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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission file number: 001-38738

ETON PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**37-1858472**
(State of incorporation)	(I.R.S. Employer Identification Number)

21925 W. Field Parkway, Suite 235
Deer Park, Illinois 60010-7278
(Address of principal executive offices) (Zip code)

(847) 787-7361
(Registrant's telephone number, including area code)

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

Title of each class:	**Trading Symbol:**	**Name of each exchange on which registered**
Common stock, $0.001 par value per share	ETON	Nasdaq Global Market

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

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

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

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

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

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

As of November 2, 2026, Eton Pharmaceuticals, Inc. had outstanding 28,842,215 shares of common stock, $0.001 par value.

Eton Pharmaceuticals, Inc.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Eton Pharmaceuticals, Inc.
Condensed Balance Sheets
(in thousands, except share and per share amounts)

	September 30, 2026	December 31, 2025
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 55,628	$ 25,942
Accounts receivable, net	26,426	11,757
Inventories, net	11,082	15,419
Prepaid expenses and other current assets	3,646	7,463
Total current assets	**96,782**	**60,581**
Property and equipment, net	338	326
Intangible assets, net	44,280	30,878
Operating lease right-of-use assets, net	1,064	310
Deferred tax asset	14,745	—
Other long-term assets, net	64	19
Total assets	**$ 157,273**	**$ 92,114**
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 16,499	$ 10,976
Short-term debt, net of debt discount	11,842	8,789
Accrued Medicaid rebates	9,653	9,317
Accrued liabilities	16,101	9,408
Total current liabilities	**54,095**	**38,490**
Long-term debt, net of current portion, debt discount and accrued exit fees	11,227	21,769
Operating lease liabilities, net of current portion	1,017	460
Other long-term liabilities	4,011	5,241
Total liabilities	**70,350**	**65,960**
Commitments and contingencies (Note 13)		
Stockholders' equity		
Common stock, $0.001 par value; 50,000,000 shares authorized; 28,827,905 and 27,047,061 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	29	27
Additional paid-in capital	151,007	138,621
Accumulated deficit	(64,113)	(112,494)
Total stockholders' equity	**86,923**	**26,154**
Total liabilities and stockholders' equity	**$ 157,273**	**$ 92,114**

The accompanying notes are an integral part of these condensed financial statements.

Eton Pharmaceuticals, Inc.
Condensed Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	For the three months ended		For the nine months ended	
	September 30, 2026	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Revenues:				
Product sales, net	$ 57,925	$ 22,459	$ 119,780	$ 55,383
Licensing revenue	—	—	—	3,286
Total net revenues	**57,925**	**22,459**	**119,780**	**58,669**
Cost of sales:				
Product sales and royalties, net	13,624	14,604	35,331	28,204
Licensing revenue	—	—	—	825
Total cost of sales	**13,624**	**14,604**	**35,331**	**29,029**
Gross profit	**44,301**	**7,855**	**84,449**	**29,640**
Operating expenses:				
Research and development	5,271	1,112	8,139	5,985
General and administrative	16,017	8,106	38,089	26,963
Total operating expenses	**21,288**	**9,218**	**46,228**	**32,948**
Income (loss) from operations	**23,013**	**(1,363)**	**38,221**	**(3,308)**
Other expense:				
Interest and other expense, net	(656)	(592)	(2,572)	(2,664)
Income (loss) before income tax (benefit) expense	**22,357**	**(1,955)**	**35,649**	**(5,972)**
Income tax (benefit) expense	(12,892)	(28)	(12,732)	112
Net income (loss)	**$ 35,249**	**$ (1,927)**	**$ 48,381**	**$ (6,084)**
Net income (loss) per share, basic	**$ 1.23**	**$ (0.07)**	**$ 1.74**	**$ (0.23)**
Weighted average number of common shares outstanding, basic	**28,661**	**26,893**	**27,855**	**26,891**
Net income (loss) per share, diluted	**$ 1.06**	**$ (0.07)**	**$ 1.48**	**$ (0.23)**
Weighted average number of common shares outstanding, diluted	**33,264**	**26,893**	**32,740**	**26,891**

The accompanying notes are an integral part of these condensed financial statements.

Eton Pharmaceuticals, Inc.
Condensed Statements of Stockholders' Equity
For the three months ended September 30, 2026 and 2025
(in thousands, except share amounts)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balances at June 30, 2026	**28,289,941**	**$ 28**	**$ 145,919**	**$ (99,362)**	**$ 46,585**
Stock-based compensation	—	—	3,309	—	3,309
Stock option exercises and vesting of restricted stock	537,964	1	1,779	—	1,780
Net income	—	—	—	35,249	35,249
Balances at September 30, 2026	**28,827,905**	**$ 29**	**$ 151,007**	**$ (64,113)**	**$ 86,923**

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balances at June 30, 2025	**26,817,535**	**$ 27**	**$ 135,984**	**$ (112,050)**	**$ 23,961**
Stock-based compensation	—	—	1,092	—	1,092
Net loss	—	—	—	(1,927)	(1,927)
Balances at September 30, 2025	**26,817,535**	**$ 27**	**$ 137,076**	**$ (113,977)**	**$ 23,126**

The accompanying notes are an integral part of these condensed financial statements.

Eton Pharmaceuticals, Inc.
Condensed Statements of Stockholders' Equity
For the nine months ended September 30, 2026 and 2025
(in thousands, except share amounts)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balances at December 31, 2025	**27,047,061**	**$ 27**	**$ 138,621**	**$ (112,494)**	**$ 26,154**
Stock-based compensation	—	—	6,295	—	6,295
Stock option exercises and vesting of restricted stock	1,463,597	2	5,821	—	5,823
Exercise of warrants, net of shares withheld	296,215	—	—	—	—
Shares issued under employee stock purchase plan ("ESPP")	21,032	—	270	—	270
Net income	—	—	—	48,381	48,381
Balances at September 30, 2026	**28,827,905**	**$ 29**	**$ 151,007**	**$ (64,113)**	**$ 86,923**

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balances at December 31, 2024	**26,709,084**	**$ 27**	**$ 132,294**	**$ (107,893)**	**$ 24,428**
Stock-based compensation	—	—	4,388	—	4,388
Stock option exercises and vesting of restricted stock	108,451	—	394	—	394
Net loss	—	—	—	(6,084)	(6,084)
Balances at September 30, 2025	**26,817,535**	**$ 27**	**$ 137,076**	**$ (113,977)**	**$ 23,126**

The accompanying notes are an integral part of these condensed financial statements.

Eton Pharmaceuticals, Inc.
Condensed Statements of Cash Flows
(In thousands)
(Unaudited)

	For the nine months ended	
	September 30, 2026	**September 30, 2025**
Operating Activities		
Net income (loss)	$ 48,381	$ (6,084)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Stock-based compensation	6,295	4,388
Depreciation and amortization	3,961	3,027
Inventory step-up	1,470	3,673
Excess and obsolete inventory reserve	620	337
Debt discount amortization and non-cash interest expenses	488	521
Non-cash lease expense	96	35
Acquired in-process research and development	3,000	—
Reversal of deferred tax asset valuation allowance	(12,892)	—
Changes in operating assets and liabilities:		
Accounts receivable	(14,734)	(7,721)
Inventories	3,377	(5,632)
Prepaid expenses and other assets	3,817	550
Accounts payable	5,523	10,092
Accrued Medicaid rebates	336	11,165
Accrued liabilities	5,460	585
Other non-current assets and liabilities	(5,297)	7,139
Net cash from operating activities	**$ 49,901**	**$ 22,075**
Investing Activities		
Purchases of product license rights	$ (18,225)	$ —
Purchases of property and equipment	(83)	(284)
Net cash used in investing activities	**$ (18,308)**	**$ (284)**
Financing Activities		
Proceeds from stock option exercises	$ 5,823	$ 394
Proceeds from ESPP shares issued	270	—
Repayment of long-term debt	(8,000)	—
Net cash (used in) from financing activities	**$ (1,907)**	**$ 394**
Change in cash and cash equivalents	**$ 29,686**	**$ 22,185**
Cash and cash equivalents at beginning of period	25,942	14,936
Cash and cash equivalents at end of period	**$ 55,628**	**$ 37,121**
Supplemental disclosures of cash flow information		
Cash paid for interest	$ 2,401	$ 2,395
Cash paid for income taxes, net	$ 106	$ 117

The accompanying notes are an integral part of these condensed financial statements.

Eton Pharmaceuticals, Inc.
Notes to Condensed Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

Note 1— Company Overview

Eton Pharmaceuticals, Inc (“Eton” or “the Company”) is an innovative pharmaceutical company focused on developing and commercializing treatments for rare diseases. The Company currently has eleven commercial rare disease products: INCRELEX®, HEMANGEOL®, ALKINDI SPRINKLE®, KHINDIVI™, DESMODA™, GALZIN®, PKU GOLIKE®, IMPAVIDO®, Carglumic Acid, Betaine Anhydrous and Nitisinone. We have five additional product candidates in late-stage development: ASN-001, ET-700, ET-800, glyburide oral suspension, and ZENEO® hydrocortisone autoinjector.

Additionally, on October 13, 2026, the Company acquired the exclusive U.S. rights to LIBERVANT®, and on November 2, 2026, the Company announced ET-900. See Note 14 for further information.

Note 2— Summary of Significant Accounting Policies

Basis of Presentation

The Company has prepared the accompanying condensed financial statements in accordance with accounting principles generally accepted in the United States (“GAAP”). Certain prior period amounts have been reclassified to conform to current year presentation in the condensed financial statements and notes to financial statements.

Unaudited Interim Financial Information

The accompanying interim condensed financial statements and the related footnote information of the Company are unaudited and have been prepared on the same basis as the audited annual financial statements of the Company. In the opinion of management, the accompanying interim condensed financial statements reflect all adjustments, consisting only of normal and recurring adjustments, necessary for the fair presentation of the Company’s financial position as of September 30, 2026, and the results of its operations and its cash flows for the three and nine months ended September 30, 2026 and 2025. The interim financial statements herein should be read in conjunction with the Company’s latest Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) on March 19, 2026. The results for the three and nine months ended September 30, 2026, are not necessarily indicative of results to be expected for the year ending December 31, 2026, or any future year or period.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant estimates and assumptions reflected in these financial statements include, but are not limited to, Medicaid program rebates, valuation of inventories, useful lives of assets and the recoverability of long-lived assets, valuation of deferred tax assets, and the valuation of stock options, warrants, restricted stock units ("RSUs"), and performance-based RSUs (“PSUs”). Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates or assumptions.

Acquisitions

The Company accounts for business acquisitions using the acquisition method of accounting. Under this method of accounting, assets acquired and liabilities assumed are recorded at their respective fair values at the date of the acquisition. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions. The Company's estimates of fair value are based upon assumptions believed to be reasonable but that are

Eton Pharmaceuticals, Inc.
Notes to Condensed Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

Note 2 — Summary of Significant Accounting Policies (continued)

inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Any excess of the purchase price over the fair value of the net assets acquired is recognized as goodwill.

The Company accounts for acquisitions that do not meet the definition of a business as an asset acquisition. The determination of whether a transaction represents a business combination or an asset acquisition requires significant judgment, including an evaluation of whether the acquired asset includes a substantive process and whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. For transactions accounted for as an asset acquisition, the Company allocates the purchase price, including transaction costs, to the individual assets acquired and liabilities assumed on a relative fair value basis. This allocation requires management to make significant estimates and assumptions, including the selection of valuation methodologies, discount rates, projected cash flows, and useful lives of acquired assets. Changes in these assumptions could result in materially different allocations of the purchase price, which may impact the valuation of assets acquired and liabilities assumed, as well as future amortization expense. In addition, because goodwill is not recognized in asset acquisitions, the assignment of value to identifiable intangible assets may be greater than in a business combination.

The Company amortizes finite-lived intangible assets over their estimated useful lives and evaluates indefinite-lived assets for impairment. The determination of useful lives and the timing of impairment assessments require significant judgment and may materially affect the Company's results of operations. Critical estimates in valuing certain of the intangible assets acquired include:

- future expected cash flows from customer contracts and license agreements;
- historical and expected customer attrition rates and anticipated growth in revenues from acquired customers; and
- discount rates.

Segment Information

The Company operates the business on the basis of a single reportable segment, which includes eleven commercial rare disease products: INCRELEX®, HEMANGEOL®, ALKINDI SPRINKLE®, KHINDIVI™, DESMODA™, GALZIN®, PKU GOLIKE®, IMPAVIDO®, Carglumic Acid, Betaine Anhydrous and Nitisinone. The Company primarily derives revenues from product sales to a specialty pharmacy customer, AnovoRx, who then provides order fulfillment, inventory storage and distribution services. The Company's chief operating decision-maker ("CODM") is the Chief Executive Officer, who evaluates the Company's financial performance and results of operations as a single operating segment. The CODM reviews net income or loss as a measure of segment profit or loss in assessing performance and allocating resources. Segment revenues, expenses and profit or loss are reported on the Condensed Statements of Operations. Additionally, the measure of segment assets is reported on the Company's Condensed Balance Sheets as total assets.

The Company's revenues and its accounts receivable balances are highly concentrated and consist of sales to and amounts due from AnovoRx for the Company's IMPAVIDO®, INCRELEX®, HEMANGEOL®, ALKINDI SPRINKLE®, KHINDIVI™, DESMODA™, GALZIN®, Carglumic Acid, Betaine Anhydrous and Nitisinone products, as well as from Pentec Health for sales of the Company's PKU GOLIKE® product. For the nine months ended September 30, 2026 and 2025, AnovoRx product sales represented 93.8% and 85.8% of net product revenues, respectively. As of September 30, 2026 and December 31, 2025, AnovoRx product sales represented 95.0% and 65.8% of net accounts receivable, respectively. During the three and nine months ended September 30, 2026 and 2025, substantially all of the Company's revenues from external customers were made to customers in the United States. As of September 30, 2026 and December 31, 2025, all long-lived assets were domiciled within the U.S.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. All cash and cash equivalents are held in U.S. financial institutions or invested in short-term U.S. treasury bills or high-grade, government money market funds. From time to time, amounts deposited with its bank exceed federally insured limits. The Company believes the associated credit risk to be minimal.

Eton Pharmaceuticals, Inc.
Notes to Condensed Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

Note 2 — Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and are non-interest bearing. Accounts receivable are recorded net of allowances for credit losses and cash discounts for prompt payment. The Company considers historical collection rates and the current financial status of its customers, as well as macroeconomic and industry-specific factors when evaluating potential credit losses. The Company's accounts receivable balances are highly concentrated with a select number of customers, consisting primarily of specialty pharmacies. Given the size and creditworthiness of these customers, the Company has not experienced and does not expect to experience material credit losses.

Inventories

The Company values its inventories at the lower of cost or net realizable value using the first-in, first-out method of valuation. The Company reviews its inventories for potential excess or obsolete issues on an ongoing basis and records a write-down if an impairment is identified. As of September 30, 2026 and December 31, 2025, inventories consisted of purchased finished goods, semi-finished goods and raw materials.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation of property and equipment is computed utilizing the straight-line method based on the following estimated useful lives:

- Computer hardware — three years.
- Equipment, furniture and fixtures — five years.
- Leasehold improvements — estimated useful life or the remaining lease term, whichever is shorter.

Construction in progress is capitalized but not depreciated until it is placed into service.

Intangible Assets

The Company has historically capitalized payments it makes for licensed products when the payment is based on Food and Drug Administration (“FDA”) approval or near-term approval for the product and the cost is recoverable based on expected future cash flows from the product.

In January 2026, the Company purchased the licensing rights to a product that has not received FDA approval and accordingly, is classified as In-Process Research and Development (“IPR&D”) within Intangible assets, net on the Company's Condensed Balance Sheet as of September 30, 2026. In February 2026, the Company entered into a licensing agreement to acquire the U.S. rights to HEMANGEOL® (propranolol) oral solution from Pierre Fabre Medicament Sas (“Pierre Fabre”). The Company paid Pierre Fabre $14,000 for the licensing rights and $1,499 for acquired HEMANGEOL® inventory. The Company additionally incurred $100 of acquisition-related costs, resulting in total purchase consideration of $15,599. The Company accounted for this transaction as an asset acquisition. The acquired inventory had a fair value of $2,630, representing a $1,131 step-up from its acquisition value. The remaining $12,969 of purchase consideration was allocated to the HEMANGEOL® intangible asset which is being amortized over its useful life of ten years. In May 2026, the Company entered into a licensing agreement to acquire the U.S right to IMPAVIDO® (miltefosine) oral capsules from Knight Therapeutics, Inc., in which the Company will pay $4,250 in fixed fees. The Company accounted for this transaction as an asset acquisition, and capitalized $3,329 in intangible assets associated with IMPAVIDO®, which is being amortized over its useful life of ten years.

Eton Pharmaceuticals, Inc.
Notes to Condensed Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

Note 2 — Summary of Significant Accounting Policies (continued)

Intangible assets are amortized on a straight-line basis over the estimated useful life of the product commencing on the approval date or the product acquisition date in accordance with ASC 350 — *Intangibles—Goodwill and Other*. The following table presents the Company's intangible assets as of September 30, 2026 and December 31, 2025:

Intangible assets as of September 30, 2026	Useful Life (In years)	Purchase Date	Purchase Price	Accumulated Amortization	Carrying Value
Carglumic Acid	10	November 2021	$ 3,250	$ 1,598	$ 1,652
Betaine	5	September 2022	2,125	1,718	407
Nitisinone	5	October 2023	650	390	260
GoLike	10	March 2024	1,868	467	1,401
Increlex	10	December 2024	21,250	3,794	17,456
Galzin	10	December 2024	8,119	1,421	6,698
IPR&D asset		January 2026	1,000	—	1,000
Hemangeol	10	February 2026	12,969	757	12,212
Impavido	10	May 2026	3,329	135	3,194
			$ 54,560	$ 10,280	$ 44,280

Intangible assets as of December 31, 2025	Useful Life (In years)	Purchase Date	Purchase Price	Accumulated Amortization	Carrying Value
Carglumic Acid	10	November 2021	$ 3,250	$ 1,354	$ 1,896
Betaine	5	September 2022	2,125	1,399	726
Nitisinone	5	October 2023	650	292	358
GoLike	10	March 2024	1,868	327	1,541
Increlex	10	December 2024	21,250	2,200	19,050
Galzin	10	December 2024	8,119	812	7,307
			$ 37,262	$ 6,384	$ 30,878

The Company recorded amortization expense of $1,423 and $3,896 for the three and nine months ended September 30, 2026, respectively, and $1,001 and $3,003 of amortization expense for the three and nine months ended September 30, 2025, respectively. The table below shows the estimated remaining amortization expense for these products.

Year	Amortization Expense
Remainder of 2026	$ 1,408
2027	5,710
2028	5,376
2029	5,278
2030	5,278
Thereafter	21,230
Total estimated amortization expense	$ 44,280

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the

Eton Pharmaceuticals, Inc.
Notes to Condensed Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

Note 2 — Summary of Significant Accounting Policies (continued)

carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the Company's Condensed Statements of Operations for the amount by which the carrying amount of the asset exceeds the fair value of the asset. No indicators of impairment were identified that indicated potential impairment during the three and nine months ended September 30, 2026 or 2025.

Deferred Financing Costs, Debt Discount and Detachable Debt-Related Warrants

Costs incurred to issue debt are deferred and recorded as a reduction to the debt balance in the accompanying Condensed Balance Sheets. The Company amortizes these costs over the expected term of the related debt using the effective interest method. Debt discounts related to the relative fair value of warrants issued in conjunction with debt are also recorded as a reduction to the debt balance and accreted over the expected term into interest expense using the effective interest method.

Leases

The Company accounts for leases in accordance with ASC Topic 842 — *Leases*. The Company reviews all relevant facts and circumstances of a contract to determine if it is a lease whereby the terms of the agreement convey the right to direct the use and receive substantially all the economic benefits of an identified asset for a period of time in exchange for consideration. The associated right-of-use assets and lease liabilities are recognized at lease commencement. The Company measures lease liabilities based on the present value of the lease payments over the lease term discounted using the rate it would pay on a loan with the equivalent payments and term for the lease. The Company does not include the impact for lease term options that would extend or terminate the lease unless it is reasonably certain that it will exercise any such options. The Company accounts for the lease components separately from non-lease components for its operating leases.

The Company measures right-of-use assets based on the corresponding lease liabilities adjusted for (i) any prepayments made to the lessor at or before the commencement date, (ii) initial direct costs it incurs, and (iii) any incentives under the lease. In addition, the Company evaluates the recoverability of its right-of-use assets for possible impairment in accordance with its long-lived assets policy.

Operating leases are reflected on the Condensed Balance Sheets as operating lease right-of-use assets, current accrued liabilities and long-term operating lease liabilities. The Company did not have any finance leases as of September 30, 2026 and December 31, 2025.

The Company commences recognizing operating lease expense when the lessor makes the underlying asset available for use by the Company and the operating lease expense is recognized on a straight-line basis over the term of the lease. Variable lease payments are expensed as incurred.

The Company does not recognize right-of-use assets or lease liabilities for leases with a term of twelve months or less; such lease costs are recorded in the Condensed Statements of Operations on a straight-line basis over the lease term.

Patent Costs

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the successful award of a patent and the recovery of the expenditure. Amounts incurred are classified as general and administrative expenses.

Concentrations of Credit Risk, Sources of Supply and Significant Customers

The Company is subject to credit risk for its cash and cash equivalents, which are invested in money market funds and U.S. treasury bills from time to time. The Company maintains its cash and cash equivalent balances with one major commercial bank and the deposits held with the financial institution exceed the amount of insurance provided on such deposits and are exposed to credit risk in the event of a default by the financial institution holding its cash and cash equivalents to the extent recorded on the Condensed Balance Sheets. The Company believes the associated credit risk to be minimal.

Eton Pharmaceuticals, Inc.
Notes to Condensed Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

Note 2 — Summary of Significant Accounting Policies (continued)

The Company is dependent on third-party suppliers for its products and product candidates. In particular, the Company relies, and expects to continue to rely, on a small number of suppliers to manufacture key chemicals, approved products and process its product candidates as part of its development programs. These programs could be adversely affected by a significant interruption in the manufacturing process.

