,513
Balance at June 30, 2025	**132,668**	**$ 1,122,582**	**$ 105,337**	**$ (905)**	**$ (891,713)**	**$ 335,301**
Purchases of common shares under Share Repurchase Plan	(1,090)	(8,785)	—	—	—	(8,785)
Issuance of common shares from exercise of stock options and vesting of RSUs	263	3,000	(1,371)	—	—	1,629
Share-based compensation	—	—	5,919	—	—	5,919
Unrealized gain on available-sale-securities	—	—	—	156	—	156
Net income	—	—	—	—	31,551	31,551
Balance at September 30, 2025	**131,841**	**$ 1,116,797**	**$ 109,885**	**$ (749)**	**$ (860,162)**	**$ 365,771**

See accompanying notes.

AURINIA PHARMACEUTICALS INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)
(in thousands)

	Common Shares					
	Shares	Amount	Additional paid in capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Shareholders' Equity
Balance at December 31, 2023	**143,833**	**$ 1,200,218**	**$ 120,788**	**$ (730)**	**$ (942,322)**	**$ 377,954**
Purchases of common shares under Share Repurchase Plan	(2,374)	(13,370)	—	—	—	(13,370)
Issuance of common shares from exercise of stock options and vesting of RSUs	2,231	21,134	(21,106)	—	—	28
Share-based compensation	—	—	5,737	—	—	5,737
Unrealized loss on available-for-sale securities	—	—	—	(124)		(124)
Net loss	—	—	—	—	$ (10,749)	(10,749)
Balance at March 31, 2024	**143,690**	**$ 1,207,982**	**$ 105,419**	**$ (854)**	**$ (953,071)**	**$ 359,476**
Purchases of common shares under Share Repurchase Plan	(1,050)	(5,249)	—	—	—	(5,249)
Issuance of common shares from exercise of stock options and vesting of RSUs	192	1,773	(1,390)	—	—	383
Issuance of common shares under ESPP	152	1,048	(345)	—	—	703
Shared-based compensation	—	—	8,586	—	—	8,586
Unrealized loss on available-for-sale securities	—	—	—	(5)	—	(5)
Net income	—	—	—	—	722	722
Balance at June 30, 2024	**142,984**	**$ 1,205,554**	**$ 112,270**	**$ (859)**	**$ (952,349)**	**$ 364,616**
Issuance of common shares from exercise of stock options and vesting of RSUs	125	1,059	(824)	—	—	235
Shared-based compensation	—	—	8,327	—	—	8,327
Unrealized gain on available-for-sale securities	—	—	—	474	—	474
Net income	—	—	—	—	14,350	14,350
Balance at September 30, 2024	**143,109**	**$ 1,206,613**	**$ 119,773**	**$ (385)**	**$ (937,999)**	**$ 388,002**

See accompanying notes.

AURINIA PHARMACEUTICALS INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2025	**2024**
Cash flows from operating activities:		
Net income	**$ 76,408**	$ 4,323
Adjustments to reconcile net income to cash flows from operating activities:		
Share-based compensation	**7,950**	22,650
Amortization and depreciation	**14,585**	14,583
Foreign exchange loss (gain) on revaluation of Monoplant finance lease liability	**9,318**	(718)
Net amortization of premiums and discounts on investments	**(7,844)**	(9,752)
Other, net	**4,852**	220
Net changes in operating assets and liabilities:		
Accounts receivable, net	**5,816**	(12,394)
Inventory, net	**(5,565)**	991
Prepaid expenses and other current assets	**940**	(6,001)
Other noncurrent operating assets	**730**	(12)
Accounts payable	**(2,973)**	4,551
Accrued expenses and other liabilities	**(17,777)**	(4,139)
Deferred revenue	**4,150**	522
Lease liabilities	**(600)**	(550)
Cash flows from operating activities	**89,990**	14,274
Cash flows from investing activities:		
Proceeds from the sale and maturities of investments	**348,785**	461,448
Purchases of investments	**(344,618)**	(461,140)
Purchases of property, equipment and intangible assets	**(180)**	(225)
Upfront lease payment	**—**	(44)
Cash flows from investing activities	**3,987**	39
Cash flows from financing activities:		
Repurchase of common shares	**(98,156)**	(18,435)
Principal portion of finance lease payments	**(9,649)**	(8,959)
Proceeds from issuance of common shares from exercise of stock options and vesting of RSUs and performance awards	**12,583**	6,537
Proceeds from issuance of common shares under ESPP	**401**	703
Taxes paid related to net settlement of exercises of stock options and vesting of RSUs and performance awards	**(9,400)**	(5,892)
Cash flows from financing activities	**(104,221)**	(26,046)
Net decrease in cash, cash equivalents and restricted cash	**(10,244)**	(11,733)
Cash, cash equivalents and restricted cash, beginning of the period	**83,433**	48,875
Cash, cash equivalents and restricted cash, end of the period	**$ 73,189**	$ 37,142
Supplemental cash flow information:		
Cash paid for taxes	**$ (3,092)**	$ (1,459)
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheets		
Cash and cash equivalents	**$ 72,889**	$ 36,630
Restricted cash	**300**	512
Total cash, cash equivalents and restricted cash	**$ 73,189**	$ 37,142

See accompanying notes.

AURINIA PHARMACEUTICALS INC. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization and Description of Business

Aurinia Pharmaceuticals Inc. ("Aurinia" or the "Company") is a biopharmaceutical company focused on delivering therapies to people living with autoimmune diseases with high unmet medical needs. In January 2021, the Company introduced LUPKYNIS® (voclosporin), the first FDA-approved oral therapy for the treatment of adult patients with active lupus nephritis. Aurinia is also developing aritinercept, a dual inhibitor of B cell-activating factor (BAFF) and a proliferation-inducing ligand (APRIL) for the potential treatment of autoimmune diseases.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation, Principles of Consolidation and Use of Estimates

The Company's unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the U.S. ("U.S. GAAP") for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain information and disclosures required by U.S. GAAP for annual financial statements have been omitted. In the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation have been included. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

The accompanying condensed consolidated financial statements include the accounts of Aurinia Pharmaceuticals Inc. and its wholly owned subsidiary, Aurinia Pharma U.S., Inc., a Delaware corporation. All intercompany balances and transactions have been eliminated in consolidation. The results of operations for the three and nine months ended September 30, 2025 are not necessarily indicative of the results to be expected for the full year or any other future periods.

