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DELTA REPORT

10-Q

HALO - HALOZYME THERAPEUTICS, IN

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	686
CHANGES	116
DELETIONS	164
ADDITIONS	406

REFINITIV

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

FORM 10-Q

(Mark One)

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

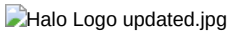
For the quarterly period ended March 31, 2024 June 30, 2024

OR

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

For the transition period from to

Commission File Number 001-32335



HALOZYME THERAPEUTICS, INC.

(*Exact name of registrant as specified in its charter*)

Delaware	**88-0488686**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
12390 El Camino Real	**92130**
San Diego	*(Zip Code)*
California	
(Address of principal executive offices)	

(858) 794-8889
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	HALO	The Nasdaq Stock Market LLC

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 x No ¨

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x 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 x

The number of outstanding shares of the registrant's common stock, par value $0.001 per share, was 127,274,000 126,678,280 as of April 30, 2024 July 31, 2024.

HALOZYME THERAPEUTICS, INC.
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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Current assets		
Current assets		
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents		
Marketable securities, available-for-sale		
Accounts receivable, net and contract assets		
Inventories, net		
Prepaid expenses and other current assets		
Total current assets		
Property and equipment, net		
Prepaid expenses and other assets		
Goodwill		
Intangible assets, net		

Deferred tax assets, net			
Total assets			
Total assets			
Total assets			
	LIABILITIES AND STOCKHOLDERS' EQUITY		
	LIABILITIES AND STOCKHOLDERS' EQUITY		
	LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities			
Current liabilities			
Current liabilities			
Accounts payable			
Accounts payable			
Accounts payable			
Accrued expenses			
Total current liabilities			
Total current liabilities			
Total current liabilities			
Long-term debt, net			
Long-term debt, net			
Long-term debt, net			
Other long-term liabilities			
Deferred tax liabilities, net			
Total liabilities			
Total liabilities			
Total liabilities			
Commitments and contingencies (Note 11)		Commitments and contingencies (Note 11)	Commitments and contingencies (Note 11)
Stockholders' equity			
Preferred stock - $0.001 par value; 20,000 shares authorized; no shares issued and outstanding			
Preferred stock - $0.001 par value; 20,000 shares authorized; no shares issued and outstanding			
Preferred stock - $0.001 par value; 20,000 shares authorized; no shares issued and outstanding			
Common stock - $0.001 par value; 300,000 shares authorized; 127,186 and 126,770 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively			
Common stock - $0.001 par value; 300,000 shares authorized; 126,535 and 126,770 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively			
Additional paid-in capital			
Accumulated other comprehensive loss			
Retained earnings			
Total stockholders' equity			
Total liabilities and stockholders' equity			

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,		
	Three Months Ended March 31,		
	Three Months Ended March 31,		
	Three Months Ended June 30,		**Six Months Ended June 30,**

	2024	2023	2024	2023
Revenues				
Revenues				
Revenues				
Royalties				
Royalties				
Royalties				
Product sales, net				
Product sales, net				
Product sales, net				
Revenues under collaborative agreements				
Revenues under collaborative agreements				
Revenues under collaborative agreements				
Total revenues				
Total revenues				
Total revenues				
Operating expenses				
Operating expenses				
Operating expenses				
Cost of sales				
Cost of sales				
Cost of sales				
Amortization of intangibles				
Amortization of intangibles				
Amortization of intangibles				
Research and development				
Research and development				
Research and development				
Selling, general and administrative				
Selling, general and administrative				
Selling, general and administrative				
Total operating expenses				
Total operating expenses				
Total operating expenses				
Operating income				
Operating income				
Operating income				
Other income (expense)				
Other income (expense)				
Other income (expense)				
Investment and other income, net				
Investment and other income, net				
Investment and other income, net				
Interest expense				
Interest expense				
Interest expense				
Net income before income taxes				
Net income before income taxes				
Net income before income taxes				
Income tax expense				
Income tax expense				

Income tax expense
Net income
Net income
Net income
Earnings per share
Earnings per share
Earnings per share
Basic
Basic
Basic
Diluted
Diluted
Diluted
Weighted average common shares outstanding
Weighted average common shares outstanding
Weighted average common shares outstanding
Basic
Basic
Basic
Diluted
Diluted
Diluted

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	2024	2024	Three Months Ended June 30,		Six Months Ended June 30,		
						2024		2023	2024	2023
Net income										
Net income										
Net income										
Other comprehensive income										
Other comprehensive income										
Other comprehensive income										
Unrealized (loss) gain on marketable securities										
Unrealized (loss) gain on marketable securities										
Unrealized (loss) gain on marketable securities										
Foreign currency translation adjustment										
Foreign currency translation adjustment										
Unrealized (loss) gain on marketable securities, net										
Unrealized (loss) gain on marketable securities, net										
Unrealized (loss) gain on marketable securities, net										
Foreign currency translation adjustment										
Unrealized gain on derivative instruments, net										
Unrealized gain on derivative instruments, net										
Unrealized gain on derivative instruments, net										

Realized gain on derivative instruments, net	
Realized gain on derivative instruments, net	
Unrealized gain (loss) on derivative instruments, net	
Unrealized gain (loss) on derivative instruments, net	
Unrealized gain (loss) on derivative instruments, net	
Realized gain on derivative instruments, net	
Comprehensive income	
Comprehensive income	
Comprehensive income	

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating activities				
Net income				
Net income				
Net income				
Adjustments to reconcile net income to net cash provided by operating activities				
Share-based compensation				
Share-based compensation				
Share-based compensation				
Depreciation and amortization				
Amortization of intangible assets				
Amortization of debt discount				
Amortization of premium on marketable securities, net				
Accretion of discount on marketable securities, net				
Realized gain on marketable securities				
Loss on disposal of equipment				
Recognition of deferred revenue				
Recognition of deferred revenue				
Lease payments deferred				
Lease payments deferred				
Lease payments deferred				
Recognition of deferred revenue				
Lease payments recognized				
Deferred income taxes				
Deferred income taxes				
Deferred income taxes				
Changes in operating assets and liabilities				
Changes in operating assets and liabilities				
Changes in operating assets and liabilities				
Accounts receivable, net and other contract assets				
Accounts receivable, net and other contract assets				
Accounts receivable, net and other contract assets				
Inventories, net				
Prepaid expenses and other assets				
Accounts payable and accrued expenses				
Net cash provided by operating activities				

Investing activities	
Purchases of marketable securities	
Purchases of marketable securities	
Purchases of marketable securities	
Proceeds from sales and maturities of marketable securities	
Purchases of property and equipment	
Purchases of property and equipment	
Purchases of property and equipment	
Net cash used in investing activities	
Net cash used in investing activities	
Net cash used in investing activities	
Financing activities	
Repayment of 2024 Convertible Notes	
Repayment of 2024 Convertible Notes	
Repayment of 2024 Convertible Notes	
Repurchase of common stock	
Repurchase of common stock	
Repurchase of common stock	
Taxes paid related to net share settlement, net of proceeds from issuance of common stock under equity incentive plans	
Net cash used in financing activities	
Proceeds from issuance of common stock under equity incentive plans, net of taxes paid related to net share settlement	
Net cash provided by (used in) financing activities	
Net increase (decrease) in cash, cash equivalents and restricted cash	
Cash, cash equivalents and restricted cash at beginning of period	
Cash, cash equivalents and restricted cash at end of period	
Supplemental disclosure of non-cash investing and financing activities	
Supplemental disclosure of non-cash investing and financing activities	
Supplemental disclosure of non-cash investing and financing activities	
Amounts accrued for purchases of property and equipment	
Amounts accrued for purchases of property and equipment	
Amounts accrued for purchases of property and equipment	
Right-of-use assets obtained in exchange for lease obligation	
Common stock issued for conversion of 2024 Convertible Notes	
Common stock issued for conversion of 2024 Convertible Notes	
Common stock issued for conversion of 2024 Convertible Notes	

See accompanying notes to condensed consolidated financial statements.

HALOZYME THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Unaudited)

(in thousands)

	Three Months Ended March 31, 2024				Three Months Ended June 30, 2024
	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
BALANCE AS OF MARCH 31, 2024					
BALANCE AS OF MARCH 31, 2024					
BALANCE AS OF MARCH 31, 2024					
Share-based compensation expense					
Share-based compensation expense					
Share-based compensation expense					

	Six Months Ended June 30, 2024					Six Months Ended June 30, 2024				
	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total Stockholders' Equity	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total Stockholders' Equity
BALANCE AS OF DECEMBER 31, 2023										
Share-based compensation expense										
Issuance of common stock pursuant to exercise of stock options and vesting of restricted stock and performance stock units, net										
Other comprehensive income										
Net income										
BALANCE AS OF MARCH 31, 2024										

	Three Months Ended March 31, 2023				Three Months Ended March 31, 2023				Three Months Ended March 31, 2023	
	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total Stockholders' Equity	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total Stockholders' Equity
BALANCE AS OF DECEMBER 31, 2022										
Share-based compensation expense										
Issuance of common stock for the conversion of the 2024 Convertible Notes										
Issuance of common stock pursuant to exercise of stock options and vesting of restricted stock and performance stock units, net and shares issued under the ESPP plan										
Repurchase of common stock										
Other comprehensive loss										
Net income										
BALANCE AS OF JUNE 30, 2024										

Repurchase of common stock					
Repurchase of common stock					
Repurchase of common stock					
Other comprehensive income					
Other comprehensive income					
Other comprehensive income					
Net income					
BALANCE AS OF JUNE 30, 2024					
	Three Months Ended June 30, 2023				
	Three Months Ended June 30, 2023				
	Three Months Ended June 30, 2023				
	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
BALANCE AS OF MARCH 31, 2023					
BALANCE AS OF MARCH 31, 2023					
BALANCE AS OF MARCH 31, 2023					
Share-based compensation expense					
Share-based compensation expense					
Share-based compensation expense					
Issuance of common stock pursuant to exercise of stock options and vesting of restricted stock units, net and shares issued under the ESPP plan					
Issuance of common stock pursuant to exercise of stock options and vesting of restricted stock units, net and shares issued under the ESPP plan					
Issuance of common stock pursuant to exercise of stock options and vesting of restricted stock units, net and shares issued under the ESPP plan					
Other comprehensive loss					
Other comprehensive loss					
Other comprehensive loss					
Net income					
BALANCE AS OF JUNE 30, 2023					
	Six Months Ended June 30, 2023				
	Six Months Ended June 30, 2023				
	Six Months Ended June 30, 2023				
	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
BALANCE AS OF DECEMBER 31, 2022					
BALANCE AS OF DECEMBER 31, 2022					
BALANCE AS OF DECEMBER 31, 2022					
Share-based compensation expense					
Share-based compensation expense					
Share-based compensation expense					
Issuance of common stock for the conversion of the 2024 Convertible Notes					
Issuance of common stock pursuant to exercise of stock options and vesting of restricted stock and performance stock units, net and shares issued under the ESPP plan					
Repurchase of common stock					
Repurchase of common stock					
Repurchase of common stock					
Other comprehensive loss					
Other comprehensive loss					

Other comprehensive loss	
Net income	
BALANCE AS OF JUNE 30, 2023	

See accompanying notes to condensed consolidated financial statements.

HALOZYME THERAPEUTICS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Organization and Business

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

As the innovators of ENHANZE® drug delivery technology ("ENHANZE") with our proprietary enzyme, rHuPH20, our commercially validated solution is used to facilitate the subcutaneous ("SC") delivery of injected drugs and fluids with the goal of reducing improving the patient experience with rapid SC delivery and reduced treatment burden for patients. burden. We license our technology to biopharmaceutical companies to collaboratively develop products that combine ENHANZE with our partners' proprietary compounds. We also develop, manufacture and commercialize, for ourselves or with our partners, drug-device combination products using our advanced auto-injector technologies that are designed to provide commercial or functional advantages such as improved convenience, reliability and tolerability, and enhanced patient comfort and adherence.