The Company is also subject to credit risk from its accounts receivable related to product sales as it extends credit based on an evaluation of the customer's financial condition, and collateral is not required. The Company's accounts receivables are evaluated to determine if any allowance should be recorded based on consideration of the current economic environment, expectations of future economic conditions, specific circumstances and the Company's historical collection experience. Additionally, management monitors its exposure to accounts receivable by periodically evaluating the collectability of the account receivable based on a variety of factors including the length of time the receivables are past due, the financial health of the customer and any prior customer credit loss experience. Based upon the review of these factors, the Company recorded no allowance for credit losses at September 30, 2026 or December 31, 2025.

Revenue Recognition from Contracts with Customers

The Company accounts for contracts with its customers in accordance with Accounting Standards Codification ("ASC") 606 — *Revenue from Contracts with Customers* ("ASC 606"). ASC 606 applies to all contracts with customers, except for contracts that are within the scope of other standards. Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

At contract inception, once the contract is determined to be within the scope of ASC 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. Arrangements that include rights to additional goods or services that are exercisable at a customer's discretion are generally considered options. The Company assesses whether these options provide a material right to the customer and, if so, they are considered performance obligations. The exercise of a material right is accounted for as a contract modification for accounting purposes.

The Company recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) each performance obligation is satisfied at a point in time. For the three and nine months ended September 30, 2026 and 2025, all revenues recognized in the Condensed Statements of Operations were point in time sales to the Company's customers.

Milestone Payments – If a commercial contract arrangement includes development and regulatory milestone payments, the Company will evaluate whether the milestone conditions have been achieved and if it is probable that a significant revenue reversal would not occur before recognizing the associated revenue. Milestone payments that are not within the Company's control or the licensee's control, such as regulatory approvals, are generally not considered probable of being achieved until those approvals are received.

Royalties – For arrangements that include sales-based royalties, including milestone payments based on a level of sales, which are the result of a customer-vendor relationship and for which the license is deemed to be the predominant item to which the royalties relate, the Company will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied or partially satisfied.

The Company sells its products to pharmacy distributor customers which provide order fulfillment and inventory storage/distribution services. The Company uses a third-party logistics ("3PL") vendor to process and fulfill orders and has

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Note 2 — Summary of Significant Accounting Policies (continued)

concluded it is the principal in the sales to wholesalers because it controls access to the 3PL vendor services rendered and directs the 3PL vendor activities.

The Company bills for its products at the initial product list price which are subject to offsets for patient co-pay assistance and potential state Medicaid and other government program rebates which are recorded as a reduction of net revenues. Upon recognition of revenue from product sales, the estimated amounts of chargebacks, state Medicaid and other government program rebates and prompt pay discounts are recognized in Accrued liabilities and Accounts receivable, net, respectively.

The Company estimates the transaction price when it receives each purchase order taking into account the expected reductions of the selling price initially billed to the wholesaler/distributor arising from all of the above factors. The Company has developed estimates for future returns and chargebacks and the impact of other discounts and fees it pays. The Company's product sales are not subject to returns.

The Company stores its products inventory at its pharmacy distributor customer locations, and sales are recorded when stock is pulled and shipped to fulfill specific patient orders.

The state Medicaid and other government program rebates and related liabilities are estimated based on monthly sales, historical experience of claims submitted by the various states and jurisdictions, historical rebate rates and estimated lag time of the rebate invoices.

Cost of Sales

Cost of product sales consists of the profit-sharing and royalty fees with the Company’s product licensing and development partners, the purchase costs for finished products from third-party manufacturers, freight and handling/storage from the Company’s 3PL logistics service providers and inventory step-up expense, and amortization expense of certain intangible assets. The costs of sales for profit-sharing, royalty fees, purchased finished products, and the associated inbound freight expense are recorded when the associated product sales revenue is recognized in accordance with the terms of shipment to customers while outbound freight and handling/storage fees charged by the 3PL service provider are expensed as they are incurred. Intangible assets are amortized on a straight-line basis over the estimated useful life of the product. Cost of product sales also reflects any write-downs or reserve adjustments for the Company’s inventories.

Licensing cost of sales may consist of supply agreements and profit-sharing agreements associated with the Company’s sale of its product licenses to customers. The costs of sales for profit-sharing agreements are recognized upon the achievement of certain development and commercial milestones.

Research and Development Expenses

Research and development (“R&D”) expenses include both internal R&D activities and external contracted services. Internal R&D activity expenses include salaries, benefits and stock-based compensation and other costs to support the Company’s R&D operations. External contracted services include product development efforts such as clinical trial activities, manufacturing and control-related activities, certain product licensor milestone payments, and regulatory costs. R&D expenses are charged to operations as incurred. The Company reviews and accrues R&D expenses based on services performed and may, from time to time, make estimates of those costs applicable as to the stage of completion of each project. Actual results could differ from the Company’s estimates. Nonrefundable advance payments for goods or services to be received in the future for use in R&D activities are recorded as prepaid expenses and are expensed as the related goods are delivered or the services are performed.

Income (Loss) Per Share

Basic net income (loss) per common share is computed by dividing net income (loss) attributable to common stockholders for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) attributable to common stockholders for the period by the weighted average number of common and common equivalent shares, such as unvested restricted stock, stock options and warrants that are outstanding during the period. Common stock equivalents are excluded from the computation

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Note 2 — Summary of Significant Accounting Policies (continued)

when their inclusion would be anti-dilutive. No common stock equivalents were included for the three and nine months ended September 30, 2025 as inclusion in the diluted earnings per share calculation would have been anti-dilutive. See Note 9 for further information.

Income Taxes

The Company accounts for income taxes under the provisions of ASC 740 - *Income Taxes* ("ASC 740"). As part of the process of preparing the Company's financial statements, the Company must estimate the actual current tax liabilities and assess temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within the Condensed Balance Sheets. The Company must assess the likelihood that the deferred tax assets will be recovered from future taxable income and, to the extent the Company believes that recovery is not likely, a valuation allowance must be established. To the extent the Company establishes a valuation allowance or increase or decrease to this allowance in a period, the impact will be included in income tax (benefit) expense in the Condensed Statements of Operations.

The Company calculates its quarterly income tax provision by applying an estimated annual effective tax rate to year-to-date ordinary income. The estimated annual effective tax rate is based on the Company's current projections of full year pretax income and incorporates the expected effects of permanent book-to-tax differences, state income taxes, tax credits, and annual limitations on the utilization of net operating losses and other tax attributes. Significant unusual or infrequently occurring items, including changes in the valuation allowance and excess tax benefits or deficiencies related to stock-based compensation, are recognized as discrete items in the period in which they occur.

See Note 10 for further information.

Stock-Based Compensation

The Company accounts for stock-based compensation under the provisions of ASC 718 *Compensation – Stock Compensation* ("ASC 718"). The guidance under ASC 718 requires companies to estimate the fair value of the stock-based compensation awards on the date of grant and record expense over the related service periods, which are generally the vesting period of the equity awards. Compensation expense is recognized over the period during which services are rendered by consultants and non-employees until completed. The Company accounts for forfeitures as they occur.

The Company estimates the fair value of stock-based option awards using the Black-Scholes option-pricing model ("BSM"). The BSM requires the input of subjective assumptions, including the expected stock price volatility, the calculation of the expected term and the fair value of the underlying common stock on the date of grant, among other inputs. The risk-free interest rate was determined from the implied yields for zero-coupon U.S. government issues with a remaining term approximating the expected life of the options or warrants. Dividends on common stock are assumed to be zero for the BSM valuation of the stock options. The expected term of stock options granted is based on vesting periods and the contractual life of the options. Expected volatilities are based on the Company's historical volatility subsequent to its initial public offering ("IPO"), which the Company believes represent the most accurate basis for estimating expected future volatility under the current conditions.

Stock-based compensation expense related to service-based RSUs is based on the market value of the underlying stock on the date of grant and the related expense is recognized ratably over the requisite service period. For PSUs granted with vesting subject to market conditions, the fair value of the award is determined at grant date using a Monte Carlo simulation under a risk-neutral geometric Brownian motion ("GBM") framework, and expense is recognized ratably over the requisite service period regardless of whether or not the market condition is satisfied.

Fair Value Measurements

The Company measures certain of its assets and liabilities at fair value. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

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Note 2 — Summary of Significant Accounting Policies (continued)

Level 1 — Inputs based on quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2— Observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3— Unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

Fair value measurements are classified based on the lowest level of input that is significant to the measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, which may affect the valuation of the assets and liabilities and their placement within the fair value hierarchy levels. The determination of the fair values stated below take into account the market for the Company's financial assets and liabilities, the associated credit risk and other factors as required. The Company considers active markets as those in which transactions for the assets or liabilities occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, and debt obligation. The carrying amounts of these financial instruments approximate their fair values due to the short-term maturities of these instruments. Based on borrowing rates currently available to the Company, the carrying value of the debt obligation approximates its fair value.

Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40)*. Additionally, in January 2025, the FASB issued ASU 2025-01, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* to clarify the effective date of ASU 2024-03. The standard provides guidance to expand disclosures related to the disaggregation of income statement expenses. The standard requires, in the notes to the financial statements, disclosure of specified information about certain costs and expenses, which includes purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption. This guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, on a retrospective or prospective basis, with early adoption permitted. The Company is currently evaluating the effect of this new guidance on its condensed financial statements.

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements*, which makes narrow-scope amendments to various topics within the Accounting Standards Codification to clarify and improve existing guidance. This guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within annual reporting periods beginning after January 1, 2027, on a retrospective or prospective basis, with early adoption permitted. The Company is currently evaluating the effect of this new guidance on its condensed financial statements.

Note 3— Long-Term Debt

SWK Loan

In November 2019, the Company entered into a credit agreement (the "SWK Credit Agreement") with SWK Funding LLC ("SWK"). SWK was subsequently acquired by Runway Growth Finance Corp. ("Runway Growth Finance") in 2026. The SWK Credit Agreement originally provided for up to $10,000 in debt financing. As a result of subsequent amendments to the SWK Credit Agreement, the Company expanded its credit facility to $30,000, extended the facility's maturity to three years from closing with a loan maturity date of December 17, 2027, and reduced the facility's annual interest rate to the Secured Overnight Financing Rate ("SOFR") plus 6.75%. In April 2026, the Company entered into a sixth amendment to its credit agreement with SWK. Under the amended terms of the SWK credit agreement, the credit facility was increased to $40,000, the interest rate was reduced from SOFR plus 6.75% to SOFR plus 6.55% with the SOFR floor reduced to

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2.75% from the previous 5.0%. Further, the interest only period was extended to November 2026. There were no fees paid to SWK associated with the credit amendment and the amended credit agreement maturity date remained in December 2027.

The table below reflects the future payments for the SWK loan principal as of September 30, 2026.

	Amount
2026	$ 3,000
2027	19,000
Total payments	22,000
Less: unamortized discount	(177)
Plus: accrued exit fees at September 30, 2026	1,246
Debt, net	$ 23,069

Interest payments are payable quarterly, with quarterly principal payments of $3,000 due beginning in November 2026 and an original final principal payment of $12,000 due at maturity in December 2027. During the three months ended September 30, 2026, the Company made a prepayment of the final principal payment of $5,000. Following this prepayment, the final principal payment due in December 2027 was $7,000 as of September 30, 2026. The SWK Credit Agreement includes a 5.0% exit fee payable at maturity and this exit fee payable is being accreted to interest expense in the Company's Condensed Statement of Operations using the effective interest expense method. The SWK Credit Agreement contains a mandatory prepayment clause that can compel the Company to partially prepay the loan upon certain triggering events, which the Company has deemed to be remote. Borrowing under the SWK Credit Agreement is secured by the Company's assets and contains customary default provisions, which include limits on additional indebtedness. As of September 30, 2026 and December 31, 2025, the Company was in compliance with all financial covenants.

The table below presents the Company's interest expense for the three and nine months ended September 30, 2026 and 2025.

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Total interest expense	$ 959	$ 1,212	$ 3,107	$ 3,573
Debt discount amortization and non-cash interest expense included in interest expense	$ 210	$ 189	$ 488	$ 531

The Company had accrued interest of $285 and $425 as of September 30, 2026 and December 31, 2025, respectively, which is included in accrued liabilities in the accompanying Condensed Balance Sheets.

In June 2026, Runway Growth Finance exercised 51,239 common stock warrants at an exercise price of $5.86, 18,141 common stock warrants at an exercise price of $6.62 and 289,736 common stock warrants at an exercise price of $5.32. The weighted average fair market value of $31.19 was based on a ten-day weighted average closing price of the Company's closing common stock price, which resulted in a net cashless settlement of 296,215 shares issued of the Company's common stock. As of September 30, 2026, there are no outstanding common stock warrants.

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Note 4— Property and Equipment

Property and equipment consist of the following:

	September 30, 2026	December 31, 2025
Computer hardware and software	$ 43	$ 200
Furniture and fixtures	167	265
Equipment	35	52
Leasehold improvements	229	295
Property and equipment, gross	474	812
Less: accumulated depreciation	(136)	(486)
Property and equipment, net	$ 338	$ 326

Depreciation expense was $21 and $65 for the three and nine months ended September 30, 2026, respectively, and $8 and $24 for the three and nine months ended September 30, 2025, respectively. During the second quarter of 2026, the Company removed from property and equipment fully depreciated assets that are no longer in service.

Note 5— Inventory

As of September 30, 2026 and December 31, 2025, inventory consisted of the following:

	September 30, 2026	December 31, 2025
Raw materials	$ 5,073	$ 557
Semi-finished goods	204	9,431
Finished goods	6,733	6,630
Less: excess and obsolete inventory reserve	(928)	(1,199)
Inventory, net	$ 11,082	$ 15,419

Note 6— Accrued Liabilities

As of September 30, 2026 and December 31, 2025, accrued liabilities consisted of the following:

	September 30, 2026	December 31, 2025
Accrued royalties	$ 6,713	$ 3,602
Accrued compensation	3,277	2,591
Income taxes payable	1,630	—
Deferred consideration	3,365	2,259
Other accrued liabilities	1,116	956
Accrued liabilities	$ 16,101	$ 9,408

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Note 7— Common Stock

The Company has 50,000,000 authorized shares of $0.001 par value common stock under its Amended and Restated Certificate of Incorporation.

During the nine months ended September 30, 2026, the Company issued 1,463,597 shares of its common stock resulting from stock option exercises and vesting of restricted stock units under its 2018 Equity Incentive Plan, as amended, (the "2018 Plan"), 296,215 shares of its common stock resulting from the exercise of warrants and 21,032 shares of its common stock under the ESPP. During the nine months ended September 30, 2025, the Company issued 108,451 shares of its common stock resulting from stock option exercises under the 2018 Plan.

Note 8— Share-Based Payment Awards

In November 2018, the Company's stockholders and board of directors approved the 2018 Plan, which succeeded the 2017 Equity Incentive Plan (the "2017 Plan"). The 2018 Plan was amended by the board of directors in December 2020. The Company has granted stock options, restricted stock awards ("RSAs"), RSUs and PSUs for its common stock under its plans as detailed in the tables below. There were 828,659 shares available for future issuance under the 2018 Plan as of September 30, 2026, and there are no shares available to be issued from the 2017 Plan.

All stock options issued have been non-qualified stock options and the exercise price was the closing stock price of the Company's common stock on the date of grant. Non-qualified stock options typically have a ten-year life and non-qualified stock options that are expired, terminated, surrendered or cancelled without having been fully exercised will be available for future awards under the 2018 Plan. In addition, the 2018 Plan provides that commencing January 1, 2019 through January 1, 2028, the share reserve will be increased by 4% of the total number of shares outstanding as of the preceding December 31, subject to a reduction at the discretion of the Company's board of directors. On January 1, 2025, the share reserve was increased by 1,068,323 shares based on the 26,709,084 shares of common stock outstanding at December 31, 2024. On January 1, 2026, the share reserve was increased by 1,081,882 shares based on the 27,047,061 shares of common stock outstanding at December 31, 2025. The exercise price for stock options granted is not less than the fair value of common stock as of the date of grant. The Company uses the closing stock price on the date of grant as the exercise price.

The following table summarizes the Company's stock-based compensation expense by line item in the Condensed Statements of Operations for the three and nine months ended September 30, 2026 and 2025.

	Three Months Ended		Nine months ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
General and administrative expenses	$ 3,234	$ 1,054	$ 6,121	$ 4,268
Research and development expenses	$ 75	$ 38	$ 174	$ 120
Total stock-based compensation expense	$ 3,309	$ 1,092	$ 6,295	$ 4,388

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Note 8 — Share-Based Payment Awards (continued)

Stock Options

The following table summarizes stock option activity during the nine months ended September 30, 2026:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Yrs)	Aggregate Intrinsic Value
Outstanding as of December 31, 2025	5,911,521	$ 5.35		
Issued	612,611	$ 20.76		
Exercised	(1,357,919)	$ 4.30		
Forfeited/Cancelled	(190,973)	$ 10.11		
Outstanding as of September 30, 2026	4,975,240	$ 7.36	6.0	$ 219,919
Options exercisable as of September 30, 2026	3,857,357	$ 5.51	5.3	$ 177,351

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock at September 30, 2026 for those stock options that had strike prices lower than the fair value of the Company's common stock.

The assumptions used to calculate the estimated fair value of options granted during the nine months ended September 30, 2026 and 2025 under the BSM were as follows:

	Nine months ended	
	September 30, 2026	September 30, 2025
Expected dividends	—%	—%
Expected volatility	64%	65%
Risk-free interest rate	4.4 % - 5.1 %	3.9 % - 4.7 %
Expected term (in years)	6.3	6.0
Weighted average grant date fair value	$ 13.05	$ 8.41

Expected Term — The Company has opted to use the "simplified method" for estimating the expected term of options granted to employees and directors, whereby the expected term equals the arithmetic average of the vesting term and the original contractual term of the option (generally 10 years). The expected term of options granted to non-employees equals the contractual life of the options.

Expected Volatility — Expected volatilities are based on the Company's historical volatility subsequent to its IPO, which the Company's believes represent the most accurate basis for estimating expected future volatility under the current conditions.

Risk-Free Interest Rate — The risk-free rate assumption is based on the U.S. Treasury instruments with maturities similar to the expected term of the Company's stock options.

Expected Dividend — The Company has not issued any dividends in its history and does not expect to issue dividends over the life of the options. Therefore, the Company has estimated the dividend yield to be zero.

Fair value of Common Stock —The Company uses the closing stock price on the date of grant for the fair value of the common stock.

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Note 8 — Share-Based Payment Awards (continued)

Stock-based compensation related to stock options was $806 and $1,991 for the three month periods ended September 30, 2026 and 2025, respectively, and $2,670 and $3,747 for the nine months ended September 30, 2026 and 2025, respectively. As of September 30, 2026, there was a total of $9,077 of unrecognized compensation costs related to non-vested stock option awards, which will be recognized over a weighted average period of approximately 3.0 years.

During the nine months ended September 30, 2026, the Company issued 1,357,919 shares of its common stock resulting from stock option exercises at a weighted average exercise price of $4.30 per share with an intrinsic value of $43,399. During the nine months ended September 30, 2025, the Company issued 108,451 shares of its stock resulting from stock option exercises at a weighted average exercise price of $3.63 per share with an intrinsic value of $1,167.

Restricted Stock Units

The following table summarizes restricted stock unit activity during the nine months ended September 30, 2026:

	Number of Units		Weighted Average Grant-Date Fair Value Per Unit
Outstanding and unvested as of December 31, 2025	278,501	$	9.57
Granted	304,571	$	16.22
Vested	(105,678)	$	6.73
Forfeited	(55,502)	$	14.62
Outstanding and unvested as of September 30, 2026	421,892	$	14.42

Stock-based compensation expense related to RSUs was $506 and $195 for the three month periods ended September 30, 2026 and 2025, respectively, and $1,508 and $611 for the nine months ended September 30, 2026 and 2025, respectively. As of September 30, 2026, there was $4,650 of unrecognized stock-based compensation expense related to unvested RSUs, which will be recognized over a weighted average period of approximately 3.0 years.

Performance-Based Restricted Stock Units

On July 31, 2026, the Company granted to certain members of management a total of 587,570 PSUs with a grant date fair value of $39.05 per share. The granted PSUs vest upon the satisfaction of two criteria: (1) a market condition requiring the Company's closing stock price to reach or exceed $72.36 for one trading day at any time from the grant date through July 31, 2029, and (2) the completion of a two-year continuous service period from the date of grant. If both conditions have not been satisfied by the third anniversary of the grant date, the unvested PSUs are forfeited for no consideration. The fair value of the PSUs was determined using a Monte Carlo simulation under a GBM framework. None of the PSUs vested during the three months ended September 30, 2026. As of September 30, 2026, 587,570 PSUs remain outstanding and unvested.

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Note 8 — Share-Based Payment Awards (continued)

The assumptions used to calculate the estimated fair value PSUs granted during the nine months ended September 30, 2026 under the GBM were as follows:

		September 30, 2026
Expected dividends		—%
Expected volatility		64%
Risk-free interest rate		4.3%
Expected term (in years)		2.0
Weighted average grant date fair value	$	39.05

Stock-based compensation expense related to PSUs was $1,943 for the three and nine months ended September 30, 2026. As of September 30, 2026, there was $21,001 of unrecognized stock-based compensation expense related to unvested PSUs, which will be recognized over a weighted average period of approximately 1.8 years.

Employee Stock Purchase Plan

The ESPP provides for an initial reserve of 150,000 shares, and this reserve is automatically increased on January 1 of each year by the lesser of 1% of the outstanding shares of common stock at December 31 of the preceding year or 150,000 shares of common stock, subject to reduction at the discretion of the Company's board of directors. As of September 30, 2026, there were 954,655 shares available for issuance under the ESPP.