Summary of Significant Accounting Policies and Recent Accounting Pronouncements

The Company's significant accounting policies and recent accounting pronouncements have not changed from those previously described in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board issued final guidance in Accounting Standards Update ("ASU") No. 2023-09, *Income Taxes (ASC 740)*: *Improvements to Income Tax Disclosures* requiring entities to provide additional information in the rate reconciliation and disclosures about income taxes paid. For public business entities, the new disclosure requirements are effective for annual periods beginning after December 15, 2024, which will be reflected in our consolidated financial statements for the year ended December 31, 2025.

3. Earnings Per Share

Basic earnings per share is calculated by dividing net income by the weighted-average number of common shares outstanding without consideration of potential common shares. Diluted earnings per share is calculated by dividing net income by the weighted-average number of common shares outstanding plus potential common shares. Stock options, performance awards, restricted stock units ("RSUs") and shares issuable under the Company's Employee Stock Purchase Plan ("ESPP") are considered potential common shares and are included in the calculation of diluted earnings per share using the treasury stock method when their effect is dilutive. Potential common shares are excluded from the calculation of diluted earnings per share when their effect is anti-dilutive.

For the three months ended September 30, 2025, there were 4.2 million potential dilutive common shares that were included in the calculation of diluted earnings per share, which consists of: (i) 2.6 million RSUs; (ii) 1.0 million stock options; and (iii) 0.6 million performance awards. For the nine months ended September 30, 2025, there were 3.8 million potential dilutive common shares that were included in the calculation of diluted earnings per share, which consists of: (i) 2.5 million RSUs; (ii) 0.7 million stock options; and (iii) 0.6 million performance awards. For the three and nine months ended September 30, 2025, there were 6.7 million and 7.1 million of potential common shares, respectively, that were excluded from the calculation of diluted earnings per share because their effect was anti-dilutive.

For the three months ended September 30, 2024, there were 2.6 million potential dilutive common shares that were included in the calculation of diluted earnings per share, which consists of: (i) 2.1 million RSUs; (ii) 0.4 million performance awards; and (iii) 0.1 million stock options. For the nine months ended September 30, 2024, there were 1.7 million potential dilutive common shares that were included in the calculation of diluted earnings per share, which consists of: (i) 1.3 million RSUs; (ii) 0.3 million performance awards; and (iii) 0.1 million stock options. For the three and nine months ended September 30, 2024, there were 9.2 million and 11.2 million of potential common shares, respectively, that were excluded from the calculation of diluted earnings per share because their effect was anti-dilutive.

4. Balance Sheet Details

Fair Value Measurement

The following table summarizes the financial assets measured at fair value on a recurring basis (in thousands):

	September 30, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash, cash equivalents and restricted cash	**$ 73,189**	**$ —**	**$ —**	**$ 73,189**
U.S. treasury bills	**—**	**264,583**	**—**	**264,583**
U.S. treasury bonds	**—**	**11,846**	**—**	**11,846**
Commercial paper	**—**	**2,190**	**—**	**2,190**
Total	**$ 73,189**	**$ 278,619**	**$ —**	**$ 351,808**

	December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash, cash equivalents and restricted cash	$ 83,433	$ —	$ —	$ 83,433
U.S. treasury bills	—	192,101	—	192,101
U.S. treasury bonds	—	81,402	—	81,402
Commercial paper	—	1,339	—	1,339
Corporate bonds	—	201	—	201
Total	$ 83,433	$ 275,043	$ —	$ 358,476

The fair value of the Company's investments classified within Level 2 is based upon observable inputs that may include benchmark yield curves, reported trades, issuer spreads, benchmark securities and reference data including market research publications.

The carrying amount and related unrealized gains (losses) by type of investment consisted of the following (in thousands):

	September 30, 2025			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Cash, cash equivalents and restricted cash	**$ 73,189**	**$ —**	**$ —**	**$ 73,189**
U.S. treasury bills	**264,529**	**54**	**—**	**264,583**
U.S. treasury bonds	**11,845**	**1**	**—**	**11,846**
Commercial paper	**2,190**	**—**	**—**	**2,190**
Total cash, cash equivalents, restricted cash and short-term investments	**$ 351,753**	**$ 55**	**$ —**	**$ 351,808**

	December 31, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Cash, cash equivalents and restricted cash	$ 83,433	$ —	$ —	$ 83,433
U.S. treasury bills	192,054	47	—	192,101
U.S. treasury bonds	81,292	110	—	81,402
Commercial paper	1,339	—	—	1,339
Corporate bonds	200	1	—	201
Total cash, cash equivalents, restricted cash and short-term investments	$ 358,318	$ 158	$ —	$ 358,476

As of September 30, 2025 and December 31, 2024, accrued interest receivable from investments was $0.2 million and $0.6 million, respectively, which was included in other current assets on the condensed consolidated balance sheets. As of September 30, 2025, short-term investments mature at various dates through June 2026. As of September 30, 2025 and December 31, 2024, no allowance for credit losses was recorded.

Inventory, net

Inventory, net consisted of the following (in thousands):

	September 30, 2025	December 31, 2024
Raw materials	**$ 771**	$ 1,702
Work in process	**42,637**	36,623
Finished goods	**1,385**	903
Total inventory, net	**$ 44,793**	$ 39,228

As of September 30, 2025 and December 31, 2024, inventory reserves were nil.