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

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

We have commercialized auto-injector products with several pharmaceutical companies including Teva Pharmaceutical Industries, Ltd. ("Teva") and Otter Pharmaceuticals, LLC ("Otter"). We have development programs including auto-injectors with Idorsia Pharmaceuticals Ltd. ("Idorsia").

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

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

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying interim unaudited condensed consolidated financial statements have been prepared for purposes of and in accordance with United States generally accepted accounting principles ("U.S. GAAP") and with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") related to a quarterly report on Form 10-Q. Accordingly, they do not include all of the information and disclosures required by U.S. GAAP for a complete set of financial statements. These condensed consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 20, 2024. The unaudited financial information for the interim periods presented herein reflects all adjustments which, in the opinion of management, are necessary for a fair presentation of the financial condition and results of operations for the periods presented, with such adjustments consisting only of normal recurring adjustments. Operating results for interim periods are not necessarily indicative of the operating results for an entire fiscal year.

The accompanying condensed consolidated financial statements include the accounts of Halozyme Therapeutics, Inc. and our wholly owned subsidiaries, Halozyme, Inc. and Antares Pharma, Inc., and Antares Pharma, Inc.'s wholly owned Swiss subsidiaries, Antares Pharma IPL AG and Antares Pharma AG. All intercompany accounts and transactions have been eliminated.

Use of Estimates

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

Cash Equivalents and Marketable Securities

Cash equivalents consist of highly liquid investments, readily convertible to cash, which mature within 90 days or less from the date of purchase. As of March 31, 2024 June 30, 2024, our cash and cash equivalents consisted of money market funds, bank certificate of deposits, U.S. treasury securities and demand deposits at commercial banks.

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

Fair Value of Financial Instruments

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

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

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

Accounts Receivable, net

Accounts receivable is recorded at the invoiced amount and is non-interest bearing. Accounts receivable is recorded net of estimated prompt pay discounts, distribution fees and chargebacks. We believe the risk of accounts being uncollectible is minimal; therefore, no significant allowances for doubtful accounts were established as of March 31, 2024 June 30, 2024 and December 31, 2023.

Inventories

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

Leases

We have entered into operating leases primarily for real estate and automobiles. These leases have contractual terms which range from 3 three years to 12 twelve years. We determine if an arrangement contains a lease at inception. Right of use ("ROU") assets and liabilities resulting from operating leases are included in property and equipment, accrued expenses and other long-term liabilities on our condensed consolidated balance sheets. Operating lease ROU assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the discount rate to calculate the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Our leases often include options to extend or terminate the lease. These options are included in the lease term when it is reasonably certain that we will exercise that option. Short-term leases with an initial term of 12 months or less are not recorded on our condensed consolidated balance sheet. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

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

Property and Equipment, Net

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

Impairment of Long-Lived Assets

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

Comprehensive Income

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

Convertible Notes

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

Cash Flow Hedges - Currency Risks

Beginning in the second quarter of 2023, we entered into a cash flow hedging program to mitigate foreign currency exchange risk associated with forecasted royalty revenue denominated in Swiss francs. Under the program, we can hedge these forecasted royalties up to a maximum of four years into the future. We hedge these cash flow exposures to reduce the risk of our earnings and cash flows being adversely affected by fluctuations in exchange rates.

In accordance with the hedge accounting treatment, all hedging relationships are formally documented at the inception of the hedge and are highly effective in offsetting changes to future cash flows on hedged transactions. Both at inception of the hedge and on an ongoing basis, we assess whether the foreign currency forward contracts are highly effective in offsetting changes in cash flows of hedged items on a prospective and retrospective basis. If we determine a (i) foreign currency forward contract is not highly effective as a cash flow hedge, (ii) foreign currency forward contract has ceased to be a highly effective hedge or (iii) forecasted transaction is no longer probable of occurring, we would discontinue hedge accounting treatment prospectively. We measure effectiveness based on the change in fair value of the forward currency forward contract and the fair value of the hypothetical foreign currency forward contract with terms that match the critical terms of the risk being hedged. No portion of our foreign currency forward contracts were excluded from the assessment of hedge effectiveness. As of March 31, 2024 June 30, 2024, all hedges were determined to be highly effective.

The assets or liabilities associated with our hedging contracts are recorded at fair market value in prepaid expense and other current assets, accrued expenses, or other long-term liabilities, respectively, in our condensed consolidated balance sheets. Gains and losses related to changes in the fair market value of these hedging contracts are recorded as a component of accumulated other comprehensive income (loss) (“AOCI”) within stockholder’s equity in our condensed consolidated balance sheets and reclassified to royalty revenue in our condensed consolidated statements of income in the same period as the recognition of the underlying hedged transaction. In the event the underlying forecasted transaction does not occur, or it becomes probable that it will not occur, within the defined hedge period, we reclassify the gains or losses on the related cash flow hedge from AOCI to royalties revenue in our condensed consolidated statements of income. Settlements from the cash flow hedge are included in operating activities on the condensed consolidated statements of cash flows. Since the fair market value of these hedging contracts is derived from current market rates, the hedging contracts are classified as derivative financial instruments. We do not use derivatives for speculative or trading purposes. As of March 31, 2024 June 30, 2024, amounts expected to be recognized as a net gain out of AOCI into our condensed consolidated statements of income during the next 12 months are not material.

Business Combinations

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

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

Goodwill, Intangible Assets and Other Long-Lived Asset

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

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

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

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

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

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

Revenue Recognition

We generate revenues from payments received (i) as royalties from licensing our ENHANZE technology and other royalty arrangements, (ii) under collaborative agreements and (iii) from sales of our proprietary and partnered products. We recognize revenue when we transfer promised goods or services to customers in an amount that reflects the

consideration to which we expect to be entitled in exchange for those goods or services. To determine revenue recognition for contracts with customers, we perform the following five steps: (i) identify the promised goods or services in the contract; (ii) identify the performance obligations in the contract, including whether they are distinct in the context of the contract; (iii) determine the transaction price, including the constraint on variable consideration; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy the performance obligations.

ENHANZE and Device Royalties

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

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

Revenue under ENHANZE and Device Collaborative Agreements

ENHANZE Collaboration and License Agreements

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

We generally collect an upfront license payment from collaboration partners, and are also entitled to receive event-based payments subject to collaboration partners' achievement of specified development, regulatory and sales-based milestones. In several agreements, collaboration partners pay us annual fees to maintain their exclusive license rights if they are unable to advance product development to specified stages. We earn separate fees for bulk rHuPH20 supplies and research and development services.

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

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

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

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

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

Transaction price for a contract represents the amount to which we are entitled in exchange for providing goods and services to the customer. Transaction price does not include amounts subject to uncertainties unless it is probable that there will be no significant reversal of revenue when the uncertainty is resolved. Apart from the upfront license payment (or target selection fees in the target selection contracts), all other fees we may earn under our collaborative agreements are subject to significant uncertainties of product

development. Achievement of many of the event-based development and regulatory milestones may not be probable until such milestones are actually achieved. This generally relates to milestones such as obtaining marketing authorization approvals. With respect to other development milestones, e.g., dosing of a first patient in a clinical trial, achievement could be considered probable prior to its actual occurrence, based on the progress towards commencement of the trial. In order to evaluate progress towards commencement of a trial, we assess the status of activities leading up to our partner's initiation of a trial such as feedback received from the applicable regulatory authorities, completion of Investigational New Drug ("IND") or equivalent filings, readiness and availability of drug, readiness of study sites and our partner's commitment of resources to the program. We do not include any amounts subject to uncertainties in the transaction price until it is probable that the amount will not result in a significant reversal of revenue in the future. At the end of each reporting period, we re-evaluate the probability of achievement of such milestones and any related constraint, and if necessary, adjust our estimate of the overall transaction price.

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

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

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

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

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

Device License, Development and Supply Arrangements

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

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

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

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

Refer to Note 4, *Revenue*, for further discussion on our collaborative arrangements.

Product Sales, Net

Proprietary Product Sales

Our commercial portfolio of proprietary products includes XYOSTED and Hylenex recombinant which we sell primarily to wholesale pharmaceutical distributors and specialty pharmacies, who sell the products to hospitals, retail chain drug stores and other end-user customers. Sales to wholesalers are made pursuant to purchase orders subject to the terms of a master agreement, and delivery of individual packages of products represents performance obligations under each purchase order. We use contract manufacturers to produce our proprietary products and third-party logistics ("3PL") vendors to process and fulfill orders. We concluded we are the principal in the sales to wholesalers because we control access to services rendered by both vendors and direct their activities. We have no significant obligations to wholesalers to generate pull-through sales.

Revenue is recognized when control has transferred to the customer, which is typically upon delivery, at the net selling price, which reflects the variable consideration for which reserves and sales allowances are established for estimated returns, wholesale distribution fees, prompt payment discounts, government rebates and chargebacks, plan rebate arrangements and patient discount and support programs. We recognize revenue from product sales and related cost of sales upon product delivery to the wholesaler location. At that time, the wholesalers take control of the product as they take title, bear the risk of loss of ownership, and have an enforceable obligation to pay us. They also have the ability to

direct sales of product to their customers on terms and at prices they negotiate. Although wholesalers have product return rights, we do not believe they have a significant incentive to return the product to us.

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

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

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

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

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

Partnered Product Sales

Bulk rHuPH20

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

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

Devices

We are party to several license, development, supply and distribution arrangements with pharmaceutical partners, under which we produce and are the exclusive supplier of certain products, devices and/or components. Revenue is recognized when or as control of the goods transfers to the customer as discussed below.

We are the exclusive supplier of OTREXUP® to Otter. Because this product is custom manufactured with no alternative use and we have a contractual right to payment for performance completed to date, control is continuously transferred to the customer as the product is produced pursuant to firm purchase orders. Revenue is recognized over time using the output method based on the contractual selling price and number of units produced. The amount of revenue recognized in excess of the amount shipped/billed to the customer, if any, is recorded as contract assets in our condensed consolidated balance sheets due to the short-term nature in which the amount is ultimately expected to be billed and collected from the customer.

Other device partnered product sales are recognized at the point in time in which control is transferred to the customer, which is typically upon shipment. Sales terms and pricing are governed by the respective supply and distribution agreements, and there is generally no right of return. Revenue is recognized at the transaction price, which includes the contractual per unit selling price and estimated variable consideration, such as volume-based pricing arrangements, or profit-sharing arrangements, if any. We recognize revenue, including the estimated variable consideration we expect to receive for contract margin on future commercial sales, upon shipment of the goods to our partner. The estimated variable consideration is recognized at an amount we believe is not subject to significant reversal of revenue based on historical experience and is adjusted at each reporting period if the most likely amount of expected consideration changes or becomes fixed.

Cost of Sales

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

Research and Development Expenses

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

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

Share-Based Compensation

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

Income Taxes

We provide for income taxes using the liability method. Under this method, deferred income tax assets and liabilities are determined based on the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases at each reporting period. We measure deferred tax assets and liabilities using enacted tax rates for the year in which the differences are expected to reverse. Significant judgment is required by management to determine our provision for income taxes, our deferred tax assets and liabilities, and any associated valuation allowances recorded against our net deferred tax assets, which are based on complex and evolving tax regulations. Deferred tax assets ("DTA") and other tax benefits are recorded when they are more likely than not to be realized. On a quarterly basis, we assess the need for valuation allowance on our DTAs, weighing all positive and negative evidence, to assess if it is more-likely-than-not that some or all of our DTAs will be realized. We recorded a provision for income taxes of $19.2 million $24.5 million and $43.7 million using an effective tax rate of 20% 20.5% and 19.1% for the three and six months ended March 31, 2024 June 30, 2024. The difference between our effective tax rate and the U.S. federal statutory rate of 21% is primarily due to state income taxes, research and development credit generations, tax benefits on the Foreign Derived Intangible Income Deduction ("FDII") (net of reserves), tax detriments on 162(m) and other share-based compensation.

Segment Information

We operate our business in one operating segment, which includes all activities related to the research, development and commercialization of our proprietary enzymes and devices. This segment also includes revenues and expenses related to (i) research and development and manufacturing activities conducted under our collaborative agreements with third parties, and (ii) product sales of proprietary and partnered products. The chief operating decision-maker ("CODM"), our Chief Executive Officer ("CEO"), reviews the operating results on an aggregate basis and manages the operations as a single operating segment.