The annual offerings consist of two stock purchase periods, with the first purchase period ending in December and the second ending in June. The terms of the ESPP permit employees of the Company to use payroll deductions to purchase stock at a price per share that is at least the lesser of (1) 85% of the fair market value of a share of common stock on the first date of an offering or (2) 85% of the fair market value of a share of common stock on the date of purchase. After the offering period ends, subsequent twelve month offering periods automatically commence over the term of the ESPP on the day that immediately follows the conclusion of the preceding offering, each consisting of two purchase periods approximately six months in duration. The terms of the ESPP provide a restart feature if the Company's stock price is lower at the end of a six month period within the twelve month offering period than it was at the beginning of the twelve month offering period.

The Company recorded an expense of $54 and $72 related to the ESPP during the three months ended September 30, 2026 and 2025, respectively, and $174 and $30 related to the ESPP during the nine months ended September 30, 2026 and 2025, respectively. As of September 30, 2026 and December 31, 2025, the accompanying Condensed Balance Sheets include $182 and $45, respectively, in Accrued liabilities for employee ESPP contributions.

Note 9— Basic and Diluted Net Income (Loss) per Common Share

Basic net income (loss) per common share is computed by dividing net income (loss) attributable to common stockholders for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) attributable to common stockholders for the period by the weighted average number of common and common equivalent shares, such as unvested restricted stock, stock options and warrants that are outstanding during the period. Common stock equivalents are excluded from the computation when their inclusion would be anti-dilutive. During the three and nine months ended September 30, 2026 and 2025, included in the basic and diluted net income (loss) per share calculation were RSUs awarded to directors that had vested, but the issuance and delivery of the shares are deferred until the director retires from service as a director.

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The following table shows the computation of basic and diluted net income (loss) per common share:

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net income (loss)	$ 35,249	$ (1,927)	$ 48,381	$ (6,084)
Weighted average common shares outstanding, basic	28,660,515	26,893,000	27,854,783	26,891,000
Net income (loss) per share, basic	$ 1.23	$ (0.07)	$ 1.74	$ (0.23)
Weighted average common shares outstanding, diluted	33,263,894	26,893,000	32,739,522	26,891,000
Net income (loss) per share, diluted	$ 1.06	$ (0.07)	$ 1.48	$ (0.23)
Anti-dilutive securities excluded from diluted weighted average common shares	42,800	7,087,170	42,800	7,633,966

Note 10— Income Taxes

The following table summarizes the Company's income tax (benefit) expense and effective tax rates for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Income (loss) before income tax (benefit) expense	$ 22,357	$ (1,955)	$ 35,649	$ (5,972)
Income tax (benefit) expense	(12,892)	(28)	(12,732)	112
Effective tax rate	(57.7%)	1.4%	(35.7%)	(1.9%)

For the three and nine months ended September 30, 2026, the Company recorded an income tax benefit of $12,892 and $12,732, respectively. For the three and nine months ended September 30, 2025, the Company recorded an income tax benefit of $28 and an expense of $112, respectively.

For the three and nine months ended September 30, 2026, the difference between the income tax benefit and the tax at the federal statutory rate of 21% was primarily due to the release of previously recorded valuation allowances against the Company's federal net operating losses. The release of the valuation allowance against a portion of the Company's state net operating losses and other discrete tax benefits also contributed to the difference. For the three and nine months ended September 30, 2025, the difference between the income tax benefit or expense and the tax at the federal statutory rate of 21% was due to the impact of the valuation allowance, partially offset by state income taxes.

The valuation allowance is determined in accordance with the provisions of ASC 740, which requires an assessment of both negative and positive evidence when measuring the need for a valuation allowance. In the third quarter of 2026, the Company primarily relied upon its projected availability of future taxable income from its forecasts for pre-tax income. The Company obtained additional, secondary support from reviewing its reversing taxable differences. As a result, the Company determined that it was more-likely-than-not that its federal, and a portion of its state, deferred tax assets would be realized. Accordingly, the associated valuation allowance was released during the three months ended September 30, 2026. The Company continues to maintain a valuation allowance against deferred tax assets that are not expected to be realized, principally relating to a portion of its Illinois net operating loss carryforwards.

The Company's quarterly income tax provision for the three and nine months ended September 30, 2026 captures the income tax effects of the One Big Beautiful Bill Act (the “Act”), which was enacted on July 4, 2025. The Company’s estimated annual effective tax rate reflects the benefit of the Act provision restoring the ability to immediately deduct

domestic research and experimental expenditures under Internal Revenue Code Section 174. Accordingly, the Company recognized the deferred tax effects of the Act and other temporary differences to the extent the related deferred tax assets were determined to be more likely than not realizable.

Taxes paid, net, during the nine months ended September 30, 2026 and 2025 were $106 and $117, respectively. Tax refunds received during the nine months ended September 30, 2026 and 2025 were $110 and zero, respectively.

Note 11— Related-Party Transactions

Chief Executive Officer

The Company acquired DS-200 and all related intellectual property pursuant to an asset purchase agreement (the "Selenix Agreement") dated June 23, 2017 between the Company and Selenix LLC ("Selenix"), an entity affiliated with the CEO. On August 30, 2024, the Company amended the Selenix Agreement in tandem with an agreement to sell DS-200 in August 2024 *(*see Note 13). Pursuant to the terms of the amended Selenix Agreement, Selenix waived its rights to future milestone payments and 50% of DS-200 profit in exchange for 45% of proceeds received by the Company from the DS-200 sale agreement. Selenix is 50% owned by Messa Holdings LLC ("Messa"), which is 100% owned by the CEO. In March 2025, the Company recognized licensing revenue of $1,500 and $825 in cost of sales from a development milestone.

Note 12— Leases

The Company recognizes a right-of-use ("ROU") asset and a lease liability on the balance sheets for substantially all leases, including operating leases, and separates lease components from non-lease components related to its office space lease.

In May 2025, the Company entered into an amendment to its office lease agreement to expand its office space, from 5,507 square feet to 8,079 square feet, and to renew its lease term. The amendment to the lease agreement was effective September 1, 2025 and the renewal period for the office lease is for a sixty-five month period through January 2031 and included tenant improvement allowances. The Company removed its existing ROU asset and liability and recorded $333 in ROU assets, $189 in tenant improvement allowances and $522 in operating lease liabilities in association with the lease extension.

In May 2026, the Company entered into an additional office lease agreement for 4,634 square feet. The lease agreement was effective May 15, 2026 for a fifty-one month period through July 2030. The Company capitalized $849 in ROU assets and recorded $849 in operating lease liabilities in association with the lease agreement.

The Company's operating lease cost was $175 and $36 for the nine months ended September 30, 2026 and 2025, respectively. For the nine months ended September 30, 2026 and 2025, cash paid for operating leases was $189 and $68, respectively. The ROU asset non-cash lease expense was $96 and $35 for the nine months ended September 30, 2026 and 2025, respectively, and is reflected within non-cash lease expense on the Company's Condensed Statements of Cash Flows. As of September 30, 2026 and December 31, 2025, the average remaining lease term was 4.1 and 5.2 years, respectively, and the weighted average discount rate for the Company's leases was 11.0% and 11.8%, respectively, for each period.

Eton Pharmaceuticals, Inc.
Notes to Condensed Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

The table below presents the lease-related assets and liabilities recorded on the balance sheets as of September 30, 2026 and December 31, 2025:

Assets	Classification	September 30, 2026	December 31, 2025
Operating lease right-of-use assets	Operating lease right-of-use assets, net	$ 1,064	$ 310
Total leased assets		$ 1,064	$ 310
Liabilities			
Operating lease liabilities, current	Accrued liabilities	$ 248	$ 65
Operating lease liabilities, noncurrent	Operating lease liabilities, net of current portion	1,017	460
Total operating lease liabilities		$ 1,265	$ 525

The Company's future lease commitments as of September 30, 2026, are as indicated below:

Year	Undiscounted lease payments
Remainder of 2026	$ 92
2027	375
2028	387
2029	398
2030	299
Thereafter	25
Total undiscounted lease payments	1,576
Less: Imputed interest	(311)
Total lease liabilities	$ 1,265

Note 13— Commitments and Contingencies

Legal

The Company is subject to legal proceedings and claims that may arise in the ordinary course of business. The Company is not aware of any pending or threatened litigation matters at this time that would have a material impact on the operations of the Company.

License and product development agreements

The Company has entered into various agreements that include commitments and contingencies, which are described below.

In March 2020, the Company entered into an Exclusive License and Supply Agreement with Diurnal for marketing ALKINDI SPRINKLE® in the United States (the "Alkindi License Agreement"). In December 2024, the Company and Diurnal entered into an amendment to the Alkindi License Agreement to extend the agreement terms to incorporate both ALKINDI SPRINKLE® and KHINDIVI™ in the existing agreement terms. The Company could pay up to $44,000 in future sales milestones. The Company pays tiered royalties of 11.0% to 17.0% on net sales.

In June 2021, the Company acquired U.S. and Canadian rights to Crossject's ZENEO® hydrocortisone needleless autoinjector, which is under development as a rescue treatment for adrenal crisis. The Company could pay up to $3,500 in future development milestones and up to $6,000 in commercial milestones, as well as a 10% royalty on net sales.

Eton Pharmaceuticals, Inc.
Notes to Condensed Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

In September 2022, the Company entered into a licensing agreement with Lukare Medical LLC ("Lukare") to which the Company acquired the U.S. rights to Betaine Anhydrous (betaine anhydrous oral solution). Under the terms of the agreement, Lukare is entitled to a $250 commercial milestone payment upon Betaine Anhydrous achievement of a certain net sales and a $500 payment if no generic competitors have launched within 48 months after the effective date of the license agreement. The $500 payment was made in September 2026.

In March 2023, the Company acquired rare disease endocrinology product candidate, ET-600, from Tulex. In February 2026, the FDA approved the New Drug Application ("NDA") for ET-600 ("DESMODA™") and the Company launched DESMODA™ in March 2026 and was obligated to make a milestone payment of $250, which was paid in April 2026. The Company pays tiered royalties to Tulex of 12.5% to 17.0% on net sales of DESMODA™.

In March 2024, the Company entered into a licensing agreement with APR Applied Pharma Research SA ("APR") pursuant to which the Company agreed to acquire the U.S. rights to various products under the PKU GOLIKE brand. The Company could pay up to $2,000 in one-time sales milestones, and the Company pays a royalty of 30% of net sales less product costs to APR.

In August 2024, the Company entered into an agreement to sell its DS-200 product candidate. In March 2025, the Company recognized licensing revenue of $1,500 from a development milestone payment. In addition, the Company could receive additional milestone payments of up to $5,000 based on the achievement of certain future development and commercial milestones related to DS-200, of which the Company would recognize 45% of the proceeds from the future milestones, with the balance being distributed to other partners.

In November 2024, the Company entered into a licensing agreement with AMMTeK pursuant to which the Company agreed to acquire the U.S. rights to glyburide oral suspension. Glyburide oral suspension was approved by the European Medicines Agency in 2018 and has been granted Orphan Drug Designation by the FDA. AMMTeK has conducted a post-approval study tracking five years of real-world safety and efficacy in European patients, which will be used to support the Company's NDA submission. In July 2025, the Company paid $500 to AMMTeK upon the receipt of FDA meeting minutes. Under the terms of the licensing agreement, the Company could pay up to $1,850 as follows: $550 upon NDA acceptance for review by the FDA and $1,300 upon NDA approval by the FDA and first commercial sale. The Company would also be required to pay a royalty of 14% of net sales to AMMTek.

In December 2024, the Company acquired GALZIN® (zinc acetate) from Teva Pharmaceuticals USA, Inc and assumed the commercialization of the product in the U.S. during March of 2025. The Company is required to pay the seller a royalty of 10% of U.S. net sales through the tenth anniversary of the Company's first commercial sales of the product in the U.S.

In December 2024, the Company acquired INCRELEX® (mecasermin injection) from Ipsen S.A. The Company is obligated to pay the seller $2,500 on each of the first and second anniversaries of closing, of which $2,500 was paid to Ipsen S.A. in December 2025. As of September 30, 2026 and December 31, 2025, the present value of the deferred consideration of $2,443 and $2,259, respectively, was classified as accrued liabilities in the Condensed Balance Sheets, with $57 and $241 as of September 30, 2026 and December 31, 2025, respectively, to be accreted to interest expense over the remainder of the deferred consideration term using the effective interest rate method.

In connection with the INCRELEX® product acquisition, the Company assumed the commercial manufacturing and supply agreement between Simtra BioPharma Solutions and Ipsen Pharma SAS. The commercial manufacturing and supply agreement was executed in November 2020. The initial term of the supply agreement expires in November 2027 and renews for two additional two year terms thereafter. The commercial manufacturing and supply agreement is associated with the production of INCRELEX® for commercial usage and contains an annual production obligation and a maximum annual obligation.

Additionally, in connection with the INCRELEX® product acquisition, the Company assumed a manufacturing services agreement between Lonza Ltd and Ipsen Pharma SAS, as amended. The manufacturing services agreement was executed in December 2022 and expires in December 2032. The manufacturing services agreement is associated with the

production of INCRELEX® bulk drug substance and contains a minimum and a maximum obligation every twenty-four months.

In March 2025, the Company out-licensed the commercial rights to INCRELEX® in territories outside of the U.S. to Esteve Pharmaceuticals, S.A. ("Esteve"). Under the terms of the licensing agreement, Esteve paid the Company €4,000 in July 2025 to license the rights to INCRELEX® for up to ten years, and Esteve also received an option to acquire the international rights in the future for a purchase price of up to €6,000. In accordance with ASC 606 with respect to the license and supply agreements between the Company and Esteve, the Company recognized in March 2025, $4,327 in accounts receivable, licensing revenues of $1,786 and deferred revenues of $2,541. With respect to deferred revenues, $497 and $457, respectively, are reflected in accrued liabilities and $1,416 and $1,762, respectively, in other long-term liabilities in the Company's Condensed Balance Sheets as of September 30, 2026 and December 31, 2025. Deferred revenues will be amortized to revenues over the course of the agreements based on quarterly INCRELEX® product sales, and at the end of the initial term of the license agreement a deferred revenue residual will be recognized. During the three and nine months ended September 30, 2026, the Company recognized revenue of $65 and $495, respectively, from deferred revenues associated with the supply agreement. During the three and nine months ended September 30, 2025, the Company recognized revenue of $322 from deferred revenues associated with the supply agreement.

In June 2025, in connection with the asset purchase agreement with Ipsen S.A, the Company purchased $11,540 in inventory. Under the terms of the inventory purchase agreement, the Company is required to make eight equal quarterly installment payments to Ipsen S.A, beginning in the third quarter of 2025. Accordingly, the Company has classified $5,036 and $6,926, respectively, in accounts payable and zero and $3,463, respectively, in other long-term liabilities in the accompanying Condensed Balance Sheets as of September 30, 2026 and December 31, 2025.

In February 2026, the Company entered into a licensing agreement to acquire the U.S. rights to HEMANGEOL® (propranolol) oral solution from Pierre Fabre. Under the terms of the licensing agreement, the Company will pay an 8% royalty on net sales for the duration of the product's patent protected life, which expires in October 2028. The Company accounted for this transaction as an asset acquisition.

In May 2026, the Company entered into a licensing agreement for the U.S. rights to IMPAVIDO® (miltefosine) oral capsules with an affiliate of Knight Therapeutics, Inc. ("Knight Therapeutics"). Under the terms of the licensing agreement, the Company will pay Knight Therapeutics $4,250 in fixed fees during the initial term ending March 31, 2032 as follows: $125 on July 1, 2026, $1,250 on April 1, 2027, $1,000 on June 30, 2028, $1,000 on June 30, 2029 and $875 on June 30, 2030. The Company made the first payment of $125 in the third quarter of 2026. The Company's exclusive right to commercialize IMPAVIDO® in the U.S. began in September 2026. As of September 30, 2026, the Company has classified $922 and $2,372 in accrued liabilities and other long-term liabilities, respectively, in the accompanying Condensed Balance Sheets associated with the associated future fixed fees described above, with $831 to be accreted to interest expense through June 30, 2030 using the effective interest rate method. After the initial term, the Company will have the option to make up to ten additional annual renewals subject to certain conditions and an annual fee. The Company will also pay (i) up to an additional $4,000 based on tiered revenue milestones ranging from $50,000 to $200,000, (ii) royalties of 55% of net sales up to $7,000 per calendar year, and (iii) royalties of 50% of net sales above $7,000 per calendar year. Knight Therapeutics will be responsible for all product costs and regulatory expenses associated with IMPAVIDO®, and the Company will be responsible for sales and marketing expenses related to commercialization.

In July 2026, the Company entered into a licensing agreement for a late-stage rare disease product candidate ASN-001 (timolol topical gel) from Auson Pharmaceuticals ("Auson"). Under the terms of the licensing agreement, the Company paid Auson an upfront license fee of $3,000 in August 2026. Upon the successful approval by the FDA of an NDA for ASN-001, the Company will be responsible for (i) a payment of $5,000 to Auson upon the first commercial sale of product after FDA approval, (ii) payments of up to $28,500 to Auson based on tiered revenue milestones ranging from $20,000 to $280,000 in net product sales and (iii) tiered royalty payments to Auson of 10% to 15% of sales of the ASN-001 product.

Indemnification

As permitted under Delaware law and in accordance with the Company's Amended and Restated Bylaws, the Company is required to indemnify its officers and directors for certain events or occurrences while the officer or director is

or was serving in such capacity. The Company is also party to indemnification agreements with its directors and officers. The Company believes the fair value of the indemnification rights and agreements is minimal. Accordingly, the Company has not recorded any liabilities for these indemnification rights and agreements as of September 30, 2026 and December 31, 2025.

Note 14 — Subsequent Events

LIBERVANT®

On October 13, 2026, the Company entered into a license agreement (the "License Agreement") with Aquestive Therapeutics, Inc. ("Aquestive") pursuant to which the Company acquired exclusive U.S. rights to commercialize LIBERVANT® (diazepam) buccal film (the "Product") for the acute treatment of seizure clusters in patients with epilepsy, subject to applicable regulatory approvals. Under the terms of the agreement, the Company paid Aquestive an upfront license fee of $10,000 in October 2026. In addition, the Company is responsible for regulatory and commercial milestone payments to Aquestive of up to an aggregate of $47,500 as follows: $10,000 upon first commercial sale in the United States, reduced to $5,000 if full FDA approval permitting commercial sale for ages 2–5 has not been received; $2,500 upon approval by the FDA of the Product for patients ages 6–11; and up to $35,000 of commercial milestones tied to Product's achievement of certain annual net sales levels in the United States. The Company will pay Aquestive a mid-teens royalty on annual net sales of the Product. In connection with the License Agreement, the Company also entered into a supply agreement with Aquestive (the "Supply Agreement") under which Aquestive will serve as the exclusive manufacturer and supplier of the Product, subject to specified exceptions. The Supply Agreement provides for an initial term of 20 years. At the conclusion of such initial term, the Supply Agreement will be subject to an automatic extension for succeeding three-year periods unless either party terminates with at least two years notice prior to the end of the initial or any succeeding term.

ET-900

On November 2, 2026, the Company announced ET-900, a new development program evaluating mecasermin injection for the treatment of infantile and epileptic spasms. Mecasermin is a recombinant form of IGF-1 and the active ingredient in INCRELEX. The Company has entered into a license agreement with Baylor College of Medicine covering patent rights related to the use of IGF-1 for the treatment of spasms. Under the license agreement, upon FDA approval for infantile and epileptic spasms, the Company will pay $1,000 upon first commercial sale and up to $8,000 of milestones based on annual net sales within the indication ranging from $50,000 to $500,000. Additionally, the Company will pay a low single-digit royalty on annual net sales of ET-900 for infantile and epileptic spasms.

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 in conjunction with (i) our unaudited interim condensed financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and (ii) our audited financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the Securities and Exchange Commission (the "SEC") on March 19, 2026 (the "2025 10-K").

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), including, without limitation, statements regarding our expectations, beliefs, intentions or future strategies that are signified by the words "anticipate," "believe," "expect," "intend," "may," "plan," "seek" or similar language, or the negative of these words and phrases. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements. Our business and financial performance are subject to substantial risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. In evaluating our business, you should carefully consider other matters set forth in our SEC filings, including the Risk Factors set forth in Part I, Item 1A of our 2025 10-K.

Overview

Eton is an innovative pharmaceutical company focused on developing and commercializing treatments for rare diseases. We currently have eleven commercial rare disease products: INCRELEX®, HEMANGEOL®, ALKINDI SPRINKLE®, KHINDIVI™, DESMODA™, GALZIN®, PKU GOLIKE®, IMPAVIDO®, Carglumic Acid, Betaine Anhydrous and Nitisinone. We have five additional product candidates in late-stage development: ASN-001, ET-700, ET-800, glyburide oral suspension, and ZENEO® hydrocortisone autoinjector.

Additionally, on October 13, 2026, the Company acquired the exclusive U.S. rights to LIBERVANT®, and on November 2, 2026, the Company announced ET-900. See Note 14 to the Notes to the Consolidated Financial Statements for further information.

Results of Operations

Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025

Net Revenues

During the three months ended September 30, 2026, we had $57,925 in net revenues, compared to $22,459 during the three months ended September 30, 2025. The $35,466 increase was primarily driven by the acquisition of HEMANGEOL® in February 2026, and higher product sales, net of ALKINDI SPRINKLE®, KHINDIVI™, INCRELEX® product sales in the U.S., GALZIN®, DESMODA™ and Carglumic Acid. This was partially offset by lower INCRELEX® product sales outside the U.S.

Gross Profit

During the three months ended September 30, 2026, we generated a gross profit of $44,301, compared to $7,855 during the three months ended September 30, 2025. The $36,446 increase was primarily driven by higher net revenues and a favorable change in product mix resulting from higher INCRELEX® sales in the U.S. and a decrease in INCRELEX® product sales outside the U.S.

Research and Development Expenses

During the three months ended September 30, 2026, we incurred $5,271 of research and development ("R&D") expenses, compared to $1,112 during the three months ended September 30, 2025. The $4,159 increase was primarily due to the $3,000 payment to Auson for the rights to ASN-001 and higher R&D spending on the development of glyburide oral suspension.