Prepaid Expenses and Deposits

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

	September 30, 2025	December 31, 2024
Prepaid manufacturing and other deposits	**$ 5,674**	$ 5,645
Prepaid insurance	**1,395**	1,186
Other prepaid expenses	**4,038**	4,388
Total prepaid expenses and deposits	**$ 11,107**	$ 11,219

Intangible Assets, Net

Intangible assets, net consisted of the following (in thousands):

	September 30, 2025		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Acquired intellectual property and reacquired right	**$ 15,126**	**$ (12,133)**	**$ 2,993**
Patents	**2,308**	**(1,400)**	**908**
Internal-use software implementation costs	**2,873**	**(2,873)**	**—**
Total intangible assets, net	**$ 20,307**	**$ (16,406)**	**$ 3,901**

	December 31, 2024		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Acquired intellectual property and reacquired right	$ 15,126	$ (11,535)	$ 3,591
Patents	2,128	(1,364)	764
Internal-use software implementation costs	2,873	(2,873)	—
Total intangible assets, net	$ 20,127	$ (15,772)	$ 4,355

For each of the three months ended September 30, 2025 and 2024, the Company recorded amortization expense of $0.2 million. For the nine months ended September 30, 2025 and 2024, the Company recorded amortization expense of $0.6 million and $0.7 million, respectively.

Property and Equipment, Net

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

	September 30, 2025	December 31, 2024
Leasehold improvements	**$ 3,243**	$ 3,243
Furniture	**1,155**	1,155
Office equipment	**631**	631
Computer equipment	**235**	235
Total gross property and equipment	**5,264**	5,264
Less accumulated depreciation	**(2,998)**	(2,533)
Property and equipment, net	**$ 2,266**	$ 2,731

Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	September 30, 2025	December 31, 2024
Accrued sales rebates and fees	**$ 26,979**	$ 24,568
Accrued payroll and related expenses	**9,763**	18,639
Accrued research and development expenses	**4,475**	3,990
Accrued corporate and excise taxes	**1,389**	503
Accrued sales and marketing expenses	**1,530**	2,329
Accrued restructuring expenses	**215**	10,855
Accrued other expenses	**5,185**	4,087
Total accrued expenses	**$ 49,536**	$ 64,971

5. Commitments and Contingencies

Lease Commitments

Finance Lease

Monoplant

In December 2020, the Company entered into a manufacturing services agreement with Lonza for the construction of a dedicated manufacturing facility for voclosporin (the "Monoplant"). The construction of the Monoplant began in January 2021 and manufacturing of voclosporin began in late June 2023. The Monoplant is equipped with state-of-the-art manufacturing equipment to provide cost and production efficiency for the manufacturing of voclosporin, while expanding existing capacity and providing supply security to meet future commercial demand. The Company completed a capital expenditure payment program for the Monoplant totaling $23.7 million, which included: (i) a $11.8 million payment in February 2021, which was treated as an upfront lease payment and recorded under other noncurrent assets on the consolidated balance sheets; and (ii) a $11.9 million payment when the facility fulfilled the required operational qualifications, which occurred in late June 2023. The Company has the exclusive right to use the Monoplant through March 31, 2030 by paying a quarterly fixed facility fee of 3.6 million Swiss Francs.

The Monoplant arrangement was determined to be an embedded lease and is accounted for as a finance lease under ASC 842. The lease term is based on the non-cancellable period for which a lessee has the right to use an underlying asset (the "Monoplant Lease"). The Company determined that the Monoplant Lease commencement occurred at the point when the FDA manufacturing validation process began, which occurred on June 26, 2023. At lease inception, the Company recorded a finance right-of-use ("ROU") lease asset and a corresponding lease liability. As of September 30, 2025, the Monoplant Lease finance ROU lease asset and corresponding lease liability balance were $78.2 million and $72.0 million, respectively.

Operating Lease

Rockville, Maryland

In March 2020, the Company entered into a lease agreement for 30,531 square feet of office space in Rockville, Maryland (the "Rockville Lease"). The Rockville Lease commenced on March 12, 2020 and expires on August 31, 2031. The Company has the option to extend the Rockville Lease for two 5-year periods at the end of the initial 11-year term and has the option to terminate after 7 years; however, such options were not recognized as part of the Company's lease liabilities and corresponding ROU lease assets. The Rockville Lease requires the Company to pay certain taxes, insurance and operating costs relating to the leased premises ("Lease Operating Costs"); however, such costs are not material to the Company's financial position.

Future minimum lease payments, excluding Lease Operating Costs, as of September 30, 2025 consisted of the following (in thousands):

	Finance Lease Payments	Operating Lease Payments
Remainder of 2025	$ 4,547	$ 289
2026	18,193	1,168
2027	18,193	1,197
2028	18,193	1,226
2029	18,193	1,223
Thereafter	4,553	2,080
Total lease payments	81,872	7,183
Less: imputed interest	(9,836)	(1,007)
Total	$ 72,036	$ 6,176

For each of the three months ended September 30, 2025 and 2024, finance lease expense related to the amortization of finance ROU lease assets was $4.4 million. For each of the nine months ended September 30, 2025 and 2024, finance lease expense related to the amortization of finance ROU lease assets was $13.1 million. For the three months ended September 30, 2025 and 2024, interest expense on finance lease liabilities was $1.1 million and $1.2 million, respectively. For the nine months ended September 30, 2025 and 2024, interest expense on finance lease liabilities was $3.3 million and $3.7 million, respectively. For the nine months ended September 30, 2025 and 2024, cash paid for amounts included in the measurement of finance lease liabilities classified in cash flows from financing activities was $9.6 million and $9.0 million, respectively. For each of the nine months ended September 30, 2025 and 2024, cash paid for amounts included in the measurement of finance lease liabilities classified in cash flows from operating activities was $3.4 million.

Manufacturing Commitments

The Company's manufacturing commitments have not changed in any material manner from those previously described in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Contingencies

From time to time, the Company may become subject to claims and litigation arising in the ordinary course of business. The Company is not a party to any material legal proceedings, nor is it aware of any material pending or threatened litigation other than as described in Item 1 of Part II Legal Proceedings.