Adoption and Pending Adoption of Recent Accounting Pronouncements

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

Standard	Description	Effective Date	Adoption Method	Effect on the Financial Statements or Other Significant Matters
In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.	The new standard is intended to improve annual and interim reportable segment disclosure requirements regardless of number of reporting units, primarily through enhanced disclosures of significant expenses. The amendment requires public entities to disclose significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit and loss.	Annual periods beginning after December 15, 2023 (our 2024 Form 10-K), and interim periods within fiscal years beginning after December 15, 2024 (our Q1 2025 Form 10-Q) - Early adoption is permitted, including adoption in an interim period	Retrospective	We are currently evaluating the impact of the standard on our consolidated financial statements and related disclosures.
In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures.	The new guidance includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction.	Annual periods beginning after December 15, 2024 (our 2025 Form 10-K) - Early adoption is permitted	Prospective or Retrospective	We are currently evaluating the impact of the standard on our consolidated financial statements and related disclosures.

3. Fair Value Measurement

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

	March 31, 2024					June 30, 2024				
	Amortized Cost	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Asset-backed securities									
Corporate debt securities									

U.S. treasury securities
Agency bonds
Agency bonds
Agency bonds
Commercial paper
Total marketable securities, available-for-sale
Total marketable securities, available-for-sale
Total marketable securities, available-for-sale

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Asset-backed securities	$ 3,512	$ —	$ (8)	$ 3,504
Corporate debt securities	6,022	1	(10)	6,013
U.S. treasury securities	175,996	200	(12)	176,184
Agency bonds	16,119	—	(16)	16,103
Commercial paper	15,826	—	—	15,826
Total marketable securities, available-for-sale	$ 217,475	$ 201	$ (46)	$ 217,630

As of March 31, 2024 June 30, 2024, 33 41 available-for-sale marketable securities with a fair market value of $215.5 million $315.5 million were in a gross unrealized loss position of $0.2 $0.3 million. Based on our review of these marketable securities, we believe none of the unrealized loss is as a result of a credit loss as of March 31, 2024 June 30, 2024 because we do not intend to sell these securities and it is not more-likely-than-not that we will be required to sell these securities before the recovery of their amortized cost basis.

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

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Due within one year		
Due within one year		
Due within one year		
Due after one year but within five years		
Total estimated fair value of contractual maturities, available-for-sale		

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

	March 31, 2024			December 31, 2023								
	June 30, 2024			December 31, 2023								
	Level 1	Level 1	Level 2	Total Estimated Fair Value	Level 1	Level 2	Total Estimated Fair Value	Level 1	Level 2	Total Estimated Fair Value	Level 1	Level 2	Total Estimated Fair Value
Assets													
Cash equivalents													
Cash equivalents													
Cash equivalents													
Money market funds													
Money market funds													
Money market funds													
U.S. treasury securities													
Available-for-sale marketable securities													

Available-for-sale marketable securities

Available-for-sale marketable securities

Asset-backed securities

Asset-backed securities

Asset-backed securities

Corporate debt securities

U.S. treasury securities

Agency bonds

Commercial paper

Commercial paper

Commercial paper

Derivative instruments

Currency hedging contracts (1)

Currency hedging contracts (1)

Currency hedging contracts (1)

Total assets

Liabilities

Liabilities

Liabilities

Derivative instruments

Derivative instruments

Derivative instruments

Currency hedging contracts (1)

Currency hedging contracts (1)

Currency hedging contracts (1)

(1) Based on observable market transactions of spot currency rates, forward currency rates or equivalently-termed instruments. Carrying amounts of the financial assets and liabilities are equal to the fair value. As of March 31, 2024 June 30, 2024, the derivative assets and liabilities recorded within prepaid expenses and other current assets, prepaid expense and other assets and other long-term liabilities in our condensed consolidated balance sheets were $1.3 1.2 million, $0.3 0.2 million and $0.5 0.7 million, respectively.

We had no available for sale securities that were classified within Level 3 as of March 31, 2024 June 30, 2024 and December 31, 2023.

4. Revenue

Our disaggregated revenues were as follows (in thousands):

	Three Months Ended March 31,			Three Months Ended June 30,	Six Months Ended June 30,		
	2024			2024	2023	2024	2023
	2024						
	2024						
Royalties							
Royalties							
Royalties							

Product sales, net
Product sales, net
Product sales, net
Proprietary product sales
Proprietary product sales
Proprietary product sales
Bulk rHuPH20 sales
Bulk rHuPH20 sales
Bulk rHuPH20 sales
Device partnered product sales
Device partnered product sales
Device partnered product sales
Total product sales, net
Total product sales, net
Total product sales, net
Revenues under collaborative agreements
Revenues under collaborative agreements
Revenues under collaborative agreements
Event-based development and regulatory milestones and other fees
Event-based development and regulatory milestones and other fees
Event-based development and regulatory milestones and other fees
Device licensing and development revenue
Device licensing and development revenue
Device licensing and development revenue
Total revenues under collaborative agreements
Total revenues under collaborative agreements
Total revenues under collaborative agreements
Total revenues
Total revenues
Total revenues

During the three months ended March 31, 2024 June 30, 2024, we recognized revenue related to licenses granted to partners in prior periods in the amount of $134.6 million $150.4 million. This amount represents royalties earned in the current period in addition to $14.0 $25.5 million of variable consideration in the contracts where uncertainties were resolved and the development milestones are expected to be achieved or were achieved. We also recognized revenue of $0.1 $0.5 million during the three months ended March 31, 2024 June 30, 2024 that had been included in accrued expense and other long-term liabilities in our condensed consolidated balance sheets as of December 31, 2023.

During the six months ended June 30, 2024, we recognized revenue related to licenses granted to partners in prior periods in the amount of $285.0 million. This amount represents royalties earned in the current period in addition to $39.5 million of variable consideration in the contracts where uncertainties were resolved and the development milestones are expected to be achieved or were achieved. We also recognized revenue of $0.6 million during the six months ended June 30, 2024 that had been included in accrued expense and other long-term liabilities in our condensed consolidated balance sheets as of December 31, 2023.

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

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Accounts receivable, net		
Other contract assets		
Deferred revenues		

As of March 31, 2024 June 30, 2024, the amounts included in the transaction price of our contracts with customers, including collaboration partners, and allocated to goods and services not yet provided were $77.3 million $89.2 million, of which $72.7 million $84.3 million relates to unfulfilled product purchase orders and $4.6 $4.9 million has been collected and is reported as accrued expense and other long-term liabilities in our condensed consolidated balance sheets. The unfulfilled product purchase orders are estimated to be delivered by the end of 2024. 2025. Of the total deferred revenues of $4.6 $4.9 million, $1.2 million $1.3 million is expected to be used by our customers within the next 12 months.

We recognized contract assets of $10.6 million $4.1 million as of March 31, 2024 June 30, 2024, which related to development milestones deemed probable of receipt for intellectual property licenses granted to partners in prior periods and for goods or services when control has transferred to the customer, and corresponding revenue is recognized on an over time basis but is not yet billable to the customer in accordance with the terms of the contract.

5. Certain Balance Sheet Items

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

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Accounts receivable from product sales to partners		
Accounts receivable from revenues under collaborative agreements		
Accounts receivable from royalty payments		
Accounts receivable from other product sales		
Contract assets		
Contract assets		
Contract assets		
Total accounts receivable and contract assets		
Allowance for distribution fees and discounts		
Total accounts receivable, net and contract assets		

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

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Raw materials		
Work-in-process		
Finished goods		
Total inventories, net		
Less long-term portion (1)		
Total inventories, net current		

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

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

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Prepaid manufacturing expenses		
Other prepaid expenses		
Other prepaid expenses		
Other prepaid expenses		
Other assets (1)		
Total prepaid expenses and other assets		
Less: Long-term portion		
Less long-term portion (1)		
Total prepaid expenses and other assets, current		

(1) Excludes long-term inventories, net discussed in the table above.

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

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

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Research equipment		
Manufacturing equipment		
Computer and office equipment		

Leasehold improvements	
Subtotal	
Accumulated depreciation and amortization	
Subtotal	
Right of use of assets	
Property and equipment, net	
Total property and equipment, net	

Depreciation and amortization expense was approximately $2.4 million $2.6 million and $2.6 million $2.8 million, inclusive of ROU asset amortization of $1.4 million and $1.4 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively.

Depreciation and amortization expense was approximately $5.0 million and $5.4 million, inclusive of ROU asset amortization of $2.9 million and $2.8 million for the six months ended June 30, 2024 and 2023, respectively.

Accrued expenses consisted of the following (in thousands):

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Accrued compensation and payroll taxes		
Accrued compensation and payroll taxes		
Accrued compensation and payroll taxes		
Accrued outsourced manufacturing expenses		
Income taxes payable		
Product returns and sales allowance		
Other accrued expenses		
Lease liability		
Total accrued expenses		
Less long-term portion		
Total accrued expenses, current		

Expense associated with the accretion of the lease liabilities was approximately $0.6 million and $0.7 million $0.6 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively and $1.2 million and $1.3 million for the six months ended June 30, 2024 and 2023, respectively. Total lease expense for the three months ended March 31, 2024 June 30, 2024 and 2023 was $2.0 million and $2.1 million $2.0 million, respectively, and $4.0 million and $4.1 million for the six months ended June 30, 2024 and 2023, respectively.

Cash paid for amounts related to leases for the three months ended March 31, 2024 June 30, 2024 and 2023 was $1.8 million $1.7 million and $1.7 million, respectively, and $3.5 million and $3.4 million for the six months ended June 30, 2024 and 2023, respectively.

6. Goodwill and Intangible Assets

Goodwill

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

Balance as of December 31, 2023	$	416,821
Adjustment		—
Balance as of March 31, 2024 June 30, 2024	$	416,821

Intangible Assets

Our acquired intangible assets are amortized using the straight-line method over their estimated useful lives of seven to ten years. The following table shows the cost, accumulated amortization and weighted average useful life in years for our acquired intangible assets as of March 31, 2024 June 30, 2024 (in thousands).

	Weighted Average Useful Life (in years)	Weighted Average Useful Life (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted Average Useful Life (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Auto Injector technology platform									
XYOSTED proprietary product									

Total finite-lived intangibles, net	
Total finite-lived intangibles, net	
Total finite-lived intangibles, net	
ATRS-1902 (IPR&D)	
Total intangibles, net	

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

Year	Year	Amortization Expense	Year	Amortization Expense
Remainder of 2024				
2025				
2026				
2027				
2028				
Thereafter				
Total				

7. Long-Term Debt, Net

1.00% Convertible Notes due 2028

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

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

Holders may convert their 2028 Convertible Notes at their option only in the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on December 31, 2022, if the last reported sale price per share of common stock exceeds 130% of the conversion price for each of at least 20 trading days during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the “measurement period”) in which the trading price per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day; (3) upon the occurrence of certain corporate events or distributions on our common stock, as described in the offering memorandum for the 2028 Convertible Notes; (4) if we call such notes for redemption; and (5) at any time from, and including, February 15, 2028 until the close of business on the second scheduled trading day immediately before the maturity date. As of March 31, 2024 June 30, 2024, the 2028 Convertible Notes were not convertible.

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

As of March 31, 2024 June 30, 2024, we were in compliance with all covenants and there was no material adverse change in our business, operations or financial condition.

Capped Call Transactions

In connection with the offering of the 2028 Convertible Notes, we entered into capped call transactions with certain counterparties (the “Capped Call Transactions”). The Capped Call Transactions are expected generally to reduce potential dilution to holders of our common stock upon conversion of the 2028 Convertible Notes or at our election (subject to certain conditions) offset any cash payments we are required to make in excess of the principal amount of such converted 2028 Convertible Notes. The cap price of the Capped Call Transactions is initially $75.4075 per share of common stock, representing a premium of 75% above the last reported sale price of $43.09 per share of common stock on August 15, 2022, and is subject to certain adjustments under the terms of the Capped Call Transactions. As of March 31, 2024 June 30, 2024, no capped calls had been exercised.