General and Administrative Expenses

During the three months ended September 30, 2026, we incurred $16,017 of general and administrative ("G&A") expenses, compared to $8,106 during the three months ended September 30, 2025. The $7,911 increase was primarily driven by (i) higher stock-based compensation due to the performance stock units that were issued in the third quarter of 2026, higher employee compensation due to increased headcount, and increased performance-based compensation associated with the performance of the business, (ii) increased operating costs to support a larger business and an expanded portfolio of commercial products, and (iii) higher U.S. Food and Drug Administration ("FDA") fees following the loss of eligibility for the orphan drug fee exemption.

Income Taxes

During the three months ended September 30, 2026, we had an income tax benefit of $12,892 compared to a benefit of $28 during the three months ended September 30, 2025. During the three months ended September 30, 2026, we determined that it was more-likely-than-not that we would be able to utilize our federal and certain state deferred tax assets. Accordingly, we released the valuation allowance associated with our federal, and a portion of our state, deferred tax assets, resulting in the recognition of an income tax benefit during the three months ended September 30, 2026. See Note 10 to the Notes to the Consolidated Financial Statements for further details.

Nine Months Ended September 30, 2026 Compared to the Nine Months Ended September 30, 2025

Net Revenues

During the nine months ended September 30, 2026, we generated $119,780 of product sales, net, compared to $55,383 during the nine months ended September 30, 2025. The $64,397 increase was primarily driven by the acquisition of HEMANGEOL® and higher product sales, net of INCRELEX®, GALZIN®, ALKINDI SPRINKLE®, KHINDIVI™, DESMODA™ and Carglumic Acid.

Licensing revenue of $3,286 during the nine months ended September 30, 2025 was due to $1,786 from our out-licensing of INCRELEX® rights outside of the U.S. and $1,500 from the recognition of a development milestone event associated with our divestiture of DS-200. There was no licensing revenue during the nine months ended September 30, 2026.

Gross Profit

During the nine months ended September 30, 2026, we generated a gross profit of $84,449, compared to $29,640 during the nine months ended September 30, 2025. The $54,809 increase was primarily driven by higher net revenues and higher amortization of inventory step-up during the nine months ended September 30, 2025 related to the December 2024 acquisition of INCRELEX®, which was partially offset by the inventory step-up during the.nine months ended September 30, 2026 related to HEMANGEOL®.

Research and Development Expenses

During the nine months ended September 30, 2026, we incurred $8,139 of R&D expenses, compared to $5,985 during the nine months ended September 30, 2025. The $2,154 increase was primarily due to the $3,000 payment to Auson for the rights to ASN-001 and higher R&D spending on the development of glyburide oral suspension, partially offset by a $2,155 payment in 2025 for the New Drug Application ("NDA") filing fee for DESMODA™.

General and Administrative Expenses

During the nine months ended September 30, 2026, we incurred $38,089 of G&A expenses, compared to $26,963 during the nine months ended September 30, 2025. The $11,126 increase was primarily driven by (i) higher stock-based compensation due to the performance stock units that were issued in the third quarter of 2026, higher employee compensation due to increased headcount, and increased performance-based compensation associated with the performance of the business, (ii) increased operating costs to support a larger business and an expanded portfolio of commercial products, and (iii) higher FDA fees following the loss of eligibility for the orphan drug fee exemption.

Income Taxes

During the nine months ended September 30, 2026, we had an income tax benefit of $12,732 compared to an expense of $112 during the nine months ended September 30, 2025. During the three months ended September 30, 2026, we

determined that it was more-likely-than-not that we would be able to utilize our federal and certain state deferred tax assets. Accordingly, we released the valuation allowance associated with our federal, and a portion of our state, deferred tax assets resulting in the recognition of an income tax benefit during the nine months ended September 30, 2026. See Note 10 to the Notes to the Consolidated Financial Statements for further details.

Liquidity and Capital Resources

As of September 30, 2026, we had total assets of $157.3 million, cash and cash equivalents of $55.6 million and working capital of $42.7 million.

Cash Flows

The following table sets forth a summary of our cash flows for the nine months ended September 30, 2026 and 2025 (dollars in thousands):

	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Net cash from operating activities	$ 49,901	$ 22,075
Net cash used in investing activities	(18,308)	(284)
Net cash (used in) from financing activities	(1,907)	394
Change in cash and cash equivalents	$ 29,686	$ 22,185

During the nine months ended September 30, 2026, net cash from operating activities was $49,901 compared to $22,075 during the nine months ended September 30, 2025. The increase in cash from operating activities during the nine months ended September 30, 2026 was primarily due to higher cash collections from product sales.

During the nine months ended September 30, 2026, net cash used in investing activities was $18,308 compared to net cash used of $284 during the nine months ended September 30, 2025. The change was primarily attributable to (i) a $14,100 payment associated with the acquisition of the U.S. commercial rights to HEMANGEOL® in February 2026, (ii) a $1,000 upfront payment for the licensing of U.S. marketing rights to an ultra-rare disease product candidate, which also occurred in February 2026, and (iii) a $3,000 upfront payment associated with ASN-001 in August 2026.

During the nine months ended September 30, 2026, net cash used in financing activities was $1,907 compared to net cash from financing activities of $394 during the nine months ended September 30, 2025. The change was primarily due to $8,000 of principal debt payments, including a $5,000 prepayment, partially offset by increased proceeds of $5,429 from stock option exercises and proceeds of $270 from the employee stock purchase program.

Non-GAAP Financial Measures

EBITDA, or earnings before interest, taxes, depreciation and amortization, adjusted EBITDA, non-GAAP net income and non-GAAP earnings per share are used and provided by us as non-GAAP financial measures. These non-GAAP financial measures are intended to provide additional information on our performance, operations and profitability. Adjustments to our GAAP figures as well as EBITDA include non-recurring acquisition or divestiture-related costs and severance costs, as well as non-cash items such as stock-based compensation, inventory step-up expense, depreciation and amortization, changes in valuation allowances on deferred tax assets, and other non-cash adjustments. Certain other special items or substantive events may also be included in the non-GAAP adjustments periodically when their magnitude is significant within the periods incurred. We maintain an established non-GAAP policy that guides the determination of what costs or gains will be included in non-GAAP adjustments.

We believe that these non-GAAP financial measures, when considered together with the GAAP figures, can enhance an overall understanding of our financial and operating performance. The non-GAAP financial measures are included with the intent of providing investors with a more complete understanding of our historical financial results and trends and to facilitate comparisons between periods. In addition, these non-GAAP financial measures are among the indicators our management uses for planning and forecasting purposes and measuring our performance. These non-GAAP financial measures should be considered in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The non-GAAP financial measures used by us may be calculated differently from, and therefore may not be comparable to, non-GAAP financial measures used by other companies.

Reconciliations of reported GAAP net income (loss) to EBITDA, adjusted EBITDA and non-GAAP net income, and the related per share amounts, were as follows (in thousands, except share and per share amounts):

	For the three months ended		For the nine months ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
GAAP Net income (loss)	**$ 35,249**	**$ (1,927)**	**$ 48,381**	**$ (6,084)**
Depreciation (1)	21	8	65	24
Intangible amortization expense (2)	1,423	1,001	3,896	3,003
Interest expense (including debt discount amortization and non-cash interest expenses)	959	1,212	3,107	3,573
Income tax (benefit) expense	(12,892)	(28)	(12,732)	112
EBITDA	**$ 24,760**	**$ 266**	**$ 42,717**	**$ 628**
Other non-GAAP adjustments:				
Inventory step-up expense (3)	470	1,324	1,470	3,673
Stock-based compensation (4)	3,309	1,092	6,295	4,388
Severance expense (5)	—	—	—	335
Acquisition/divestiture-related costs (6)	—	190	—	574
Total of Other non-GAAP adjustments	3,779	2,606	7,765	8,970
Adjusted EBITDA	**$ 28,539**	**$ 2,872**	**$ 50,482**	**$ 9,598**
GAAP Net income (loss)	**$ 35,249**	**$ (1,927)**	**$ 48,381**	**$ (6,084)**
Non-GAAP adjustments:				
Depreciation (1)	21	8	65	24
Intangible amortization expense (2)	1,423	1,001	3,896	3,003
Inventory step-up expense (3)	470	1,324	1,470	3,673
Stock-based compensation (4)	3,309	1,092	6,295	4,388
Severance expense (5)	—	—	—	335
Acquisition/divestiture-related costs (6)	—	190	—	574
Release of deferred tax asset valuation allowance (7)	(12,892)	—	(12,892)	—
Total non-GAAP adjustments	(7,669)	3,615	(1,166)	11,997
Income tax effect of non-GAAP adjustments (8)	11,074	205	11,880	495
Total non-GAAP adjustments	(18,743)	3,410	(13,046)	11,502
Non-GAAP Net income	**$ 16,506**	**$ 1,483**	**$ 35,335**	**$ 5,418**
Weighted average number of common shares outstanding, basic	28,661	26,893	27,855	26,891
Weighted average number of common shares outstanding, diluted	33,264	31,137	32,740	31,014
GAAP income (loss) per share - Basic	**$ 1.23**	**$ (0.07)**	**$ 1.74**	**$ (0.23)**
Non-GAAP adjustments	(0.65)	0.13	(0.47)	0.43
Non-GAAP earnings per share - Basic	**$ 0.58**	**$ 0.06**	**$ 1.27**	**$ 0.20**
GAAP income (loss) per share - Diluted	**$ 1.06**	**$ (0.07)**	**$ 1.48**	**$ (0.23)**
Non-GAAP adjustments	(0.56)	0.11	(0.40)	0.37
Non-GAAP earnings per share - Diluted	**$ 0.50**	**$ 0.04**	**$ 1.08**	**$ 0.14**

(1) Represents depreciation expense related to our property and equipment.
(2) Intangible amortization expenses are associated with our intellectual property rights related to INCRELEX®, HEMANGEOL®, GALZIN®, PKU GOLIKE®, IMPAVIDO®, Carglumic Acid, Betaine Anhydrous and Nitisinone.
(3) During the three and nine months ended September 30, 2026, we recognized in cost of sales $470 and $1,470, respectively, compared to $1,324 and $3,673 during the three and nine months ended September 30, 2025, respectively, for inventory step-up expense primarily attributable to the HEMANGEOL® inventory revalued in connection with the product acquisition in the 2026 periods, and the INCRELEX® inventory revalued in connection with this product acquisition in the 2025 periods.
(4) Represents stock-based compensation expense associated with our stock option, restricted stock unit and performance stock unit grants to our employees and non-employee directors and our employee share purchase plan.
(5) Represents severance and benefit expenses associated with role redundancy within commercial operations during the first quarter of 2025.
(6) Represents legal expense and other divestiture-related costs associated with the out-licensing of the INCRELEX® commercial rights in territories outside of the U.S.
(7) Represents the amount of income tax benefit related to the reversal of previously recorded valuation allowances associated with our federal, and a portion of our state, deferred tax assets.
(8) Income tax adjustments on pre-tax non-GAAP adjustments represent the estimated income tax impact of each pre-tax non-GAAP adjustment based on the effective income tax rate for the period.

Critical Accounting Policies

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of our financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, costs and expenses in our financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in Note 2 to the notes to our financial statements included herein, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements.

Revenue Recognition for Contracts with Customers

We account for contracts with our customers in accordance with Accounting Standards Codification ("ASC") 606 — *Revenue from Contracts with Customers* ("ASC 606"). ASC 606 applies to all contracts with customers, except for contracts that are within the scope of other standards. Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

At contract inception, once we determine the contract falls within the scope of ASC 606, we assess the goods or services promised within each contract and determine those that are performance obligations and assess whether each promised good or service is distinct. We then recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. Arrangements that include rights to additional goods or services that are exercisable at a customer's discretion are generally considered options. We assess whether these options provide a material right to the customer and, if so, they are considered performance obligations. Renewal options that provide a material right are treated as a separate performance obligation, allocated a portion of the transaction price, and related revenue is deferred until the option is exercised or the option expires unused.

We recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) each performance obligation is satisfied at a point in time. For the three and nine months ended September 30, 2026 and 2025, all revenues recognized in the Condensed Statements of Operations were sales at a point in time to our customers.

Milestone Payments – If a commercial contract arrangement includes development milestone payments, we will evaluate whether the milestone conditions have been achieved and if it is probable that a significant revenue reversal would not occur before recognizing the associated revenue. Milestone payments that are not within our control or the licensee's

control, such as regulatory approvals, are generally not considered probable of being achieved until those approvals are received.

Licensing Revenues – We recognize revenues from licensing arrangements primarily associated with product license agreements that could contain development activity milestones and agreements to divest the licensing rights to products or product candidates. At the inception of each licensing agreement, we assess the goods or services promised within the contract to identify performance obligations. If a license to our product rights is determined to be distinct from other promised goods or services, it is accounted for as a separate performance obligation. If a license grants the customer a right to use our product license, revenue is recognized at the point in time when the license is transferred to the customer and the customer has the ability to use and benefit from the product license. Additionally, revenue is recognized from product license agreements with development activity milestones when these development activities occur per the contractual terms of the agreement.

Royalties – For arrangements that include sales-based royalties, including milestone payments based on a level of sales, which are the result of a customer-vendor relationship and for which the license is deemed to be the predominant item to which the royalties relate, we will recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied or partially satisfied.

Principal Versus Agent – Under the terms of the transitional services agreement ("TSA") between us and Ipsen S.A, we evaluated whether our performance obligation is a promise to transfer product to a customer as the principal, or to arrange for product to be provided by another party using a control model as the agent. This evaluation determined that we are not in control of establishing the transaction price, managing all aspects of the shipment process and taking the risk of loss for delivery, collection and returns. Based on our evaluation of the control model, we determined that our responsibilities under the TSA was as an agent and not the principal, and correspondingly, such revenue related to products sold by Ipsen S.A are reported on a net versus a gross basis.

Significant Financing Component – In determining the transaction price, we will adjust consideration for the effects of the time value of money if the expected period between payment by the licensees and the transfer of the promised goods or services to the licensees will be more than one year.

We bill for our products at the initial product list price which is subject to offsets for patient co-pay assistance and potential state Medicaid reimbursements and other government programs which are recorded as a reduction of net revenues. Our product sales are not subject to returns. Upon recognition of revenue from product sales, the estimated amounts of chargebacks, state Medicaid and other government program rebates and prompt pay discounts are recognized in accrued liabilities and accounts receivable, net.

We store our products inventory at our specialty pharmacy distributor locations, and sales are recorded when stock is pulled and shipped to fulfill specific patient orders.

The state Medicaid and other government program rebates and related liabilities are estimated based on monthly sales, historical experience of claims submitted by the various states and jurisdictions, historical rebate rates and estimated lag time of the rebate invoices.

Acquisitions

We account for business acquisitions using the acquisition method of accounting. Under this method of accounting, assets acquired and liabilities assumed are recorded at their respective fair values at the date of the acquisition. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions. Our estimates of fair value are based upon assumptions believed to be reasonable but that are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Any excess of the purchase price over the fair value of the net assets acquired is recognized as goodwill.

We account for acquisitions that do not meet the definition of a business as an asset acquisition. The determination of whether a transaction represents a business combination or an asset acquisition requires significant judgment, including an evaluation of whether the acquired set includes a substantive process and whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. For transactions accounted for as an asset acquisition, we allocate the purchase price, including transaction costs, to the individual assets acquired and liabilities assumed on a relative fair value basis. This allocation requires management to make significant estimates and assumptions, including the selection of valuation methodologies, discount rates, projected cash flows, and useful lives of acquired assets. Changes in these assumptions could result in materially different allocations of the purchase price, which

may impact the valuation of assets acquired and liabilities assumed, as well as future depreciation and amortization expense. In addition, because goodwill is not recognized in asset acquisitions, the assignment of value to identifiable intangible assets may be greater than in a business combination.

We amortize finite-lived intangible assets over their estimated useful lives and evaluate indefinite-lived assets for impairment. The determination of useful lives and the timing of impairment assessments require significant judgment and may materially affect our results of operations. Critical estimates in valuing certain of the intangible assets acquired include:

- future expected cash flows from customer contracts and license agreements;
- historical and expected customer attrition rates and anticipated growth in revenues from acquired customers; and
- discount rates.

Stock-Based Compensation

We account for stock-based compensation under the provisions of ASC 718 Compensation – *Stock Compensation* ("ASC 718"). The guidance under ASC 718 requires companies to estimate the fair value of the stock-based compensation awards on the date of grant and record expense over the related service periods, which are generally the vesting period of the equity awards. Compensation expense is recognized over the period during which services are rendered. The fair value of these awards and assumption inputs are generally measured using the Black-Scholes option-pricing model ("BSM").

We estimate the fair value of stock-based option awards using the BSM. The BSM requires the input of subjective assumptions, including the expected stock price volatility, the calculation of expected term and the fair value of the underlying common stock on the date of grant, among other inputs. The risk-free interest rate was determined from the implied yields for zero-coupon U.S. government issues with a remaining term approximating the expected life of the options. Dividends on common stock are assumed to be zero for the BSM valuation of the stock options. The expected term of stock options granted is based on vesting periods and the contractual life of the options. Expected volatilities are based on our historical volatility subsequent to our IPO, which we believe represents the most accurate basis for estimating expected future volatility. We account for forfeitures as they occur.

Stock-based compensation expense related to service-based restricted stock units ("RSUs") is based on the market value of the underlying stock on the date of grant and the related expense is recognized ratably over the requisite service period. For performance-based RSUs ("PSUs") granted with vesting subject to market conditions, the fair value of the award is determined at grant date using a Monte Carlo simulation under a risk-neutral geometric Brownian motion ("GBM") framework, and expense is recognized ratably over the requisite service period regardless of whether or not the market condition is satisfied.

Off Balance Sheet Transactions

We do not have any off-balance sheet transactions.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The primary objective of our investment activities is to preserve capital. We do not utilize hedging contracts or similar instruments. We are exposed to certain market risks relating primarily to interest rate risk on our cash and cash equivalents and risks relating to the financial viability of the institutions which hold our capital and through which we have invested our funds. We manage such risks by investing in short-term, liquid, highly rated instruments. As of September 30, 2026, our cash equivalents only included cash deposits and a government money market fund at our bank. From time to time, we do have cash investments in short-term money market or U.S. treasury bills. We do not believe that we have any material exposure to interest rate risk in the current interest rate environment and the short duration of the invested funds we hold. Declines in interest rates would reduce our investment income but would not have a material effect on our financial condition or results of operations. We have limited exposure to foreign currency risk.

We are subject to interest rate risk in connection with our variable rate credit agreement. Our principal interest rate exposure relates to our credit agreement, which bears interest rates that are indexed against SOFR plus 6.55%. As of September 30, 2026, we had outstanding borrowings under our credit agreement totaling $22.0 million, excluding unamortized debt issuance costs and accrued exit fees.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period.

We review and evaluate the design and effectiveness of our disclosure controls and procedures on an ongoing basis to improve our controls and procedures over time and to correct any deficiencies that we may discover in the future. Our goal is to ensure that our senior management has timely access to all material financial and non-financial information concerning our business. While we believe the present design of our disclosure controls and procedures is effective to achieve our goal, future events affecting our business may cause us to significantly modify our disclosure controls and procedures.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting (as defined in Rules 13a-15(f) of the Exchange Act) that occurred during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

We operate in a dynamic and rapidly changing environment that involves numerous risks and uncertainties. Certain factors may have a material adverse effect on our business, financial condition, and results of operations, and you should carefully consider them. Other events that we do not currently anticipate or that we currently deem immaterial may also affect our results of operations and financial condition.

You should carefully consider the factors discussed in Part I, Item 1A. “Risk Factors” in our 2025 10-K, which could materially affect our business, financial condition, cash flows or future results. The risk factors described in our 2025 10-K are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or future results.

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

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Insider Trading Plans

On September 9, 2026, Charles Casamento, one of the Company's directors, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act. Mr. Casamento's trading plan provides for the potential sale of up to 75,000 shares of the Company's common stock, subject to certain conditions, from January 1, 2027 and ending December 15, 2027.

On September 1, 2026, David Krempa, the Company's Chief Business Officer, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act. Mr. Krempa's trading plan provides for the potential sale of up to 100,000 shares of the Company's common stock, subject to certain conditions, from December 1, 2026 and ending March 19, 2028.

Item 6. Exhibits

The exhibits listed on the Exhibit Index are either filed or furnished with this report or incorporated herein by reference.

EXHIBIT INDEX

Exhibit No.	Description
10.1	Offer Letter and Agreement by and between the Registrant and Danka Radosavljevic, dated as of June 30 2017 (amended June 30, 2025)
10.2	License Agreement by and between the Registrant and Auson Pharmaceuticals Inc., dated as of July 31, 2026
31.1	Certification of President and Chief Executive Officer (Principal Executive Officer), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer (Principal Financial Officer), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certifications of President and Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (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	The following financial information from the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2026 formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Condensed Balance Sheets, (ii) the Condensed Statements of Operations, (iii) the Condensed Statements of Stockholders' Equity, (iv) the Condensed Statements of Cash Flows and (v) Notes to Condensed Financial Statements.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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

ETON PHARMACEUTICALS, INC.

November 5, 2026

By: */s/ Sean E. Brynjelsen*
Sean E. Brynjelsen
President and Chief Executive Officer
(Principal Executive Officer)

By: */s/ Judith M. Matthews*
Judith M. Matthews
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.1

ETON PHARMACEUTICALS, INC.
21925 W. Field Parkway, Suite 235 Deer Park, IL 60010-7278

June 30 2017 (amended June 30, 2025 for change in severance provision)

Dear Ms. Radosavljevic,

Welcome to Eton Pharmaceuticals! We are pleased to extend an offer of employment to you as the Director of Operations. reporting to Sean Brynjelsen, CEO. Your start date is effective July 24, 2017. Your compensation will be $125,000 annually, less applicable withholdings, paid biweekly. This is a full-time, exempt level position.

Eton Pharmaceuticals, Inc. has an excellent benefits program including comprehensive medical, dental and vision plans. You will be eligible to participate in our medical, dental and vision plans effective August 1, 2017. In addition, you will have a 20 day/160 hour personal time off (PTO) account, which accrues bi-weekly. You will become eligible to participate in our 401() plan following six months of employment.