6. Deferred Compensation and Other Noncurrent Liabilities

In March 2012, the Company entered into employee retention arrangements with certain former executive officers, whereby the Company is required to make payments to such former officers based on net revenues of voclosporin for a certain period of time. As of September 30, 2025 and December 31, 2024, the Company recorded deferred compensation and other noncurrent liabilities of $12.4 million and $9.4 million, respectively.

7. License and Collaboration Agreements

In December 2020, the Company entered into a collaboration and licensing agreement with Otsuka to develop and commercialize oral voclosporin in Japan, the E.U., the U.K., Switzerland, Russia, Norway, Belarus, Iceland, Liechtenstein and Ukraine (collectively, the "Otsuka Territories") in exchange for: (i) a $50 million upfront cash payment; (ii) regulatory and commercial milestone payments; and (iii) royalties ranging from 10% to 20% on net sales in the Otsuka Territories. As of September 30, 2025 and December 31, 2024, the Company had received an aggregate of $50 million of regulatory and commercial milestone payments.

In August 2022, the Company entered into a commercial supply agreement with Otsuka to: (i) supply LUPKYNIS inventory to Otsuka at cost plus a margin; and (ii) provide manufacturing and other services, including sharing the capacity of the Monoplant. For the three months ended September 30, 2025 and 2024, the Company recognized $2.8 million and $12.3 million, respectively, of collaboration revenue from manufacturing and other services, which includes sharing capacity of the Monoplant. For the nine months ended September 30, 2025 and 2024, the Company recognized $8.8 million and $16.7 million, respectively, of collaboration revenue from manufacturing and other services, which includes sharing capacity of the Monoplant.

8. Shareholders' Equity

On February 15, 2024, the Company announced that the Board had approved a share repurchase program of up to $150 million of the Company's common shares, excluding commissions and excise tax (the "Share Repurchase Plan"). On July 31, 2025, the Company announced that the Board approved an increase to the previously announced Share Repurchase Plan of an additional $150 million of common shares.

The timing and amount of future repurchase transactions will be determined by the Company based on its evaluation of market conditions, share price, legal requirements, including applicable blackout period restrictions, and other factors. The Company has entered into a Rule 10b5-1 stock repurchase plan for the purpose of establishing a trading plan to purchase the Company's common shares in a manner intended to satisfy the affirmative defense of Rule 10b5-1(c)(1) under the Securities Exchange Act of 1934, as amended and in accordance with applicable Canadian laws.

For the nine months ended September 30, 2025 and 2024, the Company repurchased 12.2 million and 3.4 million of its common shares for $99.5 million and $18.6 million, respectively, including commissions and excise tax. The cost of repurchased shares is recorded as a reduction in common shares. Under Alberta law, the common shares were cancelled and not reissued.

Purchases under the Share Repurchase Plan, which as of September 30, 2025 have totaled 18.3 million of its common shares for $138.6 million, excluding commissions and excise tax, began on February 21, 2024.

9. Equity Incentive Plans

Stock Options

The activity related to stock options during the nine months ended September 30, 2025 consisted of the following:

	September 30, 2025	
	Number of shares (in thousands)	Weighted-average exercise price $
Outstanding at December 31, 2024	**9,276**	**$ 11.00**
Granted	**2,503**	**7.72**
Exercised/released	**(441)**	**7.21**
Cancelled/forfeited	**(2,228)**	**12.12**
Outstanding at September 30, 2025	**9,110**	**$ 10.01**

The following weighted-average assumptions were used to estimate the fair value of the options granted during the nine months ended September 30, 2025 and 2024:

	Nine Months Ended September 30,	
	2025	2024
Expected volatility	**78 %**	77 %
Risk-free interest rate	**3.99 %**	4.08 %
Expected term (in years)	**5.0**	5.0
Expected dividend yield	**0.0 %**	0.0%
Fair value per common share option	**$ 5.03**	$ 3.82

Performance Awards and Restricted Stock Units

The fair value of performance awards and RSUs is based on the market price of the Company's common shares on the date prior to the grant. During the nine months ended September 30, 2025, the Company granted performance awards that vest in four tranches upon the Company's common shares achieving four progressively higher target prices, and each tranche is further subject to a one year service period following tranche achievement. The Company estimated the fair value of each award with a market and service condition on the date of grant by using a Monte Carlo simulation (lattice model).

The activity related to performance awards and RSUs for the nine months ended September 30, 2025 consisted of the following:

	September 30, 2025	
	Number of shares (in thousands)	Weighted-average fair value price
Unvested balance, December 31, 2024	**7,986**	**$ 8.08**
Granted	**1,430**	**6.81**
Vested	**(2,684)**	**8.59**
Cancelled/forfeited	**(2,141)**	**8.18**
Unvested balance, September 30, 2025	**4,591**	**$ 7.34**

Share-based Compensation Expense

The classification of share-based compensation expense consisted of the following (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Research and development	**$ 327**	$ 306	**$ 755**	$ (1,773)
Selling, general and administrative	**5,387**	7,812	**6,751**	23,427
Capitalized in inventory, net	**205**	209	**444**	996
Share-based compensation expense	**$ 5,919**	$ 8,327	**$ 7,950**	$ 22,650

As of September 30, 2025, there was $16.1 million of unrecognized share-based compensation expense related to unvested awards granted which is expected to be recognized over a weighted-average period of 1.0 year.

10. Restructuring

In February 2024, the Company announced a strategic restructuring that reduced headcount by approximately 25% and discontinued the Company's AUR300 development program (the "February Restructuring"). In November 2024, the Company announced another strategic restructuring that further reduced headcount by approximately 45% to sharpen the Company's focus on continued LUPKYNIS growth and the development of aritinercept (the "November Restructuring").