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

0.25% Convertible Notes due 2027

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

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

Holders may convert their 2027 Convertible Notes at their option only in the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on June 30, 2021, if the last reported sale price per share of common stock exceeds 130% of the conversion price for each of at least 20 trading days during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, the “measurement period”) in which the trading price per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day; (3) upon the occurrence of certain corporate events or distributions on our common stock, as described in the offering memorandum for the 2027 Convertible Notes; (4) if we call such notes for redemption; and (5) at any time from, and including, September 1, 2026 until the close of business on the scheduled trading day immediately before the maturity date. As of March 31, 2024 June 30, 2024, the 2027 Convertible Notes were not convertible.

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

As of March 31, 2024 June 30, 2024, we were in compliance with all covenants and there was no material adverse change in our business, operations or financial condition.

1.25% Convertible Notes due 2024

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

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

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

Net Carrying Amounts of our Convertible Notes

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

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Principal amount		
2027 Convertible Notes		
2027 Convertible Notes		
2027 Convertible Notes		
2028 Convertible Notes		
Total principal amount		
Unamortized debt discount		
Unamortized debt discount		
Unamortized debt discount		
2027 Convertible Notes		
2027 Convertible Notes		
2027 Convertible Notes		
2028 Convertible Notes		
Total unamortized debt discount		
Carrying amount		
Carrying amount		
Carrying amount		

2027 Convertible Notes							
2027 Convertible Notes							
2027 Convertible Notes							
2028 Convertible Notes							
Total carrying amount							
Fair value based on trading levels (Level 2):							
Fair value based on trading levels (Level 2):							
Fair value based on trading levels (Level 2):							
Fair value based on trading levels (Level 2)							
Fair value based on trading levels (Level 2)							
Fair value based on trading levels (Level 2)							
2027 Convertible Notes							
2027 Convertible Notes							
2027 Convertible Notes							
2028 Convertible Notes							
Total fair value of outstanding notes							
Remaining amortization per period of debt discount (in years):							
Remaining amortization per period of debt discount (in years):							
Remaining amortization per period of debt discount (in years):							
Remaining amortization per period of debt discount (in years)							
Remaining amortization per period of debt discount (in years)							
Remaining amortization per period of debt discount (in years)							
2027 Convertible Notes							
2027 Convertible Notes							
2027 Convertible Notes			2.9		3.2		2.7		3.2
2028 Convertible Notes	2028 Convertible Notes		4.4		4.6	2028 Convertible Notes		4.1		4.6

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

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,		
	2024		2024		2023		2024		2023
	Three Months Ended March 31,								
	2024								
	2024								
Coupon interest									
Coupon interest									
Coupon interest									
2024 Convertible Notes									
2024 Convertible Notes									
2024 Convertible Notes									
2027 Convertible Notes									
2027 Convertible Notes									
2027 Convertible Notes									
2028 Convertible Notes									
2028 Convertible Notes									
2028 Convertible Notes									
Total coupon interest									
Total coupon interest									
Total coupon interest									
Amortization of debt discount									
Amortization of debt discount									

Amortization of debt discount																			
2024 Convertible Notes																			
2024 Convertible Notes																			
2024 Convertible Notes																			
2027 Convertible Notes																			
2027 Convertible Notes																			
2027 Convertible Notes																			
2028 Convertible Notes																			
2028 Convertible Notes																			
2028 Convertible Notes																			
Total amortization of debt discount																			
Total amortization of debt discount																			
Total amortization of debt discount																			
Interest expense																			
Interest expense																			
Interest expense																			
2024 Convertible Notes																			
2024 Convertible Notes																			
2024 Convertible Notes																			
2027 Convertible Notes																			
2027 Convertible Notes																			
2027 Convertible Notes																			
2028 Convertible Notes																			
2028 Convertible Notes																			
2028 Convertible Notes																			
Total interest expense																			
Total interest expense																			
Total interest expense																			
Effective interest rates																			
Effective interest rates																			
Effective interest rates																			
2027 Convertible Notes																			
2027 Convertible Notes																			
2027 Convertible Notes			0.7	%		0.7	%		0.7	%		0.7	%						
2028 Convertible Notes	2028 Convertible Notes		1.5	%		1.5	%		1.5	%		1.5	%						
2028 Convertible Notes																			
2028 Convertible Notes																			

Revolving Credit and Term Loan Facilities (May 2022)

In May 2022, we entered into a credit agreement, which was subsequently amended in August 2022 (the “Amendment”), with Bank of America, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and the other lenders and L/C Issuers party thereto (the “2022 Credit Agreement), evidencing a credit facility (the “2022 Facility”) that provides for (i) a $575 million revolving credit facility (the “Revolving Credit Facility”) and (ii) a $250 million term loan facility (the “Term Facility”). Concurrently, with the entry into the Amendment, we repaid the entire outstanding Term Loan Facility and repaid all outstanding loans under the Revolving Credit Facility under the 2022 Credit Agreement. The 2022 Facility will mature on November 30, 2026 unless either the Revolving Credit Facility or the Term Facility is extended prior to such date in accordance with the 2022 Credit Agreement.

The Term Facility requires quarterly scheduled repayments of the term loans in each of the first, second, third and fourth years following the closing in annual amounts equal to 2.50%, 5.00%, 7.50% and 10.00% of the initial principal amount of the term loans, respectively. The term loans are also subject to mandatory prepayments from the proceeds of certain asset sales, subject to our right to reinvest the proceeds thereof.

Borrowings under the 2022 Facility bear interest, at our option, at a rate equal to an applicable margin plus: (a) the applicable Term Secured Overnight Financing Rate (“SOFR”) (which includes a SOFR adjustment of 0.10%), or (b) a base rate determined by reference to the highest of (1) the federal funds effective rate plus 0.50%, (2) the Bank of America prime rate, (3) the Term SOFR rate for an interest period of one month plus 1.10%, and (4) 1.00%. The margin for the 2022 Facility ranges, based on our consolidated total net leverage ratio, from 0.25% to 1.25% in the case of base rate loans and from 1.25% to 2.25% in the case of Term SOFR rate loans. In addition to paying interest on the outstanding principal under the Facility, we will pay (i) a commitment fee in respect of the unutilized commitments thereunder and (ii) customary letter of credit fees and agency fees. The commitment fees range from 0.15% to 0.35% per annum based on our consolidated net leverage ratio.

As of March 31, 2024 June 30, 2024, the Revolving Credit Facility was undrawn. We incurred a total of $3.6 million in third-party costs related to the 2022 Credit Agreement which are recorded as debt issuance cost within prepaid expenses and other assets in our condensed consolidated balance sheets. As of March 31, 2024 June 30, 2024, the unamortized debt issuance cost related to the revolving credit facility was $2.1 million $1.9 million.

8. Share-based Compensation

The following table summarized share-based compensation expense included in our condensed consolidated statements of income related to share-based awards (in thousands):

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Research and development				
Research and development				
Research and development				
Selling, general and administrative				
Selling, general and administrative				
Selling, general and administrative				
Total share-based compensation expense				
Total share-based compensation expense				
Total share-based compensation expense				

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

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Stock options				
Stock options				
Stock options				
RSUs, PSUs and ESPP				
RSUs, PSUs and ESPP				
RSUs, PSUs and ESPP				
Total share-based compensation expense				
Total share-based compensation expense				
Total share-based compensation expense				

We granted stock options to purchase approximately 0.5 million 0.1 million and 1.2 million 0.4 million shares of common stock during the three months ended March 31, 2024 June 30, 2024 and 2023, respectively and 0.6 million and 1.6 million during the six months ended June 30, 2024 and 2023, respectively. The exercise price of stock options granted is equal to the closing price of the common stock on the date of grant. The fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton option pricing model ("Black-Scholes Model"). Expected volatility is based on historical volatility of our common stock. The expected term of options granted is based on analyses of historical employee termination rates and option exercises. The risk-free interest rate is based on the U.S. Treasury yield for a period consistent with the expected term of the option in effect at the time of the grant. The dividend yield assumption is based on the expectation of no future dividend payments. The assumptions used in the Black-Scholes Model were as follows:

		Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	
		Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Expected volatility	Expected volatility	40.01 - 40.07%	40.26 - 40.72%	40.01 - 40.08%	39.68 - 40.72%
Expected volatility					
Expected volatility					
Average expected term (in years)					

Average expected term (in years)							
Average expected term (in years)	Average expected term (in years)	5.4		5.0		4.8	
Risk-free interest rate	Risk-free interest rate	4.64 - 4.70%	3.37 - 3.70%		3.80 - 4.70%		3.37 - 4.27%
Risk-free interest rate							
Risk-free interest rate							
Expected dividend yield							
Expected dividend yield							
Expected dividend yield							

In February 2021, our Board of Directors approved our 2021 ESPP and our stockholders approved the plan in May 2021. The ESPP enables eligible employees to purchase shares of our common stock at the end of each offering period at a price equal to 85% of the fair market value of the shares on the first business day or the last business day of the offering period, whichever is lower. Share purchases are funded through payroll deduction of at least 1% and up to 15% of an employee's compensation for each payroll period, and no employee may purchase shares under the ESPP that exceeds $25,000 worth of our common stock for a calendar year. As of March 31, 2024 June 30, 2024, 2,604,222 2,579,790 shares were available for future purchase. The offering period is generally for a six-month period and the first offering period commenced on June 16, 2021. Offering periods shall commence on or about the sixteenth day of June and December of each year and end on or about the fifteenth day of the next December and June, respectively, occurring thereafter. During the six months ended June 30, 2024, 24,432 shares were issued pursuant to the ESPP.

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

	March 31, 2024	
	Unrecognized Expense	Remaining Weighted-Average
Stock options	$	
RSUs		
PSUs		
ESPP		

9. Stockholders' Equity

During the three six months ended March 31, 2024 June 30, 2024 and 2023, we issued an aggregate of 154,556 475,828 and 143,931 240,223 shares of comm options at a weighted average exercise price of $17.47 $23.90 and $16.87 $17.66 per share, respectively, for net proceeds of approximately $2.7 million $11.4 mil months ended March 31, 2024 June 30, 2024 and 2023, we issued 262,195 331,693 and 239,919 318,181 shares of common stock, respectively, upon vesting of surrendered 88,825 and 70,733 RSUs and PSUs, respectively, to pay for minimum withholding taxes totaling approximately $6.0 million $6.5 million and $6.5 million units totaling approximately 8.7 million 8.0 million and 7.8 million shares of our common stock were outstanding as of March 31, 2024 June 30, 2024 and December 31

Share Repurchases

In December 2021, the Board of Directors authorized a second capital return program to repurchase up to $750.0 million of outstanding stock over a three-y common stock for $150.0 million at an average price of $38.51. During 2022, we repurchased 4.5 million shares of common stock for $200.0 million at an average pric

We accelerated the initiation of our planned 2024 share repurchases and in November 2023, we entered into an Accelerated Share Repurchase ("ASR") agr $250.0 million of share repurchases remaining under the approved capital return program. Pursuant to the agreement, at the inception of the ASR, we paid $25 5.5 million shares. In June 2024, we finalized the transaction at an average price per share of $38.35 and received an additional 1.1 million shares.

Our December 2021 share repurchase program was completed in June 2024 with a total of 19.1 million shares repurchased over the three-year period at an aver capital return programs have been retired and have resumed their status of authorized and unissued shares. We continued to execute share repurchases during the with Bank of America, N.A.

As of March 31, 2024, excluding the shares we received under the ASR, we have repurchased a total of 12.6 million shares for $500.0 million at an average repurchase plan.

In February 2024, our Board of Directors authorized a new capital return program to repurchase up to $750.0 million of our outstanding common stock.

10. Earnings per share

Basic earnings per share is computed by dividing net income for the period by the weighted average number of common shares outstanding during the period, w stock options, unvested RSUs, unvested PSUs, common shares expected to be issued under our ESPP and the Convertible Notes are considered common stocl earnings per common share when net income is reported and their effect is dilutive.