You will be granted an option to purchase an additional 50,000 shares of Eton Pharmaceuticals, Inc. common stock. The stock option will be granted to you on the 1st business day of the month following your effective date of this position. The price per share of any approved option will be determined on this day. All other details of our stock option plan will be explained to you shortly after any stock option is approved. Your entitlement to any stock options that may be approved is, of course, conditioned upon your signing of the Stock Option Agreement and is subject to its terms and the terms of the Eton Incentive Stock and Awards Plan under which the options arc granted.

Annual Performance Bonus. In addition to base salary, you will be eligible to earn discretionary incentive compensation at a total annual target amount of thirty percent (30%) of your base salary in effect during the bonus year ("Performance Bonus"), based on the achievement of corporate and/or individual performance targets to be determined and approved by the Board of Directors (the "Board") or the Compensation Committee of the Board (the "Compensation Committee"). The Performance Bonus, if earned, will be paid on an annual basis, less required payroll deductions and tax withholdings, after the close of the fiscal year and alter determination by the Board (or the Compensation Committee thereof) of the level of achievement of the applicable performance targets and metrics and the level of the Performance Bonus amount (if any). No Performance Bonus amount is guaranteed and. in addition to the other conditions for earning such Performance Bonus, you must remain an employee in good standing of the Company on the Performance Bonus payment date in order to earn any Performance Bonus. You will be eligible for a Performance Bonus for the initial year of your employment with the Company, prorated based on when your Start Date occurs.

Please let us know of your decision to join Eton Pharmaceuticals, Inc. by signing this offer letter and returning it to us no later than Monday, July 3, 2017 at 5:00 pm PST. This letter sets forth our entire agreement and understanding regarding the terms of your employment with Eton Pharmaceuticals. Inc. and supersedes all prior or contemporaneous agreements, understandings, negotiations or representations, whether oral or written, expressed or implied, on this subject. This letter may not be modified or amended except by a specific, written agreement signed by you and an authorized representative of Eton Pharmaceuticals, Inc.

Your offer and employment is contingent upon:

- Signing and abiding by the Company's Confidentiality Agreement, Arbitration Agreement and the Proprietary Information and Inventions Assignment Agreement:
- Successful completion of a routine background check by an outside agency engaged by Eton Pharmaceuticals, Inc. and its subsidiaries to conduct background and reference checking;
- Successful passage of a drug and alcohol screening test;
- Licensing or certification requirements;
- Acceptance of other company policies and procedures, including, but not limited to, our Employee Manual, Code of Business Conduct and Ethics, and Insider Trading Policy.

Your employment with Eton Pharmaceuticals, Inc. will be “at-will." This means you may resign at any time and for any reason. Likewise, the company may terminate the employment relationship at any time, with or without cause or advanced notice. In addition, Eton Pharmaceuticals, Inc. reserves the right to modify your position, duties and/or reporting relationship to meet business needs and to use its discretion in deciding on appropriate discipline. Any change to the at-will employment relationship must be by a specific, written agreement. signed by you and Eton Pharmaceuticals, Inc.

1. Severance Benefits.

(a) Severance Benefits for Covered Termination. If, beginning on or after the six (6) month anniversary of your Start Date, (A) your employment is terminated due to (1) a termination by the Company without Cause (other than as a result of your death or Disability) or (2) your resignation for Good Reason (collectively, a “**Covered Termination**”), (B) you satisfy the Release Requirement and (C) you continue to abide by the terms of your Confidential Information Agreement and the provisions of this Agreement that survive your termination, which includes non-competition provisions set forth therein (the requirements set forth in (B) and (C), the “**Severance Requirements**”), then you will receive the “**Severance Benefits**” as set forth in this Section 1(a) as your sole severance benefits, and you will not be eligible for severance benefits under any other policy, plan or agreement except to the extent required by law. Specifically, you will receive:

(i) **Severance Payments.** Severance pay in the form of continuation of your base salary at the time of your Covered Termination (but ignoring any decrease that forms the basis of your resignation for Good Reason, if applicable) for a period of six (6) months, subject

to required payroll deductions and tax withholdings (the "**Severance Payments**"). Subject to Section 2, the Severance Payments shall be made on the Company's regular payroll schedule in effect following your termination date, provided, however, that any such payments that are otherwise scheduled to be made prior to the Release Effective Date (as defined below) shall instead accrue and be made on the first regular payroll date following the Release Effective Date; and

(i) **Health Care Continuation Coverage Payments.**

(A) COBRA Premiums. If you timely elect continued coverage under COBRA, the Company will pay your COBRA premiums to continue your coverage (including coverage for your eligible dependents, if applicable) ("**COBRA Premiums")** through the period starting on the termination date and ending six (6) months after the termination date (the "**COBRA Premium Period**"); provided, however, that the Company's provision of such COBRA Premium benefits will immediately cease if during the COBRA Premium Period you become eligible for group health insurance coverage through a new employer or you cease to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event you become covered under another employer's group health plan or otherwise cease to be eligible for COBRA during the COBRA Premium Period, you must immediately notify the Company of such event. For purposes of this Section, references to COBRA premiums shall not include any amounts payable you under a Section 125 health care reimbursement plan under the Internal Revenue Code of 1986, as amended (the "**Code**").

(B) Special Cash Payments in Lieu of COBRA Premiums. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA Premiums without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), regardless of whether you or your dependents elect or are eligible for COBRA coverage, the Company instead shall pay to you, on the first day of each calendar month following the time the Company determines it cannot pay such COBRA Premiums, a fully taxable cash payment equal to the applicable COBRA premiums for that month (including the amount of COBRA premiums for your eligible dependents), subject to applicable tax withholdings (such amount, the "**Special Cash Payment**"), for the remainder of the COBRA Premium Period. You may, but are not obligated to, use such Special Cash Payments toward the cost of COBRA premiums.

(b) Severance Benefits for Covered Termination during Change in Control Period. Notwithstanding the foregoing, if your Covered Termination occurs during the period commencing one (1) month prior to the Closing of a Change in Control and ending twelve (12) months following the Closing of a Change in Control, in addition to the Severance Benefits described in Section 1(a)(ii), you shall also be eligible to receive the following, subject to satisfaction of the Severance Requirements:

(i) Equity Acceleration. The vesting and exercisability of each outstanding unvested stock option and other stock award, as applicable, that you hold covering Company common stock (each, an "**Equity Award**") shall be accelerated in full and any reacquisition or repurchase rights held by the Company in respect of common stock issued pursuant to any Equity Award granted to you shall lapse in full. For purposes of determining the number of shares that will vest pursuant to the foregoing provision with respect to any Equity

Award that vests based on performance goals for which the performance period has not ended and that has multiple vesting levels depending upon the level of performance, vesting acceleration with respect to any ongoing performance period(s) shall occur with respect to the number of shares subject to the award as if the applicable performance criteria had been attained at a 100% level or, if greater, based on actual performance as of your Covered Termination. If necessary to give effect to this Section 1(b)(i), if your Covered Termination occurs prior to a Change in Control, all of the Equity Awards you hold as of immediately prior to your Covered Termination shall remain outstanding after your Covered Termination for at least until the earlier of (i) thirty (30) days after your Covered Termination or (ii) the Closing, if sooner. Notwithstanding anything to the contrary set forth herein, your Equity Awards shall remain subject to the terms of the applicable Company plan and award documents under which such Equity Award was granted, including any provision for earlier termination of such Equity Awards.

(ii) Change in Control Severance Payments. Change in Control Severance pay in the form of (i) continuation of your base salary at the time of your Covered Termination (but ignoring any decrease that forms the basis of your resignation for Good Reason, if applicable) for a period of fifteen (15) months, subject to required payroll deductions and tax withholdings and (ii) payment of 1.25 times your targeted Performance Bonus prorated to the month of your termination of employment or resignation (collectively, the "**Change in Control Severance Payments**"). Subject to Section 2, the Change in Control Severance Payments shall be made on the Company's regular payroll schedule in effect following your termination date, provided, however, that any such payments that are otherwise scheduled to be made prior to the Release Effective Date (as defined below) shall instead accrue and be made on the first regular payroll date following the Release Effective Date.

(c) Release Requirement. To be eligible for the Severance Benefits pursuant to Sections 1(a) and 1(b) above, you must satisfy the following release requirement (the "**Release Requirement**"): return to the Company a signed and dated general release of all known and unknown claims, in such form as provided by the Company (the "**Release and Waiver**") within the applicable deadline set forth therein, and permit the Release and Waiver to become effective and irrevocable in accordance with its terms, which must occur no later than sixty (45) days following your termination date (such effective date of the Release and Waiver, the "**Release Effective Date**"). You may be asked to provide reasonable transitional services as a condition of payment of Severance Benefits.

(d) Definitions.

(i) "Affiliate" means, at the time of determination, any "parent" or "majority-owned subsidiary" of the Company, as such terms are defined in Rule 405 promulgated under the Securities Act of 1933, as amended. The Board will have the authority to determine the time or times at which "parent" or "majority-owned subsidiary" status is determined within the foregoing definition.

(ii) "Cause" means the occurrence of any one or more of the following: (i) your conviction of, or plea of no contest with respect to, any felony, or of any misdemeanor involving dishonesty or moral turpitude; (ii) your participation in a fraud or act of dishonesty (or an attempted fraud or act of dishonesty) that results in (or could result in) material harm to the

Company or its Affiliates, including but not limited to material harm to reputational interests; (iii) your violation of a fiduciary duty owed to the Company or its Affiliates; (iv) your material breach of any fully executed agreement between you and the Company or any of its Affiliates, including but not limited to this Agreement or your Confidential Information Agreement, or any applicable Company policies; (v) persistent, unsatisfactory performance or neglect of your job duties, which is not cured within ten (10) business days after you are provided written notice by the Company specifically identifying the manner of your performance or neglect (provided, that, such written notice and opportunity to cure are not required if your performance or neglect is not reasonably susceptible to being cured); (vi) your gross misconduct or material failure to comply with a written instruction of the Company; or (vii) your inability to perform your job duties for any consecutive thirty (30) day period for any reason that is not the result of death or Disability.

(iii) **"Change in Control"** means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(A) any Exchange Act Person[1] (excluding Imprimis Pharmaceuticals, Inc. and any of its Affiliates **("Imprimis")**) becomes the Owner[2], directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities or (C) solely because the level of Ownership held by any Exchange Act Person (the "**Subject Person**") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes

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[1] **"Exchange Act Person"** means any natural person, entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) an entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities. "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

[2] **"Own," "Owned," "Owner," "Ownership"** A person or entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

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

(C) the stockholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company will otherwise occur, except for a liquidation into a parent corporation; or

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

Notwithstanding the foregoing definition or any other provision of this Agreement, the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company.

(iv) "Closing" means the initial closing of the Change in Control as defined in the definitive agreement executed in connection with the Change in Control. In the case of a series of transactions constituting a Change in Control, "Closing" means the first closing that satisfies the threshold of the definition for a Change in Control.

(v) "Disability" means your inability to perform the essential functions of your position, with our without reasonable accommodation, by reason of any medically determinable physical or mental impairment, where such inability has continued for at least a period of 60 days in any consecutive 365 day period, as determined by the Company in its sole discretion.

(vi) "Good Reason" for your resignation means the occurrence of any of the following events, conditions or actions taken by the Company without Cause and without

your written consent: (i) a material reduction of your annual base salary; *provided, however*, that Good Reason shall not be deemed to have occurred in the event of a reduction in your annual base salary that is pursuant to a salary reduction program affecting substantially all of the executive employees of the Company; (ii) a material reduction in your authority, duties or responsibilities; (iii) a relocation of your principal place of employment with the Company to a place that increases your one-way commute by more than fifty (50) miles as compared to your then-current principal place of employment immediately prior to such relocation (excluding regular travel in the ordinary course of business); or (iv) a material breach by the Company of any provision of this Agreement; provided, however, that in each case above, in order for your resignation to be deemed to have been for Good Reason, you must first give the Board written notice of the action or omission giving rise to "Good Reason" within thirty (30) days after the first occurrence thereof; the Company must fail to reasonably cure such action or omission within thirty (30) days after receipt of such notice (the "**Cure Period**"), and your resignation from all positions you hold with the Company must be effective not later than thirty (30) days after the expiration of such Cure Period.

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

(e) Other. You will not be eligible for any Severance Benefits under any circumstances other than those described herein, including circumstances in which your employment is terminated by the Company for Cause, you terminate your employment for any reason at any time, or your employment terminates due to your death or Disability. In addition, if you materially breach any continuing obligations to the Company (including but not limited to any material breach of the Confidential Information Agreement and the non-competition terms) during the period of time that you are receiving any Severance benefits, you will forfeit your entitlement to any then unpaid Severance Benefits, and the Company's obligation to continue to pay or provide such Severance Benefits will immediately terminate as of the date of your material breach.

2. Section 409A. It is intended that all of the benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, an exemption from the application of Section 409A of the Code and the regulations and other guidance thereunder and any state law of similar effect (collectively "**Section 409A**"), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent no so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A, and any ambiguities herein shall be interpreted accordingly. Specifically, the benefits under this Agreement are intended to satisfy the exemptions from application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9) and each installment of severance benefits, if any, is a separate "payment" for purposes of Treasury Regulations Section 1.409A-2(b)(2)(i). However, if such exemptions are not available and you are, upon your "separation from service" with the Company (within the meaning of Treasury Regulation Section 1.409A-1(h) (without regard to any permissible alternative definition

thereunder) ("**Separation from Service**"), a "specified employee" for purposes of Section 409A, then, solely to the extent necessary to avoid adverse personal tax consequences under Section 409A, the timing of the severance benefits payments shall be delayed until the earlier of (i) six (6) months and one (1) day after your Separation from Service, or (ii) your death. Severance benefits shall not commence until you have a Separation from Service. If the severance benefits are not covered by one or more exemptions from the application of Section 409A and the Release and Waiver could become effective in the calendar year following the calendar year in which your Separation from Service occurs, the Release Effective Date will not be deemed effective, for purposes of payment of severance, any earlier than the first day of the second calendar year. Except to the minimum extent that payments must be delayed because you are a "specified employee" or until the Release Effective Date, all severance amounts will be paid as soon as practicable in accordance with this Agreement and the Company's normal payroll practices.

3. Section 280G.

(a) If any payment or benefit you would receive from the Company or otherwise in connection with a change in control of the Company or other similar transaction ("**Payment**") would (1) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (2) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment will be equal to the Reduced Amount. The "**Reduced Amoun**t" will be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax, or (y) the largest portion, up to and including the total, of the Payment, whichever amount ((x) or (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction will occur in the manner (the "**Reduction Method**") that results in the greatest economic benefit for you. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "**Pro Rata Reduction Method**").

(b) Notwithstanding the foregoing, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for you as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (e.g., being terminated without cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(c) The independent registered public accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the event described in Section 280G(b)(2)(A)(i) of the Code will perform the foregoing calculations. If the independent

registered public accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the change in control or similar transaction, the Company will appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Company will bear all expenses with respect to the determinations by such independent registered public accounting firm required to be made hereunder. The independent registered public accounting firm engaged to make the determinations hereunder will make its determination with input from you (or your counsel) and provide its calculations, together with detailed supporting documentation, to the Company and you within fifteen (15) calendar days after the date on which your right to a Payment is triggered (if requested at that time by the Company or you) or such other time as reasonably requested by the Company or you.

4. Dispute Resolution. To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with and services for the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with and services for the Company, or the termination of your employment with and services for the Company, will be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §§1-16, and to the fullest extent permitted by law, by final, binding and confidential arbitration conducted in Chicago, Illinois (or such other location as mutually agreed by the parties) by JAMS, Inc. ("**JAMS**") or its successors by a single arbitrator. ***Both you and the Company acknowledge that by agreeing to this arbitration procedure, you each waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.*** Any such arbitration proceeding will be governed by JAMS' then applicable rules and procedures for employment disputes, which will be provided to you upon request. In any such proceeding, the arbitrator shall (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision including the arbitrator's essential findings and conclusions and a statement of the award. You and the Company each shall be entitled to all rights and remedies that either would be entitled to pursue in a court of law. Nothing in this Agreement is intended to prevent either the Company or you from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration pursuant to applicable law. The Company shall pay all filing fees in excess of those that would be required if the dispute were decided in a court of law, and shall pay the arbitrator's fees and any other fees or costs unique to arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

5. Indemnification. Upon your Start Date, you shall be eligible for indemnification by the Company in your role as Executive Director, Business Development to the fullest extent as provided for pursuant to Section 8.1 of the Company's By-Laws, as may be amended and restated from time to time.

Miscellaneous. This Agreement, along with the Confidential Information Agreement, forms the complete and exclusive statement of your agreement with the Company regarding the subject matter hereof. It supersedes and replaces any other agreements or promises made to you by anyone concerning your employment terms with the Company or any Affiliate thereof, whether oral or written. This Agreement may not be amended or modified except by a written modification signed

by you and a duly authorized member of the Board, with the exception of those changes expressly reserved to the Company's discretion in this Agreement. This Agreement is governed by the laws of the state of Illinois without reference to conflicts of law principles, and it is intended to bind and inure to the benefit of and be enforceable by the Company and its successors and assigns. If any provision of this Agreement shall be held invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect the other provisions of this Agreement, and such provision will be reformed, construed and enforced so as to render it valid and enforceable consistent with the general intent of the parties insofar as possible under applicable law. With respect to the enforcement of this Agreement, no waiver of any right hereunder shall be effective unless it is in writing. Any ambiguity in this Agreement shall not be construed against either party as the drafter. This Agreement may be executed in counterparts which shall be deemed to be part of one original, and facsimile and electronic signatures shall be equivalent to original signatures. To the extent required by law, your employment with the Company will be subject to satisfactory proof of your identity and right to work in the United States.

You also must establish your identity and authorization to work as required by the Immigration Reform and Control Act of 1986 (IRCA). Enclosed is a copy of the Employment Verification Form (I-9), with instructions required by IRCA. Please review this document and bring the appropriate original documentation on your first day of work.

To indicate your acceptance of Eton Pharmaceuticals, Inc. offer of employment, on the terms and conditions set forth in this letter, please sign and date this letter in the space provided below.

We hope your employment with Eton Pharmaceuticals, Inc. will prove mutually rewarding.

Reviewed, Understood, and Accepted:

/s/ Danka Radosavljevic 07/01/2025
Danka Radosavljevic Date

Accepted by the Company:

/s/ Sean Brynjelsen 06/30/2025
Sean Brynjelsen, Chief Executive Officer Date

Exhibit 10.2

EXCLUSIVE LICENSE AGREEMENT

THIS EXCLUSIVE LICENSE AGREEMENT (this "Agreement") dated as of July 31, 2026 (the "Effective Date"), is entered into between Auson Pharmaceuticals Inc., a New Jersey corporation ("Auson"), with a place of business at 1200 Route 22 East, Suite 2000, Bridgewater, NJ 08807, and Eton Pharmaceuticals, Inc., a Delaware corporation ("Eton"), with a place of business at 21925 Field Pkwy, Suite 235, Deer Park, Illinois 60010. The parties hereby agree as follows:

1. Definitions. For the purposes of this Agreement, the following terms have their respective meanings set forth below, and grammatical variations of such terms have corresponding meanings:

1.1 "Action" means any action, cause of action, claim, complaint, charge, suit, examination, demand, inquiry, investigation, audit, indictment, litigation, hearing, mediation, arbitration or other proceeding, whether civil, criminal, administrative, judicial or investigative, formal or informal, whether at Law or in equity, and whether private or public, including by or before any Governmental Entity.

1.2 "Affiliate" means, with respect to any Person, any other Person which directly or indirectly controls, is controlled by, or is under common control with, such Person. A Person shall be regarded as in control of another Person if it owns, or directly or indirectly controls, more than fifty percent (50%) of the voting stock or other ownership interest of the other Person, or if it directly or indirectly possesses the power to direct or cause the direction of the management and policies of the other Person by any means whatsoever.

1.3 "API" means the active pharmaceutical ingredient timolol (including timolol maleate and any other salt, ester, free-base, hydrate, polymorph, or solvate form thereof).

1.4 "Auson Development Activities" means (a) all research, development, formulation, preclinical, analytical, stability, and other scientific activities performed by or on behalf of Auson or any of its Affiliates in connection with Product at any time prior to the Effective Date, and (b) any additional research, development, or other scientific activities that are reasonably necessary for the continued development, Regulatory Filing, or Registration of Product but expressly excluding the Bioavailability Study.

1.5 "Bioavailability Study" means the bioavailability study required by the FDA as a condition to NDA approval for Product, as more fully described in Section 4.2.

1.6 "cGMP" means the principles detailed in the United States Current Good Manufacturing Practices (21 C.F.R. §§200, 211).

1.7 "Commercially Reasonable Efforts" means, with respect to a party's obligations under this Agreement, the level of efforts and resources that such party would devote to a product of similar market potential, at a similar stage in its development or product life, taking into account efficacy, safety, patent and regulatory exclusivity, anticipated competitive conditions, and profitability, in each case as measured by the facts and circumstances at the time such efforts are due.

1.8 "Competitive Product" means any product (other than Product) that (a) contains the API or (b) is indicated or being developed for the treatment of infantile hemangiomas, in each case for marketing, sale, or distribution in the Territory.

1.9 "Confidential Information" means all information and data that (a) is provided by one party under this Agreement, and (b) if disclosed in writing or other tangible medium

is marked or identified as confidential at the time of disclosure to the recipient, is acknowledged at the time of disclosure to be confidential, or otherwise should reasonably be deemed to be confidential. Notwithstanding the foregoing, Confidential Information of a party shall not include that portion of such information and data which, and only to the extent, the recipient can establish by written documentation: (i) is known to the recipient as evidenced by its written records before receipt thereof from the disclosing party, (ii) is disclosed to the recipient free of confidentiality obligations by a third person who has the right to make such disclosure, (iii) is or becomes part of the public domain through no fault of the recipient, or (iv) the recipient can reasonably establish is independently developed by persons on behalf of recipient without access to or use of the information disclosed by the disclosing party. Subject to the exceptions set forth in clauses (ii) and (iii), and solely with respect to Eton, clause (iv) above, (x) the Technology and Licensed Product Assets shall be Confidential Information of both parties, and (y) the Transferred Product Assets shall be Confidential Information of Eton only.