For the nine months ended September 30, 2025, total expense for the November Restructuring was $1.6 million, which was comprised of: (i) $0.3 million for one-time termination benefits to affected employees, including severance and health care benefits; (ii) $0.1 million of contract termination costs; and (iii) $1.2 million of other restructuring costs. For the three and nine months ended September 30, 2025, the Company paid $0.1 million and $11.6 million, respectively, related to the November Restructuring costs. As of September 30, 2025 and December 31, 2024, the Company paid $16.4 million and $4.8 million, respectively, related to the November Restructuring. The Company's restructuring activities were substantially completed in the first half of 2025.

For the nine months ended September 30, 2024, total expense for the February Restructuring was $7.8 million, which was comprised of: (i) $6.1 million for one-time termination benefits to affected employees, including severance and health care benefits; (ii) $1.1 million of contract termination costs; and (iii) $0.6 million of other restructuring costs. For the three and nine months ended September 30, 2024, the Company paid nil and $7.1 million, respectively, related to the February Restructuring. As of December 31, 2024, the Company had recognized all expense and made all payments related to the February Restructuring.

11. Income Taxes

The effective tax rates for the three and nine months ended September 30, 2025, and 2024, differed from the federal statutory rate applied to net income before income taxes primarily as a result of valuation allowances.

For the three months ended September 30, 2025 and 2024, the Company recognized an income tax expense of $0.4 million and $0.5 million, respectively. For the nine months ended September 30, 2025 and 2024, the Company recognized an income tax expense of $2.1 million and $2.0 million, respectively. The income tax expense recognized is a result of U.S. source income. For the nine months ended September 30, 2025, the Canadian parent entity also recorded net income, which is subject to income tax and is fully offset by a partial release of the valuation allowance.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q (the "Quarterly Report") and our audited financial statements and the related notes and other financial information included in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the U.S. Securities and Exchange Commission on February 27, 2025 (the "Form 10-K") and with applicable Canadian securities regulatory authorities.

This Quarterly Report contains "forward-looking statements" within the meaning of U.S. federal securities laws and "forward-looking information" within the meaning of Canadian securities laws, and such statements may involve substantial risks and uncertainties. All statements, other than statements of historical facts included in this Quarterly Report, including statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, future expenses, business trends and other information referred to under this section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" are forward-looking statements. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "estimate," "predict," "potential," "plan," "anticipate," "target," "forecast" or the negative of these terms and similar expressions intended to identify forward-looking statements. Forward-looking statements are not historical facts and reflect our current views with respect to future events. Forward-looking statements are also based on assumptions and are subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

We discuss a number of risks, uncertainties and other factors in greater detail under the heading "Risk Factors" in Part I, Item 1A of the Form 10-K as well as in Part II, Item 1A of this Quarterly Report. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this filing. You should read this discussion completely and with the understanding that our actual future results may be materially different from what we expect. We hereby qualify our forward-looking statements by our cautionary statements. Except as required by law, we assume no obligation to update our forward-looking statements publicly, or to update the reasons that actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Overview

Background

Aurinia is a biopharmaceutical company focused on delivering therapies to people living with autoimmune diseases with high unmet medical needs. In January 2021, the Company introduced LUPKYNIS® (voclosporin), the first FDA-approved oral therapy for the treatment of adult patients with active lupus nephritis. Aurinia is also developing aritinercept, a dual inhibitor of B cell-activating factor (BAFF) and a proliferation-inducing ligand (APRIL) for the potential treatment of autoimmune diseases.

On June 30, 2025, Aurinia announced positive results from a Phase 1 single-ascending-dose (SAD) study of aritinercept. The Company plans to initiate clinical studies with aritinercept in two autoimmune diseases by the end of 2025.

Net Product Sales

For the three and nine months ended September 30, 2025, net product sales were $70.6 million and $197.2 million, up 27% and 24%, respectively, from $55.5 million and $158.6 million, respectively, for the same periods in 2024.

Cash Flows from Operating Activities

For the nine months ended September 30, 2025, cash flows from operating activities were $90.0 million, compared to $14.3 million for the same period of 2024. Excluding $11.6 million of cash payments made in connection with the November 2024 restructuring, cash flows from operating activities were $101.6 million for the nine months ended September 30, 2025.

Cash Position

As of September 30, 2025, Aurinia had cash, cash equivalents, restricted cash and investments of $351.8 million compared to $358.5 million at December 31, 2024. For the nine months ended September 30, 2025, the Company repurchased 12.2 million of its common shares for $98.2 million.

Results of Operations

Comparison of the Three and Nine Months ended September 30, 2025 and 2024

The following table sets forth our results of operations for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	**2024**	**Change**	**2025**	**2024**	**Change**
Revenue						
Net product sales	**$ 70,627**	$ 55,503	$ 15,124	**$ 197,172**	$ 158,604	$ 38,568
License, collaboration and royalty revenue	**2,841**	12,268	(9,427)	**8,769**	16,662	(7,893)
Total revenue	**73,468**	67,771	5,697	**205,941**	175,266	30,675
Operating expenses						
Cost of revenue	**8,177**	6,035	2,142	**23,866**	22,696	1,170
Selling, general and administrative	**26,182**	42,367	(16,185)	**72,539**	134,996	(62,457)
Research and development	**8,435**	3,047	5,388	**21,610**	12,678	8,932
Restructuring	**—**	—	—	**1,647**	7,755	(6,108)
Other expense, net	**929**	4,574	(3,645)	**14,604**	159	14,445
Total operating expenses	**43,723**	56,023	(12,300)	**134,266**	178,284	(44,018)
Income (loss) from operations	**29,745**	11,748	17,997	**71,675**	(3,018)	74,693
Interest income	**3,316**	4,267	(951)	**10,075**	12,982	(2,907)
Interest expense	**(1,099)**	(1,208)	109	**(3,283)**	(3,689)	406
Net income before income taxes	**31,962**	14,807	17,155	**78,467**	6,275	72,192
Income tax expense	**411**	457	(46)	**2,059**	1,952	107
Net income	**$ 31,551**	$ 14,350	$ 17,201	**$ 76,408**	$ 4,323	$ 72,085

Net Product Sales

Aurinia sells LUPKYNIS to two specialty pharmacies and a specialty distributor in the U.S., and Aurinia sells LUPKYNIS inventory to its collaboration partner, Otsuka Pharmaceutical Co., Ltd. ("Otsuka"), in Japan, the European Union (the "E.U."), the U.K., Switzerland, Russia, Norway, Belarus, Iceland, Liechtenstein and Ukraine markets (collectively, the "Otsuka Territories"). The two specialty pharmacies, specialty distributor and Otsuka are considered our customers for accounting purposes.