Potentially dilutive common shares issuable upon vesting of stock options, RSUs and PSUs are determined using the average share price for each period unde issuable upon conversion of the Convertible Notes are determined using the if-converted method. Since we have committed to settle the principal amount of the Conve

for the conversion spread will be included as a dilutive common stock equivalent.

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

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended June
				2024
Numerator				
Numerator				
Numerator				
Net income				
Net income				
Net income				
Denominator				
Denominator				
Denominator				
Weighted average common shares outstanding for basic earnings per share				
Weighted average common shares outstanding for basic earnings per share				
Weighted average common shares outstanding for basic earnings per share				
Dilutive potential common stock outstanding				
Dilutive potential common stock outstanding				
Dilutive potential common stock outstanding				
Stock options				
Stock options				
Stock options				
RSUs, PSUs and ESPP				
RSUs, PSUs and ESPP				
RSUs, PSUs and ESPP				
Convertible Notes				
Convertible Notes				
Convertible Notes				
Weighted average common shares outstanding for diluted earnings per share				
Weighted average common shares outstanding for diluted earnings per share				
Weighted average common shares outstanding for diluted earnings per share				
Earnings per share				
Earnings per share				
Earnings per share				
Basic				
Basic				
Basic				
Diluted				
Diluted				
Diluted				

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

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,
	Three Months Ended June 30,		
	2024	2023	
Anti-dilutive securities (1)			
Anti-dilutive securities (1)			

Anti-dilutive securities (1)

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

11. Commitments and Contingencies

From time to time, we may be involved in disputes, including litigation, relating to claims arising out of operations in the normal course of our business. Any of tl we generally believe that we have adequate insurance to cover many different types of liabilities, our insurance carriers may deny coverage or our policy limits may be this were to happen, the payment of any such awards could have a material adverse effect on our condensed consolidated statements of income and balance sheets damage our reputation and business. We currently are not a party to any legal proceedings, the adverse outcome of which, in our opinion, individually or in the agg consolidated statements of income or balance sheets.

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

As used in this Quarterly Report on Form 10-Q, unless the context suggests otherwise, references to "Halozyme," "the Company," "we," "our," "ours," and "us" refe Halozyme, Inc., Antares Pharma Inc., and Antares Pharma Inc.'s wholly owned subsidiaries, Antares Pharma IPL AG and Antares Pharma AG. References to "No statements included herein (refer to Item 1 of Part I).

The following information should be read in conjunction with the condensed consolidated financial statements and notes thereto included in Item 1 of this Q statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2023, December 31, 2023. Past financial or operating performance is not necessarily a reliable indicator of future performance, and our historical performance should not be

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, provisions and Section 27A of the Securities Act of 1933, as amended.. All statements in this report other than statements of historical fact, included herein, including withou regulatory events and goals, product collaborations, our business intentions and financial statements and anticipated results, are, or may be deemed to be, forward-lo "plan," "believe," "seek," "estimate," "think," "may," "could," "will," "would," "should," "continue," "potential," "likely," "opportunity," "project" and similar expressions or v statements, but are not the exclusive means of identifying forward-looking statements in this Quarterly Report on Form 10-Q. Additionally, statements concerning fu new partner products, enhancements of existing products or technologies, timing and success of the launch of new products by us and our partners, third-party per bulk drug and device part manufacturers to provide adequate supply for our partners, revenue, expense, cash burn levels and our ability to make timely repayments anticipated profitability and expected trends and other statements regarding our plans and matters that are not historical are forward-looking statements. Such statem our future business, are based on currently available operating, financial and competitive information and are subject to various risks, uncertainties and assumptior anticipated or implied in our forward-looking statements due to a number of factors including, but not limited to, those the Risk Factors set forth in our most recent A entitled "Risks Factors" and elsewhere in this Quarterly Report on Form 10-Q and our most recent Annual Report on Form 10-K. Readers are urged not to place ur only as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to revise or update any forward-looking statements in order to reflect any ever Report on Form 10-Q.

Overview

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

As the innovators of ENHANZE® drug delivery technology ("ENHANZE") with our proprietary enzyme rHuPH20, our commercially validated solution is used to fluids, with the goal of reducing improving the patient experience with rapid SC delivery and reduced treatment burden for patients. burden. We license our technol products that combine ENHANZE with our partners' proprietary compounds. We also develop, manufacture and commercialize, for ourselves or with our partners, dru technologies that are designed to provide commercial or functional advantages such as improved convenience, reliability and tolerability, and enhanced patient comfor

Our ENHANZE partners' approved products and product candidates are based on rHuPH20, our patented recombinant human hyaluronidase enzyme. rHuPH20 carbohydrate that is a major component of the extracellular matrix of the SC space. This temporarily reduces the barrier to bulk fluid flow allowing for improved a biologics, such as monoclonal antibodies and other large therapeutic molecules, as well as small molecules and fluids. We refer to the application of rHuPH20 to license our ENHANZE technology to form collaborations with biopharmaceutical companies that develop and/or market drugs requiring or benefiting from injection via intravenous ("IV") drugs combined with our ENHANZE technology, data have been generated supporting the potential for ENHANZE to reduce patient treatment b ENHANZE compared to IV administration. ENHANZE may enable fixed-dose SC dosing compared to weight-based dosing typically required for IV administration, ex subcutaneously and potentially allow for lower rates of infusion-related reactions. ENHANZE may enable more flexible treatment options such as home administ caregiver. Lastly, certain proprietary drugs co-formulated with ENHANZE have been granted additional exclusivity, extending the patent life of the product beyond the p

We currently have ENHANZE collaborations and licensing agreements with F. Hoffmann-La Roche, Ltd. and Hoffmann-La Roche, Inc. ("Roche"), Takeda Pharma Inc. ("Pfizer"), Janssen Biotech, Inc. ("Janssen"), AbbVie, Inc. ("AbbVie"), Eli Lilly and Company ("Lilly"), Bristol Myers Squibb Company ("BMS"), argenx BVBA ("arger owned by GlaxoSmithKline) ("ViiV"), Chugai Pharmaceutical Co., Ltd. ("Chugai") and Acumen Pharmaceuticals, Inc. ("Acumen"). In addition to receiving upfront licer receive event and sales-based milestone payments, revenues from the sale of bulk rHuPH20 and royalties from commercial sales of approved partner products co-l sales of seven eight commercial products including sales of one commercial product from each of the Takeda, Janssen and argenx collaborations and four five comme

We have commercialized auto-injector products with several pharmaceutical companies including Teva Pharmaceutical Industries, Ltd. ("Teva") and Otter Ph including auto-injectors with Idorsia Pharmaceuticals Ltd. ("Idorsia").

Our commercial portfolio of proprietary products includes Hylenex®, utilizing rHuPH20, and our specialty product XYOSTED®, utilizing our auto-injector technology

Our first second quarter of 2024 and recent key events are as follows:

Partners

- In May July, 2024, BMS Janssen announced that the U.S. Food and Drug Administration ("FDA") accepted its approved DARZALEX FASPRO for an addition are eligible for autologous stem cell transplant in combination with bortezomib, lenalidomide, and dexamethasone.
- In July 2024, argenx announced the National Medical Products Administration ("NMPA") approved the Biologics License Application ("BLA") of efgartigimod SC
- In July 2024, Acumen initiated a Phase 1 study of sabirnetug ("ACU193") co-formulated with ENHANZE for the subcutaneous treatment of early Alzheimer's d in June 2024 when it was concluded the development milestone was expected to be achieved.
- In June 2024, argenx announced the FDA approved VYVGART Hytrulo with ENHANZE for the treatment of chronic inflammatory demyelinating polyneu VYVGART SC for CIDP in Japan, Europe, and China during the second quarter of 2024. Submission to Canadian Health Authorities for regulatory approval is
- In June 2024, Roche announced the European Commission ("EC") granted marketing authorization in the EU for Ocrevus (ocrelizumab) SC for the treatment multiple sclerosis ("PPMS"), and in July 2024, Roche announced the approval in the same indications by the Medicines and Healthcare products Regulatory partner product with ENHANZE.
- In June 2024, Takeda announced that Health Canada approved HyQvia as a replacement therapy for primary humoral immunodeficiency and a secondary h and older.
- In May 2024, BMS announced the FDA accepted its BLA for the SC formulation of Opdivo (nivolumab) co-formulated with ENHANZE, resulting in a $15.0 mi User Fee Act ("PDUFA") goal date of February 28, 2025, and subsequently assigned an updated PDUFA goal date of December 29, 2024. In June 2024, BMS its Extension Application for the SC formulation of Opdivo (nivolumab) co-formulated with ENHANZE, resulting in a $7.0 million milestone payment.
- In May 2024, Janssen announced the submission of a marketing authorization application to the EMA for the SC formulation of RYBREVANT (amivantam growth factor receptor ("EGFR") mutated non-small cell lung cancer ("NSCLC"), and in June 2024, Janssen announced the submission of a BLA to the FI EGFR-mutated NSCLC.
- In April 2024, Roche announced that European Medicines Agency's Committee for Medicinal Products for Human Use has recommended the approval indications. A final decision on its approval from the European Commission ("EC") is expected mid-2024.
- In April 2024, Roche announced that the FDA has accepted the its BLA submission of orcelizumab SC with potential approval in September 2024. a PDUFA go
- In April 2024, Roche's Mabthera MabThera SC was approved by the China National Medical Products Administration ("NMPA") China's NMPA to treat diffuse la

Corporate

- In June 2024, we announced the issuance of a new European Patent covering the ENHANZE rHuPH20 product obtained from our ENHANZE manufacturin patent maintains the original royalty rate on sales of DARZALEX SC in 37 European countries until expiration of the patent in March 2024, ViiV initiated a Pha tolerability, and pharmacokinetics in healthy adults. 2029.
- In June 2024, we completed the first quarter $250 million ASR that was initiated in November of 2024, argenx initiated two registrational studies evaluating e subjects with thyroid eye disease ("TED").
- In February 2024, argenx announced that the FDA had accepted for priority review a supplemental Biologics License Application ("sBLA") for VYVGART Hytru chronic inflammatory demyelinating polyneuropathy ("CIDP"). The application has been granted a PDUFA action date of June 21, 2024.
- In February 2024, Takeda submitted a New Drug Application ("NDA") in Japan seeking approval for TAK-771, subcutaneous 10% human immunoglobulin with
- In January 2024, Janssen announced submission of a sBLA to the FDA seeking approval of a new indication for DARZALEX FASPRO in combination w induction and consolidation treatment and with lenalidomide ("D-R") for maintenance treatment of adult patients who are newly diagnosed with multiple myelor ("ASCT").
- In January 2024, Roche received EC marketing authorization for Tecentriq SC for all approved indications of Tecentriq IV for multiple cancer types.
- In January 2024, Takeda received FDA and EC approval for HYQVIA for the treatment of CIDP.
- In January 2024, argenx received regulatory approval in Japan for VYVDURA (efgartigimod alfa and hyaluronidase-qvfc) co-formulated with ENHANZE for th ("gMG") including options for self-administration, and in April 2024, VYVDURA was made available to patients 2023, resulting in $14.0 million a total repurc concluded our December 2021 share repurchase program resulting in a total milestone payments.

Corporate

- In February 2024, our Board of Directors authorized our third capital return program to repurchase up to $750.0 million 19.1 million shares repurchased o outstanding common stock. $39.31.

Product and Product Candidates

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


Slide 1.jpg


Slide 2.jpg

Proprietary Products and Product Candidates

Hylenex Recombinant (hyaluronidase human injection)

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

XYOSTED (testosterone enanthate) Injection

We market and sell our proprietary product XYOSTED for SC administration of testosterone replacement therapy ("TRT") in adult males for conditions assoc (primary or hypogonadism). XYOSTED is the only FDA-approved SC testosterone enanthate product for once-weekly, at-home self-administration and is approv strengths, 50 mg, 75 mg and 100 mg.

ATRS - 1902

We have an ongoing program to develop a proprietary drug device combination product for the endocrinology market, for patients who require additiona development program uses a novel proprietary auto-injector platform to deliver a liquid stable formulation of hydrocortisone.