1.10 "Contract" means any mortgage, indenture, lease, contract, covenant, arrangement, agreement, instrument, commitment, purchase order, or license.

1.11 "Derived" or "derived" means acquired, obtained, conceived, reduced to practice, developed, created, synthesized, designed, derived or resulting from, based upon or otherwise generated (whether directly or indirectly, or solely or jointly with others, or in whole or in part).

1.12 "Existing Supply Agreements" means those certain agreements, arrangements, or purchase order relationships between Auson and any contract manufacturer and/or supplier of the API with respect to the Territory listed on Schedule 1.12, as each may be amended from time to time prior to the Effective Date.

1.13 "FDA" means the Food and Drug Administration of the United States or any successor thereto.

1.14 "FDCA" means the Federal, Food Drug, and Cosmetic Act, 21 U.S.C. § 301 et seq., as amended.

1.15 "First Commercial Sale" means, with respect to Product in the Territory, the first arm's-length sale of Product by Eton or any of its Affiliates or Sublicensees to a Third Party in the Territory after Registration of such Product, but excluding any sale at or below Eton cost for compassionate use, named patient use, expanded access, treatment IND, or similar pre-commercial or non-commercial purposes.

1.16 "GAAP" means United States generally accepted accounting principles.

1.17 "Generic" means, with respect to a Product, a pharmaceutical product sold by a Third Party, not authorized by Eton, which contains the same or equivalent active pharmaceutical ingredient(s) as contained in such Product, and has the same strength, same dosage form, and is therapeutically equivalent to such Product.

1.18 "Governmental Entity" means any government, any agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether multinational, national, foreign, domestic, territorial, federal, state, municipal or local, governmental entity, quasi-governmental entity, self-regulatory organization (including any securities exchange) or any judicial or public or private arbitrational body or tribunal, court, commission, board, bureau, agency or instrumentality or any regulatory, administrative or other department, political or other subdivision or branch of any of the foregoing.

1.19 "IND" means the Investigational New Drug application filed by Auson with the United States Federal Drug Administration number 167589.

1.20 "In-License" means any license, settlement agreement or other agreement or arrangement between Auson or any of its Affiliates and any Third Party pursuant to which Auson or any of its Affiliates obtains a license or sublicense or a covenant not to sue or similar grant of rights to any patents or other intellectual property rights of such Third Party with respect to the Product, its use, or its manufacture.

1.21 "Law" means any federal, national, territorial, state, municipal or local, foreign, multi-national or domestic statute, act, law (including common law), treaty, ordinance, rule, regulation, order, writ, injunction, directive, judgment, award, code, approval, permit, decree, ruling, or other legally binding requirement, in each case, having the force and effect of law, or any similar form of decision or approval of, or determination by, or binding interpretation or administration of, any of the foregoing issued, enacted, adopted, promulgated, implemented or otherwise put in effect by or under the authority of a Governmental Entity.

1.22 "Licensed IP Rights" means the Licensed Patent Rights, the Licensed Know-How Rights and all other intellectual property rights related to the Product, its use, or its manufacture owned by, or licensed to (with the right to grant sublicenses), Auson or any of its Affiliates, whether existing as of the Effective Date or derived at any time after the Effective Date, including in the Licensed Product Assets.

1.23 "Licensed Know-How Rights" means all trade secret and other know-how rights related to the Product, its use, or its manufacture owned by, or licensed to (with the right to grant sublicenses), Auson or any of its Affiliates, whether existing as of the Effective Date or derived at any time after the Effective Date, including that relates to the Licensed Product Assets.

1.24 "Licensed Patent Rights" means, collectively, (a) all patents and patent applications owned by or licensed to (with the right to grant sublicenses), Auson or any of its Affiliates (including provisional patent applications) in any jurisdiction that claim or cover the Product, its use, or its manufacture (whether existing on or any time after the Effective Date), including those listed on Schedule 1.23, together with all divisionals, continuations and continuations-in-part that claim priority to, or common priority with, the foregoing; (b) all patents issuing therefrom (including utility models and design patents and certificates of invention); (c) all reissues, reexaminations, *inter partes* reviews, renewals, restorations, extensions and supplementary protection certificates of any of the foregoing patent applications or patents; (d) all confirmation patents, registration patents or patents of addition based on any of the foregoing patents; and (e) all foreign counterparts of any of the foregoing, or as applicable portions thereof.

1.25 "Licensed Product Assets" means the following, other than Transferred Product Assets:

1.25.1 All clinical and development data, records, reports, and results reasonably necessary or useful to make, use, offer for sale, sell, import, obtain and maintain Registrations for, and otherwise exploit the Product in the Territory;

1.25.2 All domain names and other intellectual property rights reasonably necessary or useful to make, use, offer for sale, sell, import, obtain and maintain Registrations for, and otherwise exploit the Product; and

1.25.3 All other assets reasonably necessary or useful to make, use, offer for sale, import, obtain and maintain Registrations for, and otherwise exploit the Product in the Territory.

1.26 "Net Sales" means the gross sales price of Product invoiced by Eton, its Sublicensees or its or their respective Affiliates to customers who are not Affiliates (or are Affiliates but are the end users of such Product), less, in each case determined in accordance with GAAP: (a) credits, allowances, discounts and rebates to, and chargebacks from the account of, such customers given in the ordinary course of business and consistent with industry custom and practices; (b) freight and insurance costs in transporting Product; (c) cash, quantity and trade discounts, rebates and other price reductions for Product given in the ordinary course of business and accordance with industry standards for such items; (d) sales, use, value-added and other direct taxes to the extent included in the invoiced gross sales price; (e) customs duties, tariffs, surcharges and other governmental charges incurred in exporting or importing Product; (f) any government-mandated manufacturing tax with respect to the Product, including the brand manufacturer's tax imposed pursuant to the Patient Protection and Affordable Care Act (Pub. L. No. 111148) (as amended or replaced); (g) the portion of administrative fees attributable to the Product paid during the relevant time period to group purchasing organizations, pharmaceutical benefit managers or Medicare Prescription Drug Plans; (h) costs incurred with respect to the Product in connection with patient support services, including insurance benefit investigations, co-pay assistance, and provision of free or low-cost drugs to patients; (i) an allowance for uncollectible or bad debts; and (k) any other similar and customary deductions that are consistent with the applicable party's accounting standards as consistently applied, but which may not be duplicative of the above deductions.

Net Sales will exclude Product transferred or disposed of in accordance with customary industry practices as free samples or at or below costs of goods therefor for any so-called treatment investigational new drug sales, named patient sales, expanded access program, compassionate or emergency use sales or pre-license sales made for non-commercial, compassionate purpose, or any indigent program or promotional or educational purposes.

1.27 "Orange Book–Listed Patent Right" means any Licensed Patent Right that is listed, or required to be listed, in the Orange Book with respect to Product.

1.28 "Orange Book" means the FDA publication entitled "Approved Drug Products with Therapeutic Equivalence Evaluations," as updated from time to time.

1.29 "Person" means any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity, as well as any syndicate or group of any of the foregoing.

1.30 "Product" means the pharmaceutical product containing the API in topical gel form for the treatment of infantile hemangiomas, identified as ASN001 and which is the subject of IND No. 167589, including the formulation, presentation, and concentration thereof, and all improvements, enhancements, line extensions, and modifications thereto.

1.31 "Registration" means any registration, license, permit or governmental approval or clearance from the FDA or other regulatory authority necessary for the purchase, distribution, promotion, marketing or sale of a human pharmaceutical product.

1.32 "Regulatory Filing" means any New Drug Application ("NDA") or Abbreviated New Drug Application ("ANDA"), any Investigational New Drug Application, or any other application, notification or submission made to or with the FDA or other regulatory authority for Registration of a human pharmaceutical product, together with all amendments and supplements to any of the foregoing.

1.33 "Royalty Period" means the period commencing on the First Commercial Sale of Product in the Territory and ending on the later of: (a) the fifteenth (15th) anniversary of the First Commercial Sale; and (b) the expiration of the last-to-expire Orange Book–Listed Patent Right.

1.34 "Sublicensee" means a Third Party to whom Eton has granted a sublicense, immunity or other right under the Licensed Patent Rights to offer to sell, sell or otherwise commercialize Product, provided such sublicense has not expired or been terminated.

1.35 "Specifications" means the specifications for Product mutually agreed by the parties in writing, as modified from time to time by mutual written agreement.

1.36 "Tax" or "Taxes" means any and all federal, state, local and foreign taxes, assessments and other governmental charges, duties, impositions and liabilities, including taxes based upon or measured by gross receipts, income, profits, sales, use and occupation, and value added, ad valorem, transfer, franchise, withholding, payroll, recapture, employment, excise and property taxes as well as public imposts, fees and social security charges (including but not limited to health, unemployment and pension insurance), together with all interest, penalties and additions imposed with respect to such amounts and any obligation under any agreement or arrangement with any other Person with respect to such amounts and including any liability for taxes of a predecessor entity.

1.37 "Technology" means (a) Product, (b) all compositions, components and formulations thereof, (c) all uses and methods of manufacture of the foregoing, and (d) all other discoveries, inventions (whether or not protectable under patent laws), designs, developments, works of authorship, data, information, compositions, formulae, procedures, protocols, techniques, results of experimentation and testing and other technology reasonably necessary or useful to make, use, offer for sale, sell, import, obtain and maintain Registrations for, and otherwise exploit Product in the Territory, whether existing as of the Effective Date or derived at any time after the Effective Date.

1.38 "Territory" means Canada and the United States, together with their respective possessions and territories.

1.39 "Territory-Specific IP Rights" means all Licensed Patent Rights within the Territory.

1.40 "Third Party" means any Person other than Eton, Auson or their respective Affiliates.

1.41 "Trademarks" means registered and unregistered trademarks, trade names, designs, logos and markings of any kind.

1.42 "Transferred Product Assets" means the following:

1.42.1 All Regulatory Filings for Product in the Territory, and all correspondence and communications received from a regulatory authority related to Product in the Territory;

1.42.2 All clinical and development data, records, reports, and results specific to Product; and

1.42.3 All inventory, inputs, raw materials, registration batches, stability samples, and related materials specific to the Product in the Territory owned or controlled by Auson or any of its Affiliates, including all samples and batches undergoing stability testing.

1.43 "Valid Claim" means a claim of an issued and unexpired patent included within the Licensed Patent Rights, which has not been held permanently revoked, unenforceable or invalid by a

decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been admitted to be invalid or unenforceable through reissue or disclaimer or otherwise.

1.44 "Valid Condition" means any FDA-imposed clinical hold on the IND for Product, any delay outside Eton's reasonable control (including any regulatory delay or inability to obtain Product), or any Force Majeure Event.

2. Representations and Warranties.

2.1 By Each Party. Each party represents and warrants to the other party as follows:

2.1.1 Such party is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized.

2.1.2 Such party (a) has the requisite power and authority and the legal right to enter into this Agreement and to perform its obligations hereunder, and (b) has taken all necessary action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered on behalf of such party and constitutes a legal, valid, binding obligation, enforceable against such party in accordance with its terms.

2.1.3 All necessary consents, approvals and authorizations of all governmental authorities and other Persons required to be obtained by such party in connection with this Agreement have been obtained.

2.1.4 The execution and delivery of this Agreement and the performance of such party's obligations hereunder (a) do not conflict with or violate any requirement of applicable laws or regulations, and (b) do not conflict with, or constitute a default under, any contractual obligation of it. Neither party, its Affiliates, its (sub)contractors, nor any of its or their officers, directors, employees or consultants, have been debarred by the FDA or other applicable governing health authority (or authorities), under any existing or prior law or regulation.

2.2 By Auson. Auson represents, warrants and covenants to Eton as follows:

2.2.1 Auson has good, valid and marketable title to each of the Transferred Product Assets, and each of the Transferred Product Assets is owned solely by Auson, free and clear of any claims and encumbrances. The tangible assets included in the Transferred Product Assets are (a) maintained in accordance with normal industry practice and (b) in good operating condition and repair (subject to normal wear and tear). Each of the Transferred Product Assets owned or purported to be owned by Auson prior to the Effective Date will be owned solely by Eton immediately following the Effective Date.

2.2.2 Auson has the right to grant to Eton the rights and licenses purported to be granted hereunder, including under the Licensed IP Rights and with respect to the Licensed Product Assets. Each of the Licensed Product Assets and Licensed IP Rights purported to be licensed hereunder will be licensed to Eton immediately following the Effective Date as fully contemplated herein.

2.2.3 As of the Effective Date, there are no In-Licenses.

2.2.4 Neither Auson nor any of its Affiliates shall transfer, convey or assign any of the Licensed IP Rights to any Person unless such Person validly and enforceably agrees in writing

to the applicable terms and conditions of this Agreement, and Auson shall promptly notify Eton in writing of any transfer, conveyance or assignment of any of the Licensed IP Rights.

2.2.5 All data, information, results of experimentation and testing provided by Auson to the FDA or to Eton regarding the Product are accurate and complete in all material respects.

2.2.6 All Licensed Patent Rights are listed on Schedule 2.2.6.

2.2.7 All Licensed IP Rights and all Transferred Product Assets are currently in compliance with applicable legal requirements (including payment of filing, examination and maintenance fees), and are not subject to any unpaid maintenance fees or Taxes or actions falling due within ninety (90) days after the Effective Date. To the knowledge of Auson, all of the Licensed Patent Rights are valid, subsisting, and enforceable. To the knowledge of Auson, there are no facts that could give rise to any claim challenging the foregoing. Except as set forth on Schedule 2.2.7, no Third Party has challenged or has threatened to challenge Auson's ownership or license rights in, to or under Product or the Technology, or the validity, enforceability, or claim construction of any of Licensed Patent Rights, nor, to the knowledge of Auson, are there any facts which could give rise to any such challenge.

2.2.8 Auson shall perform its obligations hereunder in accordance with all applicable Laws (including cGMP and all applicable FDA or other regulatory authority requirements) and generally accepted industry standards for such actions.

2.2.9 The Auson Development Activities have been and shall be performed in a professional and workmanlike manner in accordance with applicable industry standards. Without limiting the foregoing, (a) all Auson Development Activities (including all preclinical studies, formulation development, analytical testing, and stability testing) have been and shall be conducted in accordance with all applicable Laws, cGMP, good laboratory practices, and all applicable study protocols; (b) all data, results, and reports generated in connection with the Auson Development Activities are and shall be accurately reported, complete, and not misleading in any material respect; and (c) no data, results, or reports generated in connection with the Auson Development Activities have been or shall be manipulated, fabricated, or selectively reported to create false impression of results.

2.2.10 All registration batches, stability samples, and related materials included in the Transferred Product Assets (a) have been manufactured, stored, and maintained in accordance with all applicable Laws (including cGMP and applicable ICH guidelines), applicable study protocols, and all applicable FDA requirements and (b) are in good condition and have not been adulterated, contaminated, tampered with, or otherwise compromised. Auson has not taken or failed to take any action that would compromise the integrity or validity of any stability study or other testing program relating thereto.

2.2.11 To the knowledge of Auson, neither Product nor use in accordance with its current indications thereof infringes, misappropriates or otherwise violates the intellectual property rights of any Third Party.

2.2.12 There is no claim, action, suit, proceeding or investigation (or any counter or cross-claim in an action brought by or on behalf of Auson), whether at law or in equity, or before or by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or before any arbitrator of any kind, that is pending or, to Auson's knowledge, threatened, against Auson, which (a) could reasonably be expected to adversely affect Auson's ability to perform its obligations under this Agreement or complete any of the transactions contemplated hereby; or (b) involves the possibility of any judgment or liability, or which may become a claim, against the Product or the business related to commercial exploitation of the Product.

2.2.13 Auson is in compliance with all, and is not in violation of any, law, ordinance, order, decree, rule or regulation of any governmental agency or authority, the violation of or noncompliance with which could have a material adverse effect on Auson or the commercial exploitation of the Product. No unresolved (a) charges of violations of Laws or regulations relating to Auson's business have been made or threatened; (b) proceedings or investigations relating to Auson's business are pending or have been threatened; and (c) citations or notices of deficiency have been issued or have been threatened, against Auson relating to or arising out of its business with respect to the Product by any Governmental Entities.

2.1.14 Auson has all required licenses, franchises, permits, concessions, exemptions, orders, certificates, registrations, re-registrations, applications, consents, approvals, qualifications or other similar authorizations and has complied with all directives issued by applicable Governmental Entities necessary for Auson to conduct the development activities and regulatory submissions related to Product that have been conducted or made as of the Effective Date (the "Permits"). The IND for Product is valid and in full force and effect, and the IND will not be terminated as a result of the transactions contemplated by this Agreement. Auson is in compliance with all requirements, conditions, and upkeep for the IND and all other Permits. All Regulatory Filings used in connection with any and all requests for the IND or any other Permit, when submitted to the FDA or any other Governmental Entity, were true, correct, and complete as of the date of submission, and any updates, changes, corrections or modifications with respect to such Regulatory Filings, required under applicable Laws have been submitted to the FDA or other relevant Governmental Entity.

2.2.15 Product, to the extent manufactured or distributed for development or clinical purposes, is not and has not been adulterated or misbranded as defined by the FDCA and its implementing regulations, and complies and has complied with all applicable Regulatory Filings and applicable Law and policies and guidance documents (e.g., Guidance to Industry) issued by the FDA and any other Governmental Entity with respect to processing, storing, developing, manufacturing, and distributing of Product.

2.2.16 There have been no recalls, field corrections, clinical holds, market withdrawals, or suspensions conducted by or on behalf of Auson or imposed by the FDA or any other Governmental Entity concerning Product, whether voluntary or otherwise. Auson has provided true, correct and complete copies of all applications, approvals, written notices of inspectional observations, establishment inspection reports, and any other material correspondence received from any Governmental Entity, including the FDA, with respect to Product. There is not, and has not been, any notice of any adverse inspection, finding of deficiency, finding of non-compliance, FDA Form 483 observation, warning letter, untitled letter, or other compliance or enforcement action from or by any Governmental Entity relating to Product or any facility at which Product has been manufactured or stored.

2.2.17 Auson has not received any claim, complaint, or communication, whether written or oral, (a) alleging that Product failed to meet its specifications set forth in applicable Regulatory Filing or Specifications, or (b) alleging that Product received by such Person was of poor or substandard quality or incomplete upon receipt.

2.2.18 Auson is not party to any corporate integrity agreements, monitoring agreements, consent decrees, settlement orders, or similar material agreements with or imposed by any Governmental Entity. Auson has not committed any act, made any statement or failed to make any statement that would reasonably be expected to provide a basis for the FDA to invoke its policy with respect to "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," as set forth in 56 Fed. Reg. 46191 (Sept. 10, 1991) and any amendments thereto, or a similar policy enforced by any other Governmental

Entity. Neither Auson nor any director, officer, employee, or agent thereof has been convicted of any crime or engaged in any conduct for which debarment is mandated by 21 U.S.C. § 335a(a) or any similar Law.

2.2.19 Schedule 2.2.19 lists the Contracts to which Auson is a party as of the date hereof which arise out of or relate to the development, manufacture or supply of Product (the "Material Contracts"), including the Existing Supply Agreements. True, correct and complete copies of each Material Contract (in each case, including all amendments and supplements thereto) have been made available to Eton. Auson is not in violation of or in default under (nor, to the knowledge of Auson, are there any existing conditions which with either the passage of time or giving of notice or both would cause such a violation or default under) any such Material Contract. Each such Material Contract is in full force and effect, and is a legal, valid and binding obligation of Auson, and to the knowledge of Auson, each of the other parties thereto, and is enforceable in accordance with its terms. Auson has not received notice that it is in violation or breach of or in default under any such Material Contract. Except as set forth on Schedule 2.2.19, no such Material Contract has a provision that would require consent, notice, or the payment of money or transfer of property as a result of the transactions contemplated herein.

2.2.20 The representations and warranties made by Auson in this Agreement and the schedules to be delivered pursuant to this Agreement do not contain any untrue statement of material fact or omit to state a material fact necessary to make any of them in the light of the circumstances in which they were made, not misleading.

2.2.21 Auson has not retained or used the services of an agent, finder, or broker in connection with the transactions contemplated by this Agreement.

2.3 By Eton. Eton represents, warrants and covenants to Auson as follows:

2.3.1 Eton shall perform its obligations hereunder in accordance with all applicable Laws (including cGMP and all applicable FDA or other regulatory authority requirements) and generally accepted industry standards for such actions.

2.3.2. There is no claim, action, suit, proceeding or investigation (or any
counter or cross-claim in an action brought by or on behalf of Eton, whether at law or in equity, or before or by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or before any arbitrator of any kind, that is pending or, to Eton's knowledge, threatened, against Eton, which (a) could reasonably be expected to adversely affect Eton's ability to perform its obligations under this Agreement or complete any of the transactions contemplated hereby; or (b) involves the possibility of any judgment or liability, or which may become a claim, against the Product or the business related to commercial exploitation of the Product.

2.3.3 Eton is in compliance with all, and is not in violation of any, law, ordinance, order, decree, rule or regulation of any governmental agency or authority, the violation of or noncompliance with which could have a material adverse effect on Eton or the commercial exploitation of the Product. No unresolved (a) charges of violations of Laws or regulations relating to Eton's business have been made or threatened; (b) proceedings or investigations relating to Eton's business are pending or have been threatened; and (c) citations or notices of deficiency have been issued or have been threatened, against Eyon relating to or arising out of its business by any Governmental Entities that would have a material impact on Eton's performance of its obligations hereunder and commercialization of Products in the Territory.

2.3.4 Eton has all required licenses, franchises, permits, concessions, exemptions, orders, certificates, registrations, re-registrations, applications, consents, approvals,

qualifications or other similar authorizations and has complied with all directives issued by applicable Governmental Entities necessary for Eton to conduct the development activities and regulatory submissions related to Product that Eton undertakes herein to perform.