For the three and nine months ended September 30, 2025, net product sales were $70.6 million and $197.2 million, respectively, compared to $55.5 million and $158.6 million, respectively, for the same periods in 2024. The increase for both periods is primarily due to an increase in the number of LUPKYNIS cartons sold to specialty pharmacies, driven by further LN market penetration.

License, Collaboration and Royalty Revenue

License, collaboration and royalty revenue consists of revenue from a collaboration and licensing agreement with Otsuka to develop and commercialize oral voclosporin in the Otsuka Territories in exchange for: (i) a $50 million upfront cash payment; (ii) regulatory and commercial milestone payments; and (iii) royalties ranging from 10% to 20% on net sales in the Otsuka Territories. Otsuka has obtained regulatory approval of LUPKYNIS in Japan, the E.U., the U.K. and Switzerland.

License, collaboration and royalty revenue also consists of revenue from a commercial supply agreement with Otsuka to provide manufacturing and other services, including sharing the capacity of a dedicated manufacturing facility at Lonza Ltd. (the "Monoplant"), Aurinia's contract manufacturing partner for voclosporin.

For the three and nine months ended September 30, 2025, license, collaboration, and royalty revenue was $2.8 million and $8.8 million, respectively, compared to $12.3 million and $16.7 million, respectively, for the same periods in 2024. The decrease for both periods is primarily due to a $10.0 million one-time milestone that Aurinia recognized as revenue in the third quarter of 2024 for the approval of LUPKYNIS for the treatment of LN by the Japanese Ministry of Health, Labour, and Welfare.

Cost of Revenue

Cost of revenue consists primarily of expense associated with: (i) amortization of the finance lease right-of-use asset recognized in connection with the Monoplant; (ii) manufacturing; and (iii) shipping, storage and distribution.

In December 2020, Aurinia entered into a manufacturing services agreement with Lonza Ltd. for the construction of the Monoplant. The construction of the Monoplant began in January 2021 and manufacturing of voclosporin began in late June 2023. The Monoplant is equipped with state-of-the-art manufacturing equipment to provide cost and production efficiency for the manufacturing of voclosporin, while expanding existing capacity and providing supply security to meet future commercial demand. Aurinia pays a quarterly fixed facility fee of 3.6 million Swiss Francs for the exclusive right to use the Monoplant through March 31, 2030.

For the three and nine months ended September 30, 2025, cost of revenue was $8.2 million and $23.9 million, respectively, compared to $6.0 million and $22.7 million, respectively, for the same periods in 2024. The increase for the three months ended September 30, 2025 is primarily due to the timing of Aurinia's sales of LUPKYNIS inventory to Otsuka. The increase for the nine months ended September 30, 2025 is primarily due to an increase in Aurinia's net sales of LUPKYNIS in the U.S.

For the three and nine months ended September 30, 2025, gross margin was 89% and 88%, respectively, compared to 91% and 87%, respectively, for the same periods in 2024.

Selling, General and Administrative Expense

Selling, general and administrative ("SG&A") expense consists of personnel and non-personnel expenses to support growing sales of LUPKYNIS. Personnel-related expense includes salaries, incentive pay, benefits and share-based compensation for personnel engaged in sales, finance and administrative functions. Non-personnel-related expense includes: (i) selling, patient services, pharmacovigilance, marketing, advertising, travel, sponsorships and trade shows; and (ii) other general and administrative costs, including consulting, legal, patent, insurance, accounting, information technology and facilities.

The following table summarizes our SG&A expense for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	**2024**	**Change**	**2025**	**2024**	**Change**
Personnel expense:						
Salaries, incentive pay and benefits	**$ 10,449**	$ 17,563	$ (7,114)	**$ 32,593**	$ 57,493	$ (24,900)
Share-based compensation	**5,387**	7,812	(2,425)	**6,751**	23,427	(16,676)
Total personnel expense	**15,836**	25,375	(9,539)	**39,344**	80,920	(41,576)
Non-personnel expense:						
Professional fees and services	**6,445**	7,504	(1,059)	**19,587**	26,745	(7,158)
Travel, sponsorship and trade shows	**1,012**	2,282	(1,270)	**3,729**	7,124	(3,395)
Marketing and advertising	**605**	4,505	(3,900)	**2,423**	12,009	(9,586)
Other	**2,284**	2,701	(417)	**7,456**	8,198	(742)
Total non-personnel expense	**10,346**	16,992	(6,646)	**33,195**	54,076	(20,881)
Total SG&A expense	**$ 26,182**	$ 42,367	$ (16,185)	**$ 72,539**	$ 134,996	$ (62,457)

For the three and nine months ended September 30, 2025, the decrease in SG&A personnel expense was primarily due to lower employee-related costs resulting from our strategic restructuring efforts in 2024.

For the three and nine months ended September 30, 2025, the decrease in SG&A non-personnel expense was primarily due to lower marketing, professional fees and services and other overhead resulting from our strategic restructuring efforts in 2024.

We expect our SG&A expense to remain lower in 2025 as compared to 2024 as we realize the full benefits of our strategic restructuring efforts.

Research and Development Expense

Research and development ("R&D") expense consists of personnel and non-personnel expenses. Personnel-related expense includes salaries, incentive pay, benefits and share-based compensation for personnel engaged in research and development functions. Non-personnel-related expense includes subcontractors and materials used for R&D activities, including development, clinical trials, clinical supply and distribution, and other professional services.