In June 2021, we submitted an investigational new drug ("IND") application with the FDA for the initiation of a Phase 1 clinical study of ATRS-1902 for adrenal cris clinical study to compare the pharmacokinetics ("PK") profile of our novel formulation of hydrocortisone versus Solu-Cortef®, which is an anti-inflammatory glucocorti acute adrenal crises.

In July 2021, the FDA accepted our IND for ATRS-1902 enabling us to initiate our Phase 1 clinical study. The Phase 1 clinical study, designed to evaluate hydrocortisone, was initiated in September 2021. The study was a cross-over design to establish the PK profile of ATRS-1902 (100 mg) compared to Solu-Cortef (100

In January 2022, we announced the positive results from the Phase 1 clinical study and were granted Fast Track designation by the FDA. The positive resul program to a pivotal study for the treatment of acute adrenal insufficiency, using our Vai novel proprietary rescue pen platform to deliver a liquid stable formulation of hy

Partnered Products

ENHANZE Collaborations

Roche Collaboration

In December 2006, we and Roche entered into a collaboration and license agreement under which Roche obtained a worldwide license to develop and commerc target compounds (the "Roche Collaboration"). Under this agreement, Roche elected a total of eight targets, two of which are exclusive.

In September 2013, Roche launched a SC formulation of Herceptin (trastuzumab) (Herceptin® SC) in Europe for the treatment of patients with HER2-positive formulation utilizes our ENHANZE technology and is administered in two to five minutes, compared to 30 to 90 minutes with the standard IV form. Herceptin SC ha name Herceptin Hylecta™) and China.

In June 2020, the FDA approved the fixed-dose combination of Perjeta® (pertuzumab) and Herceptin for SC injection (Phesgo®) utilizing ENHANZE technology Phesgo has since received approval in Europe and China. In September 2023, Chugai (a Member of the Roche Group) announced that it had obtained regulatory app ("MHLW") in Japan. We will receive royalties for Phesgo sales in Japan as part of our licensing agreement with Roche.

In June 2014, Roche launched MabThera® SC in Europe for the treatment of patients with common forms of non-Hodgkin lymphoma ("NHL"), followed by launche technology and is administered in approximately five minutes compared to the approximate 1.5 to 4 hour IV infusion. In May 2016, Roche announced that the Europ treat patients with chronic lymphocytic leukemia ("CLL"). In June 2017, the FDA-approved Genentech's RITUXAN HYCELA®, a combination of rituximab using ENHA SC brand in countries outside the U.S. and Canada), for CLL and two types of NHL, follicular lymphoma and diffuse large B-cell lymphoma. In March 2018, Health Car

and ENHANZE (approved and marketed under the brand name RITUXAN® SC) for patients with CLL. In April 2024, Roche's Mabthera MabThera SC was approved by

In September 2017 and October 2018, we entered into agreements with Roche to develop and commercialize additional exclusive targets using ENHANZE tech based payments subject to Roche's achievement of specified development, regulatory and sales-based milestones. In addition, Roche will pay royalties to us if produc

In December 2018, Roche initiated a Phase 1b/2 study in patients with non-small cell lung cancer ("NSCLC") for TECENTRIQ® (atezolizumab) using ENHANZE t 2020. In August 2022, Roche announced that the Phase 3 study met its co-primary endpoints showing non-inferior levels of Tecentriq in the blood PK, when immunotherapy-naïve patients with advanced or metastatic NSCLC for whom prior platinum therapy has failed. The safety profile of the SC formulation was consisten approval of Tecentriq SC with ENHANZE by the Medicines and Healthcare products Regulatory Agency ("MHRA") MHRA in Great Britain. In January 2024, Roch approved indications of Tecentriq IV. Roche is expecting Based on the PDUFA date, Tecentriq SC approval in the U.S. in September 2024 and is planning to laur enables SC delivery in approximately seven minutes, compared with 30-60 minutes for IV infusion.

In August 2019, Roche initiated a Phase 1 study evaluating ocrelizumab SC with ENHANZE technology in subjects with MS, followed by initiation of a Phase Phase 3 OCARINA 2 trial evaluating ocrelizumab SC with ENHANZE as a twice a year 10-minute SC injection met its primary and secondary endpoints in patients v "PPMS"). In April 2024, Roche announced the EMA and FDA have both accepted the submissions for BLA submission of ocrelizumab SC with ENHANZE with appr 2024. In June 2024, Roche announced the EC granted marketing authorization in the EMA and EU for ocrelizumab SC. In July 2024, Roche announced the MHRA a Britain.

In October 2019, Roche nominated a new undisclosed exclusive target to be studied using ENHANZE technology. In November 2021, Roche initiated a Phase 1

Takeda Collaboration

In September 2007, we and Takeda entered into a collaboration and license agreement under which Takeda obtained a worldwide, exclusive license to dev GAMMAGARD LIQUID (HYQVIA®) (the "Takeda Collaboration"). HYQVIA is indicated for the treatment of primary immunodeficiency disorders associated with defects

In May 2013, the EC granted Takeda marketing authorization in all EU Member States for the use of HYQVIA as replacement therapy for adult patients with HYQVIA in the first EU country in July 2013 and has continued to launch in additional countries. In May 2016, Takeda announced that HYQVIA received a marketing a

In September 2014, HYQVIA was approved by the FDA for treatment of adult patients with primary immunodeficiency in the U.S. HYQVIA is the first SC immunodeficiency patients with a dosing regimen requiring only one infusion up to once per month (every three to four weeks) and one injection site per infusion in mo

In September 2020, Takeda announced the EMA approved a label update for HYQVIA broadening its use and making it the first and only facilitated SC immuno with an expanded range of secondary immunodeficiencies ("SID").

In October 2021, Takeda initiated a Phase 1 single-dose, single-center, open-label, three-arm study to assess the tolerability and safety of immune globulin S infusion rates in healthy adult subjects. In October 2023, Takeda initiated a Phase 2/3 study to evaluate PK, safety, and tolerability of subcutaneous administrat Immunodeficiency Diseases ("PIDD").

In July 2022, Takeda announced positive topline results from a pivotal Phase 3 trial evaluating HYQVIA, for maintenance treatment of CIDP. In June 2023, Tak evaluating HYQVIA for maintenance treatment of CIDP and confirmed regulatory applications were under review in the U.S. and EU for HYQVIA use as a maintenar received FDA and EC approval for HYQVIA for the treatment of CIDP.

In April 2023, Takeda announced that the FDA-approved FDA approved the sBLA Supplemental Biologics License Application ("sBLA") to expand the use of HY 2024, Takeda submitted a NDA New Drug Application ("NDA") in Japan seeking approval for TAK-771, subcutaneous 10% human immunoglobulin with ENHANZE, fo announced Health Canada approved HYQVIA as replacement therapy for primary humoral immunodeficiency and secondary humoral immunodeficiency in pediatric pa

Pfizer Collaboration

In December 2012, we and Pfizer entered into a collaboration and license agreement, under which Pfizer has the worldwide license to develop and comm proprietary biologics in primary care and specialty care indications. Pfizer currently has elected five targets and has returned two targets. one non-exclusive target.

Janssen Collaboration

In December 2014, we and Janssen entered into a collaboration and license agreement, under which Janssen has the worldwide license to develop and comme proprietary biologics directed to up to five targets. Targets may be selected on an exclusive basis. Janssen elected CD38 and initiated several Phase 3 studies, Phase directed at CD38, using ENHANZE technology in patients with amyloidosis, smoldering myeloma and multiple myeloma.

In May 2020, Janssen launched the commercial sale of DARZALEX FASPRO® (DARZALEX utilizing ENHANZE technology) in four regimens across five indic transplant-ineligible patients as well as relapsed or refractory patients. As a fixed-dose formulation, DARZALEX FASPRO can be administered over three to five mi multi-hour infusions. In June 2020, we announced that Janssen received European marketing authorization and launched the commercial sale of DARZALEX SC Janssen received several additional regulatory approvals for additional indications and patient populations in the U.S., EU, Japan and China. Beginning with the U.S. in combination with bortezomib, thalidomide, and dexamethasone in newly diagnosed multiple myeloma patients who are eligible for autologous stem cell trans dexamethasone ("D-VCd") for the treatment of adult patients with newly diagnosed AL amyloidosis, in combination with pomalidomide and dexamethasone ("D-P relapse, and in combination with Kyprolis® (carfilzomib) and dexamethasone for patients with relapsed or refractory multiple myeloma who have received one to authorization for DARZALEX SC in combination with D-VCd in newly diagnosed adult patients with AL amyloidosis and in combination with D-Pd in adult patients with marketing authorization for the SC formulation of DARZALEX (known as DARZQURO in Japan) DARZQURO) for the treatment of multiple myeloma and systemic AL DARZALEX SC for the treatment of primary light chain amyloidosis, in combination with D-VCd in newly diagnosed patients. In January July 2024, Janssen announc indication for approved DARZALEX FASPRO in combination with D-VRd bortezomib, lenalidomide and dexamethasone ("D-VRd") for induction and consolidation treatment of adult patients who are NDMM newly diagnosed with multiple myeloma ("NDMM") and are eligible for ASCT. autologous stem cell transplant ("ASCT").

In December 2019, Janssen elected epidermal growth factor receptor ("EGFR") EGFR and mesenchymal-epithelial transition factor ("cMET") as a bispecific antib studied in solid tumors. In September 2022, following a Phase 1 study, Janssen initiated a Phase 3 study of lazertinib and amivantamab with ENHANZE in patients cancer (PALOMA-3). In November 2022, Janssen initiated a Phase 2 study of amivantamab with ENHANZE in multiple regimens in patients with advanced or meta cancer (PALOMA-2). In January May 2024, Janssen noted its intention to submit applications in announced positive data from the U.S. and EU seeking approval P marketing authorization application to the EMA for SC formulation of RYBREVANT (amivantamab) with ENHANZE for the treatment of patients with EGFR-mutated l BLA to the FDA for amivantamab SC during 2024.

In July 2021, Janssen elected co-formulated with ENHANZE also for patients with EGFR-mutated NSCLC. The administration time for SC amivantamab was red human immunodeficiency virus ("HIV") reverse transcriptase limited to non-nucleoside reverse transcriptase inhibitors. In December 2021, Janssen initiated first IV a clinical trial combining rilpivirine five-fold reduction in infusion-related reactions. SC amivantamab also demonstrated longer overall survival, progression-free surviv program with ENHANZE. duration of response.

AbbVie Collaboration

In June 2015, we and AbbVie entered into a collaboration and license agreement, under which AbbVie has the worldwide license to develop and comme proprietary biologics directed to up to nine targets. Targets may be selected on an exclusive basis.

Lilly Collaboration

In December 2015, we and Lilly entered into a collaboration and license agreement, under which Lilly has the worldwide license to develop and commercialize biologics. Lilly currently has the right to select up to three targets. Targets may be selected on an exclusive basis. Lilly has elected two targets on an exclusive basis ar

BMS Collaboration

In September 2017, we and BMS entered into a collaboration and license agreement, which became effective in November 2017, under which BMS had the worl our rHuPH20 enzyme with BMS products directed at up to eleven targets. Targets may be selected on an exclusive basis or non-exclusive basis. BMS has designated 1 ("PD-1") and has an option to select three additional targets by November 2024. In October 2019, BMS initiated a Phase 1 study of relatlimab, an anti-LAG-3 antibo In May 2021, BMS initiated a Phase 3 of nivolumab using ENHANZE technology for patients with advanced or metastatic clear cell renal cell carcinoma (CheckMate study in patients with solid tumors. In October 2023, BMS reported positive top-line data from the Phase 3 CheckMate-67T trial evaluating a SC formulation of O metastatic clear cell renal cell carcinoma ("ccRCC") who have received prior systemic therapy. The study met its co-primary PK endpoints and a key secondary end BLA for the subcutaneous formulation of Opdivo (nivolumab) co-formulated with ENHANZE and assigned a PDUFA goal date of February 28, 2025. In May 2024, BMS

December 29, 2024 for the subcutaneous formulation of Opdivo (nivolumab) co-formulated with ENHANZE. In June 2024, BMS announced the EMA validated its E
(nivolumab) co-formulated with ENHANZE.