2.3.5 Eton is not party to any corporate integrity agreements, monitoring agreements, consent decrees, settlement orders, or similar material agreements with or imposed by any Governmental Entity. Eton has not committed any act, made any statement or failed to make any statement that would reasonably be expected to provide a basis for the FDA to invoke its policy with respect to "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," as set forth in 56 Fed. Reg. 46191 (Sept. 10, 1991) and any amendments thereto, or a similar policy enforced by any other Governmental Entity. Neither Eton nor any director, officer, employee, or agent thereof has been convicted of any crime or engaged in any conduct for which debarment is mandated by 21 U.S.C. § 335a(a) or any similar Law.

2.3.6 Eton has and throughout the Term will continue to have the technical expertise, experience and personnel necessary to develop, market, commercialize and manufacture Product in the manner contemplated by this Agreement.

2.3.7 No contracts, commitments or agreements of any nature exist, and none will be entered into by Eton during the Term, that impair or inhibit the ability of Eton to perform its obligations hereunder.

2.3.8 All Product marketed, sold, manufactured or supplied by Eton during the Term shall not be misbranded or adulterated under the Laws in the Territory. All Product manufactured by or for Eton shall comply with Product specifications and be manufactured, filled, tested, packaged and stored in accordance with Product Registration and all applicable GMPs, and Laws in the Territory.

2.3.9 Eton shall comply with all applicable Laws in the Territory relating the advertising, sale, and other marketing activities concerning Product and its obligations hereunder.

2.3.10 Eton shall throughout the Term, at its expense, obtain and maintain any and all licenses, permits, orders, applications and consents required by the Regulatory Authorities in the Territory to store, market, sell and distribute Product and perform its obligations under this Agreement.

2.3.11 Eton has not retained or used the services of an agent, finder, or broker in connection with the transactions contemplated by this Agreement.

2.4 DISCLAIMER OF WARRANTIES. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN SECTION 2, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE TECHNOLOGY, THE PRODUCT OR ANY OTHER MATTER, INCLUDING ANY REPRESENTATION OR WARRANTY REGARDING MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT.

3. Transfer of Assets.

3.1 Transferred Product Assets. Subject to the terms and conditions of this Agreement, Eton hereby agrees to, and hereby does, purchase from Auson, and Auson hereby agrees to, and hereby does, sell, convey, transfer, and assign to Eton, on the Effective Date, all of Auson's right, title and interest in and to the Transferred Product Assets. To the extent necessary to comply with applicable privacy laws, Auson shall have the right to redact patient identifying information from any data or information transferred

to Eton. On the Effective Date, Auson shall deliver to Eton all Transferred Product Assets and all Licensed Product Assets (or copies thereof, as applicable).

3.2 No Assumption of Liabilities. Eton shall not be obligated to assume or perform and is not assuming or performing any liabilities or obligations of Auson which relate to Auson's ownership of the Transferred Product Assets prior to the Effective Date, to Auson's use or exploitation of the Technology (including commercialization of Product), or otherwise, whether known or unknown, fixed or contingent, certain or uncertain, and regardless of when they are or were asserted, and Auson shall remain responsible for and shall promptly pay such liabilities.

3.3 Transfer Documents. The sale, conveyance, transfer, and assignment of the Transferred Product Assets may be further evidenced by the due execution and delivery by the parties of any additional bills of sale, assignment, or other title transfer documents and instruments as reasonably requested by Eton, and Auson shall promptly execute and deliver such documents and instruments.

3.4 Document Handover and Deficiency Cure. Within ninety (90) days following Eton's receipt of the Transferred Product Assets, Eton shall have the right to review the delivered materials and notify Auson in writing of any material deficiencies or omissions. Upon receipt of any such deficiency notice, Auson shall use Commercially Reasonable Efforts to cure such deficiency within thirty (30) days.

4. Development and Registration.

4.1 Auson Development. Auson shall be responsible for and shall perform the Auson Development Activities at its own expense, but with the total expense limit of $500,000, and in accordance with this Agreement, cGMP and all applicable Laws. Auson shall keep Eton reasonably informed of its progress in performing the Auson Development Activities. Without limiting the generality of the foregoing, following the end of each calendar quarter, Auson shall prepare and provide Eton with a reasonably detailed written report describing in detail its progress in performing the Auson Development Activities sufficient to enable Eton to understand and monitor Auson's diligence and the results thereof, through such date of such report. When requested by Eton, Auson shall provide reasonable assistance to Eton in connection with the preparation and submission of the NDA until Registration of Product.

4.2 Bioavailability Study.

4.2.1 Eton shall be responsible for the management and expense of the Bioavailability Study. Eton shall conduct the Bioavailability Study in accordance with this Agreement, the applicable protocol, cGMP, and all applicable Laws.

4.2.2 Auson shall provide Eton with all data and a full right of reference regarding any previously conducted studies related to Product.

4.2.3 Auson shall have the right to monitor the Bioavailability Study and to utilize the data therefrom for regulatory filings and development activities outside the Territory. Eton shall keep Auson reasonably informed of its progress in conducting the Bioavailability Study.

4.2.4 If Eton elects not to initiate the Bio Bioavailability Study within nine (9) months after the Effective Date without a Valid Condition preventing such initiation, Auson shall have the right to terminate this Agreement upon written notice to Eton.

4.3 Registration.

4.3.1 Eton shall be solely responsible for preparing and submitting the NDA for Product in the Territory in its own name. Eton shall pay the NDA filing fee.

4.3.2 Auson shall have the right to review the NDA filing package and provide comments thereon. Eton shall provide Auson with a draft of the NDA filing package reasonably in advance of submission to the FDA and shall consider Auson's comments in good faith, provided that Eton shall have final decision-making authority with respect to the content and timing of all Regulatory Filings in the Territory.

4.3.3 When requested by Auson, Eton shall provide Auson with copies of such Regulatory Filings, clinical data, and other documents relating to Product in the Territory as are reasonably necessary to support Auson's or its partners' regulatory filings for Product outside the Territory.

4.3.4 Eton shall own, and Auson hereby assigns to Eton, all right, title and interest in and to any and all Regulatory Filings and Registrations for Product in the Territory. Eton shall have the exclusive right (a) to prepare, file, prosecute, submit and control all Regulatory Filings for Product in the Territory; (b) to interact and communicate with the FDA and other regulatory authorities in the Territory regarding Regulatory Filings and Registration of Product; (c) to collect information on the adverse effects of Product and report the same to the FDA and other regulatory authorities in the Territory; and (d) to coordinate and control any recall of Product in the Territory and reporting relevant
information to the FDA and other regulatory authorities. Eton shall consider in good faith the interests of Auson in doing so. Auson shall assist Eton, upon request, in connection therewith.

4.3.5 Promptly after the Effective Date (but in no event more than two (2) business days thereafter), Auson shall electronically submit through the FDA's electronic gateway a letter notifying the FDA of the transfer of the Regulatory Filings of Product in the Territory, in the form as mutually agreed by the parties prior to the Effective Date, and Auson shall provide a copy of such letter to Eton. Promptly after Auson has submitted such letter, Eton shall submit through the FDA's electronic gateway a letter notifying the FDA of its acceptance of the transfer of such Regulatory Filings, in the form as mutually agreed by the parties prior to the Effective Date. Auson hereby grants to Eton a full right of reference to all Regulatory Filings and data submitted by or on behalf of Auson to the FDA with respect to Product.

4.3.6 Auson shall keep Eton reasonably informed regarding all Regulatory Filings and Registrations for Product outside the Territory. Without limiting Auson's obligations under Section 4.4, Auson shall promptly notify Eton in writing of any safety signal, regulatory action, or other material regulatory development outside the Territory that could reasonably be expected to affect the development, Registration, manufacture, or commercialization of Product in the Territory.

4.4 Pharmacovigilance and Quality.

4.4.1 Each party shall maintain an effective system for the review, evaluation and reporting of Product complaints and adverse drug experiences, as defined in 21 C.F.R. §314.80(a) and as required under applicable law.

4.4.2 Each party shall promptly (but in any event within three (3)
business days) advise the other of any safety or toxicity problem of which either party becomes aware regarding Product. Auson shall, as soon as reasonably practicable but in any event within forty-eight (48) hours following notification to Auson, inform Eton in the event of any FDA or other regulatory inspection relating

to Product and shall immediately (but in any event within one (1) business day) notify Eton in writing of any adverse event relating to Product.

4.4.3 Upon either party's request, the parties shall negotiate and enter into a written, commercially reasonable pharmacovigilance agreement and/or quality agreement for Product.

5. Manufacturing Transition.

5.1 Introduction to Suppliers. Promptly following the Effective Date, and in any event within sixty (60) days of the Effective Date, Auson shall (a) introduce Eton to each supplier and contract manufacturer party to the Existing Supply Agreements, (b) facilitate Eton's negotiation of direct supply agreements with each such supplier and contract manufacturer, and (c) provide Eton with all relevant manufacturing documentation, specifications, batch records, and other information reasonably necessary for Eton to establish a direct supply relationship with each such supplier and contract manufacturer.

5.2 Transition Cooperation. Auson shall cooperate with Eton and the applicable suppliers and contract manufacturers to effect an orderly transition of the supply relationship, including by (a) providing introductions and facilitating communications between Eton and each contract manufacturer; (b) transferring all relevant manufacturing documentation, batch records, stability data, and specifications; (c) providing such technology transfer and technical assistance as Eton reasonably requests; and (d) making available to Eton all inventory, raw materials, and work-in-progress related to Product.

5.3 Interim Supply Arrangement. If Eton is unable to establish a direct supply agreement with any supplier or contract manufacturer party to the Existing Supply Agreements, Auson shall, upon Eton's written request, place purchase orders with such supplier or contract manufacturer on Eton's behalf for the supply of Product or any component thereof. Auson shall pass through all costs associated with such purchase orders to Eton at cost, without markup, and Eton shall reimburse Auson for all such costs within thirty (30) days of receipt of an invoice therefor, together with reasonable supporting documentation.

5.4 Non-Interference. Auson shall not, directly or indirectly, take any action that interferes with, impedes, or is intended to discourage any supplier or contract manufacturer party to the Existing Supply Agreements from entering into a direct supply agreement with Eton for the manufacture or supply of Product or any component thereof in the Territory.

5.5 Maintenance of Supplier Relationships. From and after the Effective Date and until such time as Eton has established direct supply agreements with each supplier and contract manufacturer party to the Existing Supply Agreements (or Eton confirms in writing that it no longer requires Auson to maintain such relationship), Auson shall continue to conduct business with each such supplier and contract manufacturer in the manner in which Auson conducted business with such supplier or contract manufacturer prior to the Effective Date.

5.6 Branding. Eton shall have the sole right to determine all Trademarks used in connection with the promotion, marketing and sale of Product in the Territory, and Eton shall own all such Trademarks.

5.7 Access to Development Records. Without limiting Eton's rights under Sections 3.4 and 8.1:

5.7.1 Auson shall make available to Eton or its representatives upon request all documentation, records, raw data, specimens, protocols, reports, and other work product relating to the

Auson Development Activities, including all development records, preclinical study data, formulation records, analytical testing data, and stability data related to Product.

5.7.1 Auson shall preserve and maintain all records and documentation relating to the Auson Development Activities for a period of no less than seven (7) years following the Effective Date (or longer if required by applicable Law) and shall make such records available to Eton upon reasonable request.

5.7.2 Eton shall have the right to conduct audits of Auson's records relating to the Auson Development Activities for Auson's compliance with the terms and conditions of this Agreement, upon reasonable advance notice and during normal business hours.

5.7.3 No review or audit conducted by Eton under this Section shall relieve Auson of any liability for any deficiency in the Auson Development Activities or for Auson's failure to meet its obligations under this Agreement.

6. Commercialization.

6.1 Grant of Rights. Subject to the terms and conditions of this Agreement, Auson hereby grants to Eton an exclusive (even as to Auson) right and license (with the right to grant sublicenses through multiple tiers) under the Licensed IP Rights (a) to research, develop, make, have made, use, offer for sale, sell, import, or otherwise exploit, commercialize or dispose of Product in the Territory and (b) to make or have made Product worldwide for use, offering for sale, sale, importation or other exploitation, commercialization or disposition of Product in the Territory. Subject to the satisfaction of Auson's obligations hereunder and obtaining applicable Registration(s) for Product, Eton shall use Commercially Reasonable Efforts to commercialize Product in the Territory.

6.2 Sublicenses. The licenses granted under this Agreement include the right of Eton to freely engage its Affiliates and Third Parties in exercising such rights and in carrying out its activities and obligations under this Agreement, in each case subject to the terms and conditions of this Agreement. Any Sublicense granted by Eton under this Agreement (directly or indirectly through an Affiliate of Eton) to a Third Party shall be (a) in writing and (b) consistent with the applicable terms and conditions of this Agreement (i.e., not materially limit or otherwise materially impact the other Party's rights or obligations under this Agreement). Both Parties shall be fully responsible for compliance with and any breach of this Agreement by any of their respective Affiliates and/or Sublicensees. Eton will provide Auson with notice of any Sublicense agreement entered into by Eton or any of its Affiliates, and any material amendment thereto, within fifteen (15) days of its execution. For the avoidance of doubt, the engagement by Eton or its Affiliates of subcontractors, consultants, contract manufacturers, contract research organizations, or other service providers to perform activities on behalf of Eton in connection with this Agreement shall not constitute a sublicense hereunder, and such engagements shall not be subject to the notice or other requirements applicable to Sublicenses under this Section.

6.3 Auson Assistance. At Eton's reasonable request and Eton cost, Auson shall provide such documents and instruments and take such other actions to facilitate Eton's commercialization of Product hereunder, including assistance with supply chain logistics.

7. Financial Terms.

7.1 Upfront Payment. Within thirty (30) days after the Effective Date, Eton shall pay to Auson an upfront fee of three million dollars ($3,000,000).

7.2 Milestone Payments. During the Term, upon the first achievement of any of the following milestone events, Eton shall provide written notice thereof to Auson and pay to Auson the corresponding one-time milestone payment. The milestone payment for the first milestone event set forth below shall be due within thirty (30) days following the date of achievement of such milestone event. The milestone payment for each subsequent milestone event shall be due within sixty (60) days following the end of the calendar year in which such milestone event is first achieved. In the event that Eton fails to pay any amount due hereunder within the sixty (60) day period specified above, Eton shall pay late payment interest on such overdue amount at a rate equal to the lesser of (a) one percent (1%) per month and (b) the maximum rate permitted under applicable Law, in each case calculated from the day immediately following the expiration of said sixty (60) day period up to and including the date of actual payment in full.

Milestone Event	**Milestone Payment**
First Commercial Sale of Product after FDA Approval	$5,000,000
First Calendar Year in which aggregate annual Net Sales in the Territory of Product meet or exceed $20,000,000	$1,000,000
First Calendar Year in which aggregate annual Net Sales in the Territory of Product meet or exceed $40,000,000	$2,500,000
First Calendar Year in which aggregate annual Net Sales in the Territory of Product meet or exceed $80,000,000	$5,000,000
First Calendar Year in which aggregate annual Net Sales in the Territory of Product meet or exceed $150,000,000	$10,000,000
First Calendar Year in which aggregate annual Net Sales in the Territory of Product meet or exceed $280,000,000	$10,000,000

7.3 Royalties .

7.3.1 Subject to the terms and conditions of this Agreement, Eton shall pay to Auson royalties equal to the following percentage of Net Sales in the Territory during the Royalty Period by Eton, its Sublicensees and their respective Affiliates.

Portion of Cumulative Aggregate Net Sales of Product in the Territory	**Royalty Rate**
Less than or equal to $200,000,000	10%
Greater than $200,000,000 but less than or equal to $400,000,000	13%
Greater than $400,000,000	15%

7.3.2 If, during the Term, the manufacture, use, offer for sale, sale or import of Product in the territory in which manufactured, used, offered for sale, sold or imported would not infringe a Valid Claim (if such Valid Claim were in an issued patent and not licensed hereunder), then the royalty

rate under Section 7.3.1 for Product shall be reduced by two (2) percentage points (e.g., a royalty rate of 10% would be reduced to 8%).

7.3.3 If, during any calendar quarter during the Term, Net Sales of Product in the Territory decline by twenty percent (20%) or more compared to the average quarterly Net Sales of Product in the Territory (evaluated over the four (4) calendar quarters immediately preceding the first commercial sale of a Generic of Product in the Territory) as a result of one or more Generics of Product, as reasonably demonstrated by Eton, then the royalty rate for Product shall be reduced to the greater of (a) fifty percent (50%) of the royalty rate before giving effect to this Section 7.3.3 and (b) seven percent (7%).

7.3.4 If Eton, its Sublicensees or its or their respective Affiliates is required to pay royalties to any Third Party in order to make, have made, use, sell, offer to sell or import Product, then Eton shall have the right to credit twenty five percent (25%) of such Third Party royalty payments against the royalties owing to Auson under Section 7.3.1, provided, however, that (a) such credit shall not exceed fifty percent (50%) of the royalties otherwise payable to Auson for the applicable calendar quarter, and (b) Eton shall provide Auson with a true and complete copy of the relevant Third Party license agreement evidencing such required royalty payment (provided that Eton may redact therefrom any information not reasonably necessary to evidence the existence and amount of such required royalty payment).

7.3.5 Beginning with the third Calendar Year after First Commercial Sale of Product, Eton shall be responsible to Auson for a minimum annual royalty of [information redacted], (the "Minimum Annual Royalty"); provided, however, that the Minimum Annual Royalty obligation shall not apply with respect to any Calendar Year if the cumulative aggregate royalty payments paid by Eton to Auson under Section 7.3.1 from the Effective Date through the end of such Calendar Year exceed [information redacted]. If Eton fails to satisfy the Minimum Annual Royalty for any Calendar Year in which such obligation applies (i.e., the total Royalty payments paid by Eton to Auson for such Calendar Year pursuant to Section 7.3.1 is less than the Minimum Annual Royalty), then Auson shall provide written notice of such shortfall to Eton, and Eton shall have ninety (90) days thereafter to cure such shortfall by paying to Auson the difference between the Minimum Annual Royalty and the actual royalty payments made for such Calendar Year. If Eton fails to cure such shortfall within such ninety (90)-day period, then the license granted by Auson to Eton under Section 6.1 shall thereupon automatically become nonexclusive without the need for any action or notice by any Person, and, accordingly, Auson shall have the non-exclusive right to make, have made, use, offer for sale, sell, import, or otherwise exploit, commercialize or dispose of Product in the Territory.

7.4 Reports and Payments. Within forty-five (45) days after the end of each calendar quarter during the Royalty Period, Eton shall deliver to Auson a report showing for such calendar quarter (a) the calculation of Net Sales for such calendar quarter and (b) the payments due under this Agreement for Net Sales in such calendar quarter. Eton shall remit the total payments due during such calendar quarter at the time such report is made. Payment in whole or in part may be made in advance of such due date. No such reports or payments shall be due for any Product before the First Commercial Sale of such Product. In the event that Eton fails to pay any amount due hereunder within the forty-five (45) day period specified above, Eton shall pay late payment interest on such overdue amount at a rate equal to the lesser of (a) one percent (1%) per month and (b) the maximum rate permitted under applicable Law, in each case calculated from the day immediately following the expiration of said forty-five (45) day period up to and including the date of actual payment in full.

7.5 Withholding Taxes. Eton shall be entitled to deduct the amount of any withholding taxes, value-added taxes or other taxes, levies or charges with respect to such amounts payable by Eton, its Sublicensees or its or their respective Affiliates, or any taxes required to be withheld by Eton, its

Sublicensees or its or their respective Affiliates, to the extent Eton, its Sublicensees or its or their respective Affiliates pay to the appropriate governmental authority on behalf of Auson such taxes, levies or charges. Eton shall use reasonable efforts to minimize any such taxes, levies or charges required to be withheld on behalf of Auson by Eton, its Sublicensees or its or their respective Affiliates. Eton promptly shall deliver to Auson proof of payment of all such taxes, levies and other charges, together with copies of all communications from or with such governmental authority with respect thereto.

7.6 Audits.

7.6.1 Upon the written request of a party (the "Auditing Party") and not more than once in each calendar year, the other party shall permit an independent certified public accounting firm of nationally recognized standing selected by the Auditing Party and reasonably acceptable to the other party, at the Auditing Party's expense, to have access during normal business hours to such of the financial records of the other party as may be reasonably necessary to verify the accuracy of any invoices, royalty reports, or other financial records of any amounts owed hereunder for the eight (8) calendar quarters immediately prior to the date of such request (other than records for which the Auditing Party has already conducted an audit under this Section).

7.6.2 If such accounting firm concludes that additional amounts were owed during the audited period, the other party shall pay such additional amounts within forty-five (45) days after the date the Auditing Party delivers to the other party such accounting firm's written report so concluding. The fees charged by such accounting firm shall be paid by the Auditing Party; provided, however, to the extent the auditor determines an underpayment discrepancy greater than five percent (5%), then the other party shall pay the reasonable fees and expenses charged by such accounting firm.

7.6.3 The Auditing Party shall cause its accounting firm to retain all financial information subject to review under this Section 7.6 in strict confidence; provided, however, that the other party shall have the right to require that such accounting firm, prior to conducting such audit, enter into an appropriate and reasonable non-disclosure agreement with the other party regarding such financial information. The accounting firm shall disclose to the Auditing Party only whether the amounts are correct or not and the amount of any discrepancy. No other information shall be shared. The Auditing Party shall treat all such financial information as the other party's Confidential Information (as defined below), and shall not disclose such financial information to any Third Party or use it for any purpose other than as specified in this Section 7.6.

7.7 Transfer Taxes. All transfer, sales, use, registration, documentary, stamp, duty, conveyance, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other documents and instruments contemplated hereby, if any, shall be borne and paid by Auson when due. Unless otherwise required by applicable Law, Auson shall, at its own expense, timely file any Tax return or other document with respect to such Taxes or fees (and Eton shall cooperate with respect thereto as necessary).

8. Post-Effective Date Covenants.

8.1 Preservation of Records. The parties shall preserve and keep the records held by it relating to Product for a period of seven (7) years following the Effective Date (or longer if required by applicable Law) and shall make such records (or copies) and reasonably appropriate personnel available, at reasonable times and upon reasonable advance notice, as may be reasonably required by either Party in connection with any insurance claims by or against, actions by or against, Tax audits against, governmental investigations of, or compliance with applicable Laws by, Eton, in each case, at requesting party's sole cost and expense.