The following table summarizes our R&D expense for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three months ended September 30,			Nine Months Ended September 30,		
	2025	2024	Change	2025	2024	Change
Personnel expense:						
Salaries, incentive pay and benefits	**$ 2,630**	$ 900	$ 1,730	**$ 5,314**	$ 5,240	$ 74
Share-based compensation	**327**	306	21	**755**	(1,773)	2,528
Total personnel expense	**2,957**	1,206	1,751	**6,069**	3,467	2,602
Non-personnel expense:						
Clinical supply and distribution	**2,267**	354	1,913	**7,277**	2,353	4,924
Contract research organizations and developmental expenses	**3,134**	1,380	1,754	**8,005**	6,486	1,519
Other	**77**	107	(30)	**259**	372	(113)
Total non-personnel expense	**5,478**	1,841	3,637	**15,541**	9,211	6,330
Total R&D expense	**$ 8,435**	$ 3,047	$ 5,388	**$ 21,610**	$ 12,678	$ 8,932

For the three months ended September 30, 2025, the increase in R&D personnel-expense was primarily due to an increase in employee-related costs to support development activities. During the nine months ended September 30, 2025, the increase in R&D personnel expense was primarily due to an increase in share-based compensation due to a reversal in the prior year of non-cash, share-based compensation expense in the first quarter of 2024 related to forfeited, unvested equity awards from our strategic restructuring efforts in February 2024.

For the three and nine months ended September 30, 2025, the increase in R&D non-personnel expense was primarily as a result of development activities.

We expect our R&D expenses to increase for the foreseeable future as we continue our development activities.

Restructuring Expense

Restructuring expense consists primarily of one-time termination benefits to affected employees, including severance and health care benefits, contract terminations and other costs related to our strategic restructuring efforts in 2024. In February 2024, we announced a strategic restructuring that reduced headcount by approximately 25% and discontinued Aurinia's AUR300 development program. In November 2024, we announced another strategic restructuring that further reduced headcount by approximately 45% to sharpen the Company's focus on continued LUPKYNIS growth and the development of aritinercept. The Company's restructuring activities were substantially completed in the first half of 2025.

For the three and nine months ended September 30, 2025, restructuring expense was nil and $1.6 million, respectively compared to nil and $7.8 million, respectively for the same periods in 2024.

Other Expense, Net

For the three and nine months ended September 30, 2025, other expense, net was $0.9 million and $14.6 million, respectively, compared to $4.6 million and $0.2 million, respectively, for the same periods in 2024. The change is primarily due to: (i) changes in the foreign exchange remeasurement of the finance lease liability recognized in connection with the Monoplant, which is denominated in Swiss Francs; and (ii) changes in the fair value assumptions related to our deferred compensation liability.

Liquidity and Capital Resources

As of September 30, 2025, Aurinia had cash, cash equivalents, restricted cash and investments of $351.8 million compared to $358.5 million at December 31, 2024. For the nine months ended September 30, 2025, the Company repurchased $12.2 million of its common shares for $98.2 million, including commissions. For the nine months ended September 30, 2025, cash flows from operating activities were $90.0 million, compared to $14.3 million for the same period in 2024. Excluding $11.6 million of cash payments made in connection with the November 2024 restructuring, cash flows from operating activities were $101.6 million for the nine months ended September 30, 2025.

Based on our current operating plans and projections, the Company expects to fund future operations with existing cash on hand or future cash flows from operating activities.

The amount and timing of additional future funding needs, if any, will depend on many factors, including the success of our commercialization efforts for LUPKYNIS and our ability to control expenses. If necessary, we intend to raise additional capital through equity or debt financings. We can provide no assurance that additional financing will be available to us on favorable terms, or at all.

Critical Accounting Estimates

There have been no material changes to our critical accounting policies and significant judgments and estimates as described in our Annual Report on Form 10-K for the year ended December 31, 2024.

Off-Balance Sheet Arrangements

During the periods presented, we did not have, nor do we currently have, any off-balance sheet arrangements as such term is defined in Item 303(a)(4)(ii) of Regulation S-K under the Securities Act.

Contractual Obligations

There have been no material changes outside the ordinary course of business to our contractual obligations and commitments as described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risks

There have been no material changes to our quantitative and qualitative disclosures about market risks as described in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our principal executive officer and principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of September 30, 2025, have concluded that, based on such evaluation, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, and is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent quarter that has materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may be involved in various claims and legal proceedings relating to claims arising out of our operations. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. For further discussion, refer to Note 5, Commitments and Contingencies.

On November 2, 2025, the Company and its wholly-owned subsidiary, Aurinia Pharma U.S., Inc., filed a complaint alleging defamation and injurious falsehood against Dr. George Tidmarsh in the United States District Court for the District of Maryland. The complaint alleges that Dr. Tidmarsh personally made false statements regarding voclosporin. The Company is seeking monetary damages, punitive damages, court costs, and any other relief the court deems appropriate.

In February and March 2025, the Company received a paragraph IV notice of certification (the "Notice Letter") from each of Hikma Pharmaceuticals USA Inc., Lotus Pharmaceutical Co. Ltd., Galenicum Health S.L.U., Zydus Pharmaceuticals (USA) Inc., Teva Pharmaceuticals, Inc., Dr. Reddy's Laboratories, Inc., DifGen Pharmaceuticals LLC and Sandoz Inc. advising that each company had submitted an Abbreviated New Drug Application ("ANDA") to the FDA seeking authorization to manufacture, use or sell a generic version of LUPKYNIS in the U.S., prior to the expiry of U.S. Patent Nos. 10,286,036 and 11,622,991 in December 2037 (the "2037 Patents"), which are listed in the FDA's Orange Book. Each Notice Letter alleges that the 2037 Patents are invalid, unenforceable and/or will not be infringed by the commercial manufacture, use or sale of the generic product described in the ANDA.