In March 2023, BMS initiated a Phase 3 trial to demonstrate the drug exposure levels of nivolumab and relatlimab fixed-dose combination with ENHANZE i
untreated metastatic or unresectable melanoma (RELATIVITY-127).

argenx Collaboration

In February 2019, we and argenx entered into an agreement for the right to develop and commercialize one exclusive target, the human neonatal Fc receptor
113), and an option to select two additional targets using ENHANZE technology. In May 2019, argenx nominated a second target to be studied using ENHANZE t
product candidate ARGX-117, which is being developed to treat severe autoimmune diseases in Multifocal Motor Neuropathy ("MMN"). In October 2020, we and
relationship, adding three targets for a total of up to six targets under the collaboration.

In December 2021, argenx announced the FDA approval of efgartigimod (VYVGART™) for the treatment of gMG for the IV dosing regimen. In March 2022, arge
evaluating SC efgartigimod utilizing ENHANZE (1000mg efgartigimod-PH20) for the treatment of gMG achieved the primary endpoint of total IgG reduction from
VYVGART (efgartigimod alfa-fcab) IV formulation in gMG patients.

In June 2023, argenx received FDA approval under the brand name VYVGART® Hytrulo for the injection with ENHANZE for SC use of treatment of gMG in adul
positive. In November 2023, argenx received EC approval of VYVGART SC for the treatment of gMG, which also provides the option for patient self-administration. In
(efgartigimod alfa and hyaluronidase-qvfc) co-formulated with ENHANZE for the treatment of adult patients with gMG including options for self-administration. In July 2
approval NMPA approved the BLA of VYVGART efgartigimod alfa SC (efgartigimod SC) for gMG patients in China through Zai Lab by the end of 2024. China.

In July 2023, argenx reported positive data from the ADHERE study evaluating VYVGART® Hytrulo with ENHANZE in adults with CIDP. In February June 2024, a
sBLA for approved VYVGART Hytrulo with ENHANZE for the treatment of CIDP. The application has been granted a PDUFA action date In the second quarter of Jun
regulatory submissions of VYVGART SC for CIDP for regulatory approval in Japan, Europe, China and Canada China. Submission to Canadian Health Authorities for
Lab limited (argenx commercial partner for China) announced the CDE of the National Medical Products Administration ("NMPA") NMPA granted Breakthrough Thera
with CIDP.

argenx is currently conducting the following studies with the goal of expanding approved indications for efgartigimod with ENHANZE: Phase 2/3 (ALKIVIA) stud
registrational studies in TED. thyroid eye disease ("TED"). Evaluation is ongoing to determine the path forward in BALLAD study evaluating efgartigimod in bullous pem

ViiV Healthcare Collaboration

In June 2021, we and ViiV entered into a global collaboration and license agreement that gives ViiV exclusive access to our ENHANZE technology for four
prevention of HIV. These targets are integrase inhibitors, reverse transcriptase inhibitors limited to nucleoside reverse transcriptase inhibitors ("NRTI") and nucleoside
inhibitors and broadly neutralising monoclonal antibodies ("bNAbs"), that bind to the gp120 CD4 binding site. In December 2021, ViiV initiated enrollment of a Phase
with ENHANZE. In March 2024, ViiV presented the results of the Phase 1 study of cabotegravir and communicated their decision to no longer pursue cabotegravir 200
ViiV initiated enrollment of a Phase 1 study to evaluate the safety and PKs of N6LS, a broadly neutralizing antibody, administered subcutaneously with ENHANZE
single dose escalation study to evaluate PKs, safety and tolerability of long-acting cabotegravir administered subcutaneously with ENHANZE technology. In Augus
safety, PKs and tolerability of VH3810109 (N6LS) administered subcutaneously with rHuPH20 in combination with cabotegravir. In the third quarter of 2023, ViiV initiat
In March 2024, ViiV initiated a Phase 1 study of VH4524184 with ENHANZE to evaluate the safety, tolerability, and pharmacokinetics in healthy adults.

Chugai Collaboration

In March 2022, we and Chugai entered into a global collaboration and license agreement that gives Chugai exclusive access to ENHANZE technology for an u
ENHANZE for a Chugai drug candidate. In May 2022, Chugai initiated a Phase 1 study to evaluate the PKs, pharmacodynamics, and safety of a targeted antibody adm

Acumen Collaboration

In November 2023, we and Acumen entered into a global collaboration and non-exclusive license agreement that provides Acumen access to ENHANZE for
ENHANZE for ACU193, Acumen's clinical stage monoclonal antibody candidate to target Amyloid-β Oligomers for the treatment of early Alzheimer's disease. In M
Phase 2 IV study for ACU193 in the first half of ACU193. In July 2024, and Acumen initiated a Phase 1 study of sabirnetug (ACU193) with ENHANZE to compare the P
2024. healthy volunteers.

Device and Other Drug Product Collaborations

Teva License, Development and Supply Agreements

In July 2006, we entered into an exclusive license, development and supply agreement with Teva for an epinephrine auto- injector product to be marketed in the
which we developed, for Teva's generic Epinephrine Injection USP products, indicated for emergency treatment of severe allergic reactions including those that a
patients. Teva's Epinephrine Injection, utilizing our patented VIBEX® injection technology, was approved by the FDA as a generic drug product with an AB rating, mea
EpiPen® and EpiPen Jr® and therefore, subject to state law, substitutable at the pharmacy.

In December 2007, we entered into a license, development and supply agreement with Teva under which we developed and supply a disposable pen injecto
payment and development milestones, and are entitled to receive royalties on net product sales by Teva in territories where commercialized. We are the exclusive sup
generic teriparatide injection product. In 2020, Teva launched Teriparatide Injection, the generic version of Eli Lilly's branded product Forsteo® featuring our multi-dose
the U.S. In November 2023, Teva announced FDA approval of the generic version of Forteo, featuring our multi-dose auto-injector pen platform for the treatment of ost

Pfizer Agreement

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

Idorsia Agreement

In November 2019, we entered into a global agreement with Idorsia to develop a novel, drug-device product containing selatogrel. A new chemical entity, selat myocardial infarction ("AMI") in adult patients with a history of AMI.

In March 2024, the recruitment of the Phase 3 study with selatogrel for acute myocardial infarction had reached approximately 6,000 patients.

Otter Agreement

In December 2021, we entered into a supply agreement with Otter to manufacture the VIBEX auto-injection system device, designed and developed to incorpo package, label and supply the final OTREXUP product and related samples to Otter at cost plus mark-up. Otter is responsible for manufacturing, formulation and tes assembly with the device manufactured by us, along with the commercialization and distribution of OTREXUP. OTREXUP is a SC methotrexate injection for on disposable auto injector, indicated for adults with severe active rheumatoid arthritis ("RA"), children with active polyarticular juvenile idiopathic arthritis and adults with agreement with Otter in which we granted Otter a worldwide, exclusive, fully paid-up license to certain patents relating to OTREXUP that may also relate to our OTREXUP in the field as defined in the license agreement.

Results of Operations

Three Months Ended March 31, 2024 June 30, 2024 Compared to Three Months Ended March 31, 2023 June 30, 2023

Royalties – Royalties were as follows (in thousands):

		Three Months Ended March 31, June 30, 2024	Three Months Ended 2024	2023	Increase / (Decrease) Dollar	Percentage		2023	Dollar	
Royalties	Royalties	$ 120,593	$	$ 99,640	$ 20,953	21	21 %	Royalties	$ 124,918	$

The increase in royalties was primarily driven by continued sales uptake of DARZALEX SC by Janssen and Phesgo by Roche in all geographies and the launch offset and Teriparatide by slightly lower sales of Herceptin SC and MabThera SC by Roche. Teva in the U.S. We expect royalty revenue to continue to grow as a result product launches, offsetting the ongoing impact from IV biosimilars on pricing of mature partner products delivered SC with ENHANZE and the impact of a royalty rat outside and Phesgo and sales of recently launched ENHANZE partner products, VYVGART Hytrulo, Tecentriq SC and Ocrevus SC. An EU patent covering the U.S DARZALEX SC royalties to the original royalty rate through March 6, 2029, following a step down in the royalty rate from March 2024 through June 2024. We expect partner products, Herceptin and MabThera.

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

		Three Months Ended March 31, June 30, 2024	Three Months Ended 2024	2023	Increase / (Decrease) Dollar	Percentage		2023	Dollar	
Proprietary product sales	Proprietary product sales	$35,254	$	$27,961	$ 7,293	26	26 %	Proprietary product sales	$44,139	$
Bulk rHuPH20 sales	Bulk rHuPH20 sales	10,511	22,069	22,069	(11,558)	(11,558)	(52)	(52) %	Bulk rHuPH20 sales	24,634	27,133
Device partnered product sales	Device partnered product sales	12,818	10,764	10,764	2,054	2,054	19	19 %	Device partnered product sales	10,113	14,463
Total product sales, net	Total product sales, net	$58,583	$	$60,794	$(2,211)		(4)	(4) %	Total product sales, net	$78,886	$

The decrease increase in product sales, net was primarily due to lower sales of bulk rHuPH20 due to the timing of shipment to our partners, partially offset by cor sales of device partner products and device partnered products. bulk rHuPH20 driven by the timing of partner demand. We expect sales of our proprietary products wi share in the TRT market. We expect product sales of bulk rHuPH20 and device partnered products to fluctuate in future periods based on the needs of our partners.

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

	Three Months Ended	Three Months Ended	Increase / (Decrease)		Three M

	March 31, June 30, 2024 2024									
	2024	2023	Dollar	Percentage			2023		Dollar	
Upfront license fees, license fees for the election of additional targets, event-based payments, license maintenance fees and amortization of deferred upfront and other license fees:										
Event-based development milestones and regulatory milestones and other fees										
Event-based development milestones and regulatory milestones and other fees										
Event-based development milestones and regulatory milestones and other fees	$14,000	$	$ —	$	$14,000	100	100 %	$25,500	$	$33,000
Device licensing and development revenue										
Device licensing and development revenue										
Device licensing and development revenue	2,703	1,709	1,709	994	994	58	58 %	2,049	2,409	
Total revenues under collaborative agreements	Total revenues under collaborative agreements	$16,703	$	$1,709	$	$14,994	877	877 %	Total revenues under collaborative agreements $27,549	$ $35

The increase decrease in revenues under collaborative agreements was primarily due to the timing of milestones driven by partner activities. achieved. Reve additional targets, license maintenance fees and other license fees and event-based payments vary from period to period based on our ENHANZE collaboration acti periods based on our partners' ability to meet various clinical and regulatory milestones set forth in such agreements and our ability to obtain new collaborative agreem

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

	Three Months Ended March 31, June 30,	Three Months Ended	Increase / (Decrease)

		2024	2024	2024	Dollar	Percentage		2023		Dollar	
Cost of sales	Cost of sales	$28,329	$	$35,170	$ $(6,841)	(19)	(19)%	Cost of sales	$39,607	$	
Amortization of intangibles	Amortization of intangibles	17,763	17,835	17,835	(72)	(72)	—	— %	Amortization of intangibles	17,762	17,83
Research and development	Research and development	19,111	17,979	17,979	1,132	1,132	6	6 %	Research and development	21,038	19,72
Selling, general and administrative	Selling, general and administrative	35,134	37,357	37,357	(2,223)	(2,223)	(6)	(6) %	Selling, general and administrative	35,711	38,94

Cost of Sales **–** Cost of sales consists primarily of raw materials, third-party manufacturing costs, fill and finish costs, freight costs, internal costs and manufactu products, device partnered products and bulk rHuPH20. The decrease in cost of sales was primarily due to lower device and bulk rHuPH20 sales, partially offset by hig

Amortization of intangibles – Amortization of intangibles consists primarily of expense associated with the amortization of acquired device technologies and produ over year.

Research and Development **–** Research and development expenses consist of external costs, salaries and benefits and allocation of facilities and other overhe regulatory activities related to our collaborations, and our development platforms. The increase in research and development expense was primarily due to planned in of our new high yield rHuPH20 manufacturing processes.