8.2 Non-Competition.

8.2.1 Without the permission from Eton, during the Term, to the greatest extent permissible under applicable Law, neither Auson nor its Affiliates shall, directly or indirectly, whether by itself or through any other Person, (a) research, develop, manufacture, submit Regulatory Filings for, market, solicit orders for, offer for sale, sell, import, distribute, commercialize or otherwise provide Competitive Product in the Territory in any manner; or (b) enter into any agreement to do any of the foregoing or directly or indirectly assist any Third Party or Affiliate in any of the foregoing.

8.2.2 Auson hereby acknowledges that a breach or threatened breach of this Section 8.2 would give rise to irreparable harm to Eton, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by Auson of any such obligations, Eton shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

8.2.3 Auson hereby acknowledges that the geographic boundaries, scope of prohibited activities and the duration of the provisions of this Section 8.2 are reasonable and are no broader than are necessary to protect the legitimate business interests of Eton, including the ability of Eton to realize the benefit of its bargain under this Agreement and to enjoy the goodwill of the business related to Product, and that such restrictions constitute a material inducement to Eton to enter into this Agreement and consummate the transactions contemplated by this Agreement. In the event that any covenant contained in this Section 8.2 should ever be adjudicated to exceed the time, geographic, product or service, or other limitations permitted by applicable Law in any jurisdiction, then any court is expressly empowered to reform such covenant, and such covenant shall be deemed reformed, in such jurisdiction to the maximum time, geographic, product or service, or other limitations permitted by applicable Law. The covenants contained in this Section 8.2 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

8.3 Further Assistance. During and after the Term, Auson shall provide all cooperation reasonably requested by Eton at Eton cost for any out of pocket costs Auson may incur in providing such cooperation in connection with any effort by Eton to establish, perfect, defend, or enforce its rights in or to the Licensed IP Rights and the Transferred Product Assets. Such cooperation shall include (a) executing such further assignments, transfers, licenses, releases and consents, (b) providing such data and information as may be useful for Eton to respond to any Governmental Entity regarding Product or to obtain or maintain Registrations therein, and (c) providing such data and information, consulting with Eton and executing and delivering all such further documents and instruments, in each case as requested by Eton regarding the subject matter of this Agreement.

8.4 Transfer of Registration Batches and Stability Samples. Within thirty (30) days after the Effective Date (or such other date as the parties may agree), Auson shall transfer physical custody and control of all registration batches, stability samples, and related materials included in the Transferred Product Assets to Eton or its designee, at such location(s) as Eton shall reasonably direct. Such transfer shall be accompanied by all associated documentation, including certificates of analysis, stability protocols, stability data, batch records, and chain-of-custody records. Auson shall bear all costs associated with such transfer. Until such transfer is completed, Auson shall continue to store and maintain such materials in accordance with all applicable Laws, cGMP, applicable ICH guidelines, and applicable study protocols,

and shall not use, dispose of, or take any action with respect to such materials without Eton's prior written consent.

8.5 Litigation Cooperation. In the event that Eton is involved in any Action related to Product, Auson shall, at Eton's sole cost and expense, provide reasonable cooperation to Eton and its attorneys in the prosecution or defense of any such Action, including participation in interviews with Eton attorneys, appearing for depositions, participation in written discovery, testifying in administrative, judicial or arbitration proceedings, or any other participation necessary for the prosecution or defense of any such Action.

9. Indemnification and Insurance.

9.1 Indemnification by Auson. Auson shall indemnify, defend and hold harmless Eton, its Affiliates, and its and their respective officers, directors, shareholders, employees, agents and representatives (collectively "Eton Indemnitees") from any and all losses, liabilities, damages and expenses, including reasonable attorneys' fees and costs (collectively, "Losses") arising from any Action by a Third Party (each, a "Claim"), to the extent arising out of or caused by: (a) the gross negligence or willful misconduct of Auson, its Affiliates or its or their respective agents; (b) any breach of any representation, warranty or covenant of this Agreement by Auson; (c) Auson's failure to fully comply with all applicable Laws regarding Product or its manufacture; (d) the development, manufacture, marketing, promotion, distribution, use, or sale of Product by or on behalf of Auson, whether before or after the Effective Date, or any liability or obligation whatsoever of Auson; . provided, however, that the foregoing indemnity obligations shall not apply to the extent that any Loss arises from, is based on, or results from any matter set forth in Section 9.2 for which Eton is obligated to indemnify Auson Indemnitees.

9.2 Indemnification by Eton. Eton shall indemnify, defend and hold harmless Auson, its Affiliates, and its and their respective officers, directors, shareholders, employees, agents and representatives (collectively "Auson Indemnitees") from any and all Losses arising from any Claim, to the extent arising out of or caused by (a) the gross negligence or willful misconduct of Eton, its Affiliates or its or their respective agents; (b) any breach of any representation, warranty or covenant of this Agreement by Eton; (c) Eton's failure to fully comply with all applicable Laws regarding Product or its manufacture, sale or use; (d) the distribution or marketing of Product by Eton, its Affiliates or their respective agents, or (e) the use of Product in accordance with the applicable label by any customer; provided, however, that the foregoing indemnity obligations shall not apply to the extent that any Loss arises from, is based on, or results from any matter set forth in Section 9.1 for which Auson is obligated to indemnify Eton Indemnitees.

9.3 Procedure. A party seeking indemnification (the "Indemnitee") shall promptly notify the other party (the "Indemnifying Party") in writing of a Claim; provided that an Indemnitee's failure to give such notice or delay in giving such notice shall not affect such Indemnitee's right to indemnification under this Section 9 except to the extent that the Indemnifying Party has been prejudiced by such failure or delay. The Indemnifying Party shall have the right to control the defense of all indemnification claims hereunder. The Indemnitee shall have the right to participate at its own expense in the Claim with counsel of its own choosing. The Indemnifying Party shall consult with the Indemnitee in good faith with respect to all non-privileged aspects of the defense strategy. The Indemnitee shall cooperate with the Indemnifying Party as reasonably requested at the Indemnifying Party's sole cost and expense. The Indemnifying Party shall not settle or otherwise consent to an adverse judgment in any such Claim that diminishes the rights or interests of the Indemnitee without the prior express written consent of the Indemnitee, which consent shall not be unreasonably withheld or delayed.

9.4 Insurance. Each party shall maintain insurance, including product liability insurance, with respect to its activities under this Agreement in such amount as such party customarily

maintains with respect to similar activities, but not less than such amount as is reasonable and customary in the industry. Each party shall maintain such insurance for so long as it continues its activities under this Agreement, and thereafter for so long as such party customarily maintains insurance for itself covering similar activities.

9.5 Liability Cap. Notwithstanding anything to the contrary in this Agreement, each party's aggregate liability to the other party under this Agreement (whether in contract, tort, or otherwise), excluding liability arising from such party's fraud or willful misconduct, shall not exceed the greater of three million dollars ($3,000,000) and the total amounts actually paid to Auson by Eton under this Agreement as of the date the claim accrues.

9.6 LIMITATION OF LIABILITY. WITHOUT LIMITING THE RIGHTS OR REMEDIES OF THE PARTIES REGARDING THE OBLIGATIONS TO INDEMNIFY, DEFEND AND HOLD HARMLESS PURSUANT TO THIS SECTION 9 OR THE CONFIDENTIALITY OBLIGATIONS PURSUANT TO SECTION 10, NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHETHER FORESEEABLE OR NOT, ARISING OUT OF THIS AGREEMENT OR THE EXERCISE OF ITS RIGHTS HEREUNDER, REGARDLESS OF ANY NOTICE OF SUCH DAMAGES.

10. Confidentiality.

10.1 Confidentiality. During the Term and for a period of five (5) years following the expiration or earlier termination hereof, each party shall maintain in confidence the Confidential Information of the other party, shall not use or grant the use of the Confidential Information of the other party except as expressly permitted hereby, and shall not disclose the Confidential Information of the other party except on a need-to-know basis to such party's (sub)licensees, suppliers, contract manufacturers, directors, officers, employees and consultants, to the extent such disclosure is reasonably necessary in connection with such party's activities as expressly authorized by this Agreement. To the extent that disclosure to any person is authorized by this Agreement, prior to disclosure, a party shall obtain written agreement of such person to hold in confidence and not disclose, use or grant the use of the Confidential Information of the other party except as expressly permitted under this Agreement. Each party shall notify the other party promptly upon discovery of any unauthorized use or disclosure of the other party's Confidential Information.

10.2 Permitted Disclosures. The confidentiality obligations contained in this Section 10 shall not apply to the extent that a party is required (a) in the reasonable opinion of such party's legal counsel, to disclose information by applicable law, regulation, rule (including rule of a stock exchange or automated quotation system), order of a governmental agency or a court of competent jurisdiction or legal process, including tax authorities, or (b) to disclose information to any governmental agency for purposes of obtaining approval to test or market a product, provided in either case that, to the extent practicable, such party shall provide written notice thereof to the other party and sufficient opportunity to object to any such disclosure or to request confidential treatment thereof. Notwithstanding anything to the contrary herein, Eton may disclose the terms and conditions of this Agreement to any Person with whom Eton has, or is proposing to enter into, a business relationship related to Product, as long as such Person has entered into a confidentiality agreement with Eton.

11. Licensed Patent Rights.

11.1 Prosecution and Maintenance.

11.1.1 Except as otherwise set forth in Section 11.1.2, Auson shall have the sole right, at its sole expense, to prepare, file, prosecute and maintain the Licensed Patent Rights. Auson shall consider in good faith the interests of Eton in so doing. Eton shall assist Auson, upon request and at Auson's sole expense, and to the extent commercially reasonable, in connection therewith. Other than the Territory-Specific IP Rights, with respect to each patent application and patent within the Licensed Patent Rights, Auson shall (a) provide Eton with any patent application filed by Auson promptly prior to filing and consider in good faith reasonable comments by Eton thereon; (b) provide Eton with any patent application filed by Auson promptly after such filing; and (c) notify Eton of any interference, opposition, reexamination request, nullity proceeding, appeal or other interparty action, review it with Eton as reasonably requested, and receive and consider in good faith reasonable comments by Eton thereon.

11.1.2 As between the parties, Auson shall control, at its sole expense, the preparation, filing, prosecution and maintenance of the Territory-Specific IP Rights consistent with prudent business practices and shall consider in good faith the interests of Eton, its Sublicensees, and its and their respective Affiliates. With respect to each patent application and patent within the Territory-Specific IP Rights, Auson shall (a) provide Eton with each patent application to be filed by Auson reasonably in advance of filing and incorporate reasonable comments by Eton thereon; (b) provide Eton with a copy of any patent application filed by Auson promptly after such filing; (c) provide Eton with copies of all correspondence and communications received regarding such patent applications and patents and implement reasonable comments by Eton in connection therewith; (d) provide Eton with copies of all correspondence and communications sent regarding such patents and patent applications; and (e) notify Eton of any interference, opposition, reexamination request, nullity proceeding, appeal or other similar action regarding such patents and patent applications, review it with Eton as reasonably requested, and implement reasonable comments by Eton thereon. Auson shall not abandon, withdraw, or allow to lapse any patent or patent application within the Territory-Specific IP Rights without providing Eton with at least sixty (60) days' prior written notice thereof. In the event that Auson elects to discontinue the prosecution or maintenance of any such patent or patent application, Auson shall, at Eton's request, promptly assign to Eton all right, title and interest in and to such patent or patent application for no further consideration, and such patent or patent application shall no longer be within the Licensed Patent Rights. Following any such assignment, Eton shall have the sole right, at its sole expense, to prosecute, maintain, enforce, and defend such assigned patent or patent application, and Auson shall provide reasonable cooperation in connection therewith at Eton's request and expense. Eton shall assist Auson, upon request and at Auson's sole expense, and to the extent commercially reasonable, in connection with Auson's activities under this Section.

11.2 Enforcement and Defense.

11.2.1 Each party shall promptly notify the other party of any substantial and continuing infringement known to such party of any Licensed Patent Rights and shall provide the other party with the available evidence, if any, of such infringement.

11.2.2 Except as otherwise set forth in Section 11.2.3, Auson shall have the sole right, at its expense, to enforce the Licensed Patent Rights. Auson shall consider in good faith the interests of Eton in so doing. Eton shall assist Auson, upon request and at Auson's sole expense, in connection therewith.

11.2.3 Eton shall have the sole right, at its expense, to enforce the Territory-Specific IP Rights. Eton shall consider in good faith the interests of Auson in so doing. Auson shall assist

Eton, upon request and at Eton's sole expense, in connection therewith, including by joining as a named plaintiff in any such action.

11.2.4 With respect to any action to enforce the Licensed Patent Rights to abate any infringement thereof, all monies recovered upon the final judgment or settlement of any such action shall be applied as follows: (a) first, to reimburse the costs and expenses (including reasonable attorneys' fees and costs) of Eton and Auson; and (b) second, to the party prosecuting such action.

12. Term and Termination.

12.1 Term. The Agreement commences on the Effective Date and continues until the end of the Royalty Period, unless earlier terminated under Section 12.2 (the "Term").

12.2 Termination.

12.2.1 In the event of a material breach of this Agreement by either party, including for violation of any applicable trade control or anti-corruption law, the non-breaching party may provide written notice of such breach to the breaching party, including a description of the breach, and indicating the non-breaching party's intent to terminate this Agreement. The breaching party shall have sixty (60) days from its receipt of such notice to cure the breach, provided the breach is capable of being cured within the sixty (60) day period. If the breaching party fails to cure the breach within such period, then unless otherwise agreed by the non-breaching party, this Agreement shall terminate upon expiration of such cure period. If the breach is not capable of being remedied within sixty (60) days, then the Agreement terminates upon the written notice.

12.2.2 Each party shall have the right to terminate this Agreement immediately upon written notice if the manufacture, distribution or sale of Product in the Territory materially contravenes any new or existing applicable Law and cannot be brought into compliance with such Law within a reasonable period of time after notice thereof.

12.2.3 Auson shall have the right to terminate this Agreement in accordance with Section 4.2.4.

12.2.4 Eton shall have the right to terminate this Agreement at its convenience for any reason or no reason upon sixty (60) days prior written notice of termination to Auson.

12.3 Effect of Termination or Expiration.

12.3.1 Termination or expiration of this Agreement shall be without prejudice to any rights which shall have accrued to the benefit of any party prior to such termination or expiration. Without limiting the foregoing and upon any termination or expiration of this Agreement, (a) Sections 1, 2, 4.4, 5.7, 7.4, 7.5, 7.6, 7.7, 8.1, 8.3, 8.5, 9, 10, 12.3 and 13 shall survive, and (b) subject to Section 12.3.3, Eton shall retain ownership of all Regulatory Filings and Registrations for Product in the Territory. In addition, upon any termination of this Agreement, Eton shall have the right to sell off any existing inventory of Product on the terms of this Agreement for a period of twelve (12) months.

12.3.2 Upon expiration of this Agreement or termination by Eton pursuant to Sections 12.2.1, (a) in addition to the provisions set forth in Section 12.3.1, Sections 4.3, 5.6, 6.1, 6.2, 8.2 and 11 shall additionally survive, and (b) all rights and licenses granted to Eton hereunder will become fully paid-up, royalty-free, irrevocable, and perpetual.

12.3.3 If Auson terminates this Agreement pursuant to Section 12.2.1 or 12.2.3, or Eton terminates under section 12.2.4 then (a) Eton shall, within thirty (30) days after the date of termination, assign to Auson all right, title and interest in and to (i) all Regulatory Filings and Registrations for Product in the Territory, (ii) all Transferred Product Assets, (iii) all data and results generated by or on behalf of Eton in connection with the Bioavailability Study or any other development activities for Product, to the extent in existence as of the date of termination, and (iv) all registration batches, stability samples, and related materials previously transferred to Eton, and (b) Auson shall have the right to pursue development and commercialization of Product on its own or through any Third Party, without any further obligation to Eton.

13. Miscellaneous.

13.1 Relationship of Parties. The relationship between Auson and Eton, with respect to this Agreement, is only that of independent contractors notwithstanding any activities set forth in this Agreement. Neither party is the agent or legal representative of the other party, and neither party has the right or authority to bind the other party in any way. This Agreement creates no relationship as partners or a joint venture, and creates no pooling arrangement.

13.2 Governing Law and Resolution of Disputes.

13.2.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without reference to its conflict of laws principles. The United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

13.2.2 Any and all disputes or claims arising from or out of this Agreement shall be litigated exclusively before a court of the State of Delaware in Wilmington, Delaware, or, if subject matter jurisdiction exists, the United States District Court for the District of Delaware. Each party hereby irrevocably and unconditionally consents to the exclusive personal jurisdiction and service of, and venue of, any such court, and further irrevocably and unconditionally waives and agrees not to plead or claim that any action, lawsuit or proceeding brought in any such court has been brought in an inconvenient forum. Any judgment issued by such a court may be enforced in any court having jurisdiction.

13.3 Assignment. Neither party may assign or transfer this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party, which shall not be unreasonably withheld or delayed; provided, however, that a party may, without such consent, assign this Agreement and its rights and obligations hereunder (a) to any Affiliate, or (b) in connection with the transfer or sale of all or substantially all of its business related to Product, or in the event of its merger, consolidation, change in control or similar transaction. Any permitted assignee shall assume all obligations of its assignor under this Agreement. Any purported assignment in violation of this Section 13.3 shall be void.

13.4 Counterparts. This Agreement may be executed in several counterparts that together shall be originals and constitute one and the same instrument. Execution and delivery by electronic signature (including PDF) shall be deemed valid and sufficient.

13.5 Waiver. The failure of any party to enforce any of its rights hereunder or at law shall not be deemed a waiver of any of its rights or remedies against another party, unless such waiver is in writing and signed by the party to be charged. No such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature or any other breach or default by such other party. All rights and remedies conferred herein shall be cumulative and in addition to all of the rights and remedies available to each party at law, equity or otherwise.

13.6 Severability. If any clause or provision of this Agreement is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, then and in that event, the remainder of this Agreement shall not be affected thereby, and in lieu of each such clause or provision, there shall be added as a part of this Agreement a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

13.7 Notices. Any consent, notice or report required or permitted to be given or made under this Agreement by a party to the other party shall be in writing, delivered by any lawful means to such other party at its address indicated below, or to such other address as the addressee shall have last furnished in writing to the addressor and (except as otherwise provided in this Agreement) shall be effective upon receipt by the addressee.

If to Auson: Auson Pharmaceuticals Inc.
1200 Route 22 East, Suite 2000,
Bridgewater, NJ 08807
Attention: Chief Executive Officer

If to Eton: Eton Pharmaceuticals, Inc.
21925 Field Pkwy, Suite 235
Deer Park, Illinois 60010
Attention: Chief Executive Officer

13.8 Further Assurances. The parties agree to execute such additional documents and perform such acts as are reasonably necessary to effectuate the intent of this Agreement.

13.9 Entire Agreement. This Agreement (including all Schedules hereto) constitutes the entire agreement between the parties regarding the subject matter hereof, and supersedes all prior or contemporaneous understandings or agreements regarding the subject matter hereof, whether oral or written, including the confidentiality agreement between the parties entered into before the Effective Date. This Agreement shall be modified or amended only by a writing specifically referring to this Agreement signed by duly authorized representatives of both Eton and Auson.

13.10 Force Majeure. Neither party shall be liable for any delay or failure to perform its obligations under this Agreement to the extent such delay or failure is caused by events beyond the reasonable control of such party, including natural disasters, pandemics, epidemics, acts of war or terrorism, government actions, FDA shutdowns or regulatory moratoria, clinical site closures, or failures of Third Party suppliers or carriers ("Force Majeure Event"); provided that the affected party provides prompt written notice to the other party and uses Commercially Reasonable Efforts to mitigate the effects of such Force Majeure Event. Any time-based obligation of the affected party (including under Section 4.2.4) shall be extended for the duration of the Force Majeure Event.

13.11 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties and their respective successors and permitted assigns and does not create any rights in, or obligations to, any Third Party.

13.12 Headings and Construction. No rule of construction shall be applied to the disadvantage of a party because that party was responsible for the preparation of this Agreement or any part of this Agreement. The Article and Section headings in this Agreement are for convenient reference only and shall be given no substantive or interpretive effect. With respect to all terms used in this Agreement, words used in the singular include the plural and words used in the plural include the singular. The word

'including' means including without limitation, and the words 'herein,' 'hereby,' 'hereto' and 'hereunder' refer to this Agreement as a whole. Unless the context otherwise requires, references found in this Agreement: (a) to Articles and Sections mean the Articles and Sections of this Agreement, as amended, supplemented and modified from time to time; (b) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time, to the extent provided by the provisions thereof and by this Agreement; and (c) to a statute or a regulation mean such statute or regulation as amended from time to time.

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IN WITNESS WHEREOF, each party has caused its duly authorized representative to execute this Agreement as of the Effective Date.

AUSON PHARMACEUTICALS

By: /s/Enxian Lu
Name: Enxian Lu
Title: CEO

ETON PHARMACEUTICALS, INC.

By: /s/Sean Brynjelsen
Name: Sean Brynjelsen
Title: CEO

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sean E. Brynjelsen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eton Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2026

By: */s/ Sean E. Brynjelsen*
Sean E. Brynjelsen
Principal Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Judith M. Matthews, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eton Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2026

By: */s/ Judith M. Matthews*
Judith M. Matthews
Principal Financial and Accounting Officer

Exhibit 32.1

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

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Sean E. Brynjelsen, President and Chief Executive Officer of Eton Pharmaceuticals, Inc. (the "Company"), and Judith M. Matthews, Chief Financial Officer of the Company, each hereby certifies that, to the best of their knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2026, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

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

IN WITNESS WHEREOF, the undersigned have set their hands hereto as of November 5, 2026.

/s/ Sean E. Brynjelsen	*/s/ Judith M. Matthews*
Sean E. Brynjelsen	Judith M. Matthews
President and Chief Executive Officer (*Principal Executive Officer*)	Chief Financial Officer (*Principal Financial and Accounting Officer*)

* This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.