The Company filed complaints for patent infringement against each of Hikma Pharmaceuticals USA Inc. (filed April 10, 2025); Lotus Pharmaceutical Co. Ltd. (filed April 11, 2025); Galenicum Health S.L.U. (filed April 17, 2025); Zydus Pharmaceuticals (USA) Inc. and Zydus Lifesciences Ltd. (filed April 21, 2025); Teva Pharmaceuticals, Inc. and Teva Pharmaceutical Industries, Ltd. (filed April 25, 2025); Dr. Reddy's Laboratories, Inc. (filed May 1, 2025); DifGen Pharmaceuticals LLC (filed April 30, 2025); and Sandoz Inc. (filed May 8, 2025) in the United States District Court for the District of New Jersey.

In accordance with the Hatch-Waxman Act, because LUPKYNIS is a New Chemical Entity and the Company filed a complaint for patent infringement within 45 days of the receipt of each Notice Letter, the FDA cannot approve the ANDAs for these applications any earlier than 7.5 years from the approval of the LUPKYNIS new drug application unless a District Court finds that all of the asserted claims of the patents-in-suit are invalid, unenforceable and/or not infringed.

The Company intends to vigorously enforce its intellectual property rights relating to LUPKYNIS.

Item 1A. Risk Factors.

Under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024, we identified important factors that could affect our financial performance and could cause our actual results for future periods to differ materially from our anticipated results or other expectations, including those expressed in any forward-looking statements made in this Quarterly Report. There has been no material change in our risk factors subsequent to the filing of our prior reports referenced above, other than as set out below. However, the risks described in our reports are not the only risks we face. Additional risks and uncertainties that we currently deem to be immaterial or not currently known to us, as well as other risks reported from time to time in our reports to the SEC, also could cause our actual results to differ materially from our anticipated results or other expectations.

Changes or developments in U.S. economic laws or policies, including the reaction of other countries thereto, may have a material adverse effect on our business

The U.S. federal government has announced that it has commenced a national security investigation of imports of "pharmaceuticals and pharmaceutical ingredients." Depending on the findings of its investigation, the U.S. federal government could implement additional measures against the import of pharmaceuticals and pharmaceutical ingredients. The degree and extent of those measures or other measures the U.S. federal government could implement (such as pricing restrictions, tariffs or other trade restrictions or deterrents on foreign companies doing business outside of the U.S.) are unknown. Aurinia is an Alberta, Canada incorporated company, and we manufacture and import certain products in our supply chain into the U.S. primarily from Switzerland. If implemented, and depending on the degree and extent (including how directly they relate to our operations) of any changes or developments in U.S. economic laws or policies, additional measures against "pharmaceuticals and pharmaceutical ingredients" could have a material adverse effect on Aurinia's business.

In addition, we sell encapsulated voclosporin to our collaboration partner, Otsuka, which Otsuka then sells to customers in its territories. Certain international governments have responded to other recent related economic policies announced by the U.S. with retaliatory action. If a government in one of the Otsuka Territories implemented a retaliatory action, such as a tariff, on the import of pharmaceutical products from the U.S., this could have a material adverse effect on Otsuka's voclosporin business which, in turn, could have a material adverse effect on our business.

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

Purchases of Equity Securities by the Issuer or Affiliated Purchasers

In February 2024, the Board approved a share repurchase program of up to $150 million of the Company's common shares, excluding commissions and excise tax ("Share Repurchase Plan"). On July 31, 2025, the Company announced that the Board has approved an increase to the previously announced Share Repurchase Plan of an additional $150 million of common shares. Purchases under the Share Repurchase Plan, which to date have totaled 18.3 million of its common shares for $138.6 million, excluding commissions and excise tax, began on February 21, 2024. The timing and amount of future repurchase transactions will be determined by the Company based on its evaluation of market conditions, share price, legal requirements, including applicable blackout period restrictions, and other factors. Under Alberta law, the repurchased common shares are cancelled and not reissued.

The following table summarizes the common share activity of our repurchased shares under the Share Repurchase Plan.

Period	Total number of shares purchased	Average price paid per share in $	Total number of shares purchased as part of publicly announced program	Approximate dollar value of shares that may yet be purchased under program (in thousands)[1]
1/1/2025-1/31/2025	2,042,590	$8.01	2,042,590	$92,971
2/1/2025-2/28/2025	1,905,425	$7.89	1,905,425	$77,934
3/1/2025-3/31/2025	1,859,484	$8.29	1,859,484	$62,521
4/1/2025-4/30/2025	2,300,518	$7.73	2,300,518	$44,733
5/1/2025-5/31/2025	1,512,761	$8.07	1,512,761	$32,520
6/1/2025-6/30/2025	1,538,513	$8.10	1,538,513	$20,064
7/1/2025-7/31/2025	1,068,136	$7.89	1,068,136	$161,634
8/1/2025-8/31/2025	22,286	$9.85	22,286	$161,415
Total	12,249,713		12,249,713	

(1) Does not include broker commissions.

The Company has entered into a Rule 10b5-1 stock repurchase plan for the purpose of establishing a trading plan to purchase the Company's common shares in a manner intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and in accordance with applicable Canadian securities laws.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

The following exhibits are filed as part of this report:

Exhibit Number	Description
3.1	Articles of Amalgamation, as amended, as currently in effect (filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K with the SEC on February 24, 2021 and incorporated herein by reference)
3.2	Amended and Restated By-Law No. 2 amended as of September 9, 2024 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on September 12, 2024 and incorporated herein by reference)
31.1*	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith. Exhibits 32.1 and 32.2 are being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall such exhibit be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise specifically stated in such filing.

SIGNATURES

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

AURINIA PHARMACEUTICALS INC.

November 3, 2025 By: /s/ Peter Greenleaf

Peter Greenleaf
Chief Executive Officer, Director
(Principal Executive Officer)

November 3, 2025 By: /s/ Joseph Miller

Joseph Miller
Chief Financial Officer
(Principal Financial and Accounting Officer)