Selling, General and Administrative – Selling, general and administrative ("SG&A") expenses consist primarily of salaries and related costs for personnel in execu fees for legal and accounting, business development, commercial operations support for proprietary products and alliance management and marketing support for ou due to planned reductions in commercial marketing expense, partially offset by increased compensation expense.

Investment and other income (expense), net **–**- Investment investment and other income, (expense), net was as follows (in thousands):

		Three Months Ended March 31, June 30, 2024	2024	Three Months Ended	Increase / (Decrease)				
		2024	2023	Dollar	Percentage				
Investment and other income, net	Investment and other income, net	$ 4,993	$ $2,979	$ $ 2,014	68	68 %	Investment and other income, net		

Investment and other income, (expense), net consists primarily of interest income on our cash, cash-equivalent and marketable securities. The increase in inve increase in higher market interest rates as well as an increase in the average invested balance.

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

		Three Months Ended March 31, June 30, 2024	2024	Three Months Ended	Increase / (Decrease)				
		2024	2023	Dollar	Percentage			2023	
Interest expense	Interest expense	$ 4,507	$ $ 4,543	$ $ (36)	(1)	(1) %	Interest expense	$	4,52

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

Income Taxes **–** Income taxes were as follows (in thousands):

		Three Months Ended March 31, June 30, 2024	2024	Three Months Ended	Increase / (Decrease)				
		2024	2023	Dollar	Percentage			2023	
Income tax expense	Income tax expense	$ 19,205	$ $ 12,623	$ $ 6,582	52	52 %	Income tax expense	$	24,49

The increase in income tax expense was primarily due to higher income before taxes recognized during the current quarter. Our annual effective tax rate is esti
U.S. federal statutory rate due to state income taxes, nondeductible executive compensation, research and development credit generation and the reduced rate on for

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Royalties – Royalties were as follows (in thousands):

	Six Months Ended June 30,	
	2024	2023
Royalties	$ 245,511	$ 211,380

The increase in royalties was primarily driven by continued sales uptake of DARZALEX SC by Janssen and Phesgo by Roche in all geographies, and the recent
in the U.S.

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

	Six Months Ended June 30,	
	2024	2023
Sales of proprietary products	$ 79,394	$ 60,254
Sales of bulk rHuPH20	35,144	49,202
Sales of device partnered product	22,931	25,227
Total product sales, net	$ 137,469	$ 134,683

The increase in product sales, net was primarily due to contributions from our proprietary products, partially offset by lower sales of bulk rHuPH20 and device part

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

	Six Months Ended June 30,	
	2024	2023
Upfront license fees, license fees for the election of additional targets, event-based payments, license maintenance fees and amortization of deferred upfront and other license fees:		
Event-based development milestones and regulatory milestones and other fees	$ 39,500	$ 33,00
Device licensing and development revenue	4,752	4,11
Total revenues under collaborative agreements	$ 44,252	$ 37,11

The increase in revenues under collaborative agreements was primarily due to the timing of milestones achieved.

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

	Six Months Ended June 30,	
	2024	2023
Cost of sales	$ 67,936	$ 85,240
Amortization of intangibles	35,525	35,670
Research and development	40,149	37,706
Selling, general and administrative	70,845	76,305

Cost of Sales **–** Cost of sales consists primarily of raw materials, third-party manufacturing costs, fill and finish costs, freight costs, internal costs and manufactu
products, device partnered products and bulk rHuPH20. The decrease in cost of sales was primarily due to lower bulk rHuPH20 and device sales, partially offset by hig

Amortization of intangibles –Amortization of intangibles consists primarily of expense associated with the amortization of acquired device technologies and produ
flat year over year.

*Research and Development***–** Research and development expenses consist of external costs, salaries and benefits and allocation of facilities and other overhe
regulatory activities related to our collaborations, and our development platforms. The increase in research and development expense was primarily due to planned i
high-yield rHuPH20 manufacturing processes.

Selling, General and Administrative – Selling, general and administrative ("SG&A") expenses consist primarily of salaries and related costs for personnel in execu
fees for legal and accounting, business development, commercial operations support for proprietary products and alliance management and marketing support for ou
due to planned reductions in commercial marketing expense, partially offset by increased compensation expense.

Investment and other income, net- Investment and other income, net was as follows (in thousands):

	Six Months Ended June 30,	
	2024	2023
Investment and other income, net	$ 10,025	$ 6,171

Investment and other income, net consists primarily of interest income on our cash, cash-equivalent and marketable securities. The increase in investment an interest rates as well as an increase in the average invested balance.

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

	Six Months Ended June 30,	
	2024	2023
Interest expense	$ 9,031	$ 9,037

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

Income Taxes – Income taxes were as follows (in thousands):

	Six Months Ended June 30,	
	2024	2023
Income tax expense	$ 43,703	$ 31,025

The increase in income tax expense was primarily due to higher income before taxes recognized during the current quarter.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity are our existing cash, cash equivalents and available-for-sale marketable securities. As of March 31, 2024 June 30, 2024, we l million $529.0 million. We believe that our current cash, cash equivalents and marketable securities will be sufficient to fund our operations for at least the next twelv existing cash resources, anticipated revenues from our existing collaborative agreements and cash that we may raise through future transactions. We may raise ca collaborative agreements; (ii) expansions or revisions to existing collaborative relationships; (iii) private financings; (iv) other equity or debt financings; (v) monetizing a

We may, in the future, draw on our existing line of credit or offer and sell additional equity, debt securities and warrants to purchase any of such securities, eit capital, capital expenditures, share repurchases, acquisitions or for other general corporate purposes.

Cash Flows

	Three Months Ended March 3 Six Months Ended June 30,
	2024
Net cash provided by operating activities	
Net cash used in investing activities	
Net cash used in financing activities	
Net cash provided by (used in) financing activities	
Net increase (decrease) in cash, cash equivalents and restricted cash	

Operating Activities

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

Investing Activities

The increase in net cash used in investing activities was primarily due an increase in net purchases of marketable securities, partially offset by a decrease in capi

Financing Activities

The decrease in net cash used in financing activities was primarily due to the repurchase of $150.1 million in common stock in the prior year and $13.5 million in prior year. year, partially offset by the increase in net proceeds during the current year from the issuance of common stock under our equity incentive plan.

Share Repurchases

In December 2021, our Board of Directors approved a share repurchase program to repurchase up to $750.0 million of our outstanding common stock which is e In February 2024, our Board of Directors authorized a new capital return program to repurchase up to $750.0 million of our outstanding common stock. Refer to Note statements for additional information regarding our share repurchases.

Long-Term Debt

1.00% Convertible Notes due 2028

In August 2022, we completed the sale of $720.0 million in aggregate principal amount of 1.00% Convertible Senior Notes due 2028 (the “2028 Convertible N 2028 Convertible Notes, after deducting the initial purchasers’ fee of $18.0 million, was approximately $702.0 million. We also incurred additional debt issuance purchasers’ fee are presented as a debt discount.

The 2028 Convertible Notes pay interest semi-annually in arrears on February 15th and August 15th of each year at an annual rate of 1.00%. The 2028 Conver right of payment to all indebtedness that is expressly subordinated in right of payment to the 2028 Convertible Notes, rank equally in right of payment with all existing junior to any secured indebtedness to the extent of the value of the assets securing such indebtedness and are structurally subordinated to all indebtedness and o subsidiaries. The 2028 Convertible Notes have a maturity date of August 15, 2028.

Holders may convert their 2028 Convertible Notes at their option only in the following circumstances: (1) during any calendar quarter commencing after the cale sale price per share of common stock exceeds 130% of the conversion price for each of at least 20 trading days during the 30 consecutive trading days ending on, calendar quarter; (2) during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, t principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common st day; (3) upon the occurrence of certain corporate events or distributions on our common stock, as described in the offering memorandum for the 2028 Convertible No from, and including, February 15, 2028 until the close of business on the second scheduled trading day immediately before the maturity date. As of March 31, 2024 Jun

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

Capped Call Transactions

In connection with the offering of the 2028 Convertible Notes, we entered into capped call transactions with certain counterparties (the “Capped Call Transacti reduce potential dilution to holders of our common stock upon conversion of the 2028 Convertible Notes or at our election (subject to certain conditions) offset any ca amount of such converted 2028 Convertible Notes. The cap price of the Capped Call Transactions is initially $75.4075 per share of common stock, representing a p share of common stock on August 15, 2022, and is subject to certain adjustments under the terms of the Capped Call Transactions. As of March 31, 2024 June 30, 202

Pursuant to their terms, the capped calls qualify for classification within stockholders’ equity in our condensed consolidated balance sheets, and their fair value is for stockholders’ equity classification. We paid approximately $69.1 million for the Capped Calls, including applicable transaction costs, which was recorded as a redu balance sheets. The Capped Call Transactions are separate transactions entered into by us with the capped call Counterparties, are not part of the terms of the Co Convertible Notes. Holders of the Convertible Notes do not have any rights with respect to the Capped Call Transactions.

0.25% Convertible Notes due 2027

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

The 2027 Convertible Notes pay interest semi-annually in arrears on March 1st and September 1st of each year at an annual rate of 0.25%. The 2027 Convert right of payment to all indebtedness that is expressly subordinated in right of payment to the 2027 Convertible Notes, will rank equally in right of payment with al effectively junior to any secured indebtedness to the extent of the value of the assets securing such indebtedness and are structurally subordinated to all indebtednes future subsidiaries. The 2027 Convertible Notes have a maturity date of March 1, 2027.

Holders may convert their 2027 Convertible Notes at their option only in the following circumstances: (1) during any calendar quarter commencing after the cal price per share of common stock exceeds 130% of the conversion price for each of at least 20 trading days during the 30 consecutive trading days ending on, a calendar quarter; (2) during the five consecutive business days immediately after any five consecutive trading day period (such five consecutive trading day period, t principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common st day; (3) upon the occurrence of certain corporate events or distributions on our common stock, as described in the offering memorandum for the 2027 Convertible No from, and including, September 1, 2026 until the close of business on the scheduled trading day immediately before the maturity date. As of March 31, 2024 June 30, 2

Upon conversion, we will pay cash for the settlement of principal, and for the premium, if applicable, we will pay cash, deliver shares of common stock or a combi initial conversion rate for the 2027 Convertible Notes is 12.9576 shares of common stock per $1,000 in principal amount of 2027 Convertible Notes, equivalent to a co stock. The conversion rate is subject to adjustment.

1.25% Convertible Notes due 2024

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

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

In January 2023, we issued a notice for the redemption of 2024 Convertible Notes. Holders of the notes could convert their notes at any time prior to the close o holders of the notes elected to convert the 2024 Convertible Notes in full. In connection with the conversion, we paid approximately $13.5 million in cash which includ our common stock representing the intrinsic value based on the contractual conversion rate.

Revolving Credit and Term Loan Facilities (May 2022)

In May 2022, we entered into a credit agreement, which was subsequently amended in August 2022 (the “Amendment”), with Bank of America, N.A., as Admi other lenders and L/C Issuers party thereto (the “2022 Credit Agreement), evidencing a credit facility (the “2022 Facility”) that provides for (i) a $575 million revolvi

million term loan facility (the “Term Facility”). Concurrently, with the entry into the Amendment, we repaid the entire outstanding Term Loan Facility and repaid all outst
Credit Agreement. The 2022 Facility will mature on November 30, 2026 unless either the Revolving Credit Facility or the Term Facility is extended prior to such date in

The Term Facility requires quarterly scheduled repayments of the term loans in each of the first, second, third and fourth years following the closing in annual a
principal amount of the term loans, respectively. The term loans are also subject to mandatory prepayments from the proceeds of certain asset sales, subject to our rig

Borrowings under the 2022 Facility bear interest, at our option, at a rate equal to an applicable margin plus: (a) the applicable Term Secured Overnight Financin
or (b) a base rate determined by reference to the highest of (1) the federal funds effective rate plus 0.50%, (2) the Bank of America prime rate, (3) the Term SOFR rat
The margin for the 2022 Facility ranges, based on our consolidated total net leverage ratio, from 0.25% to 1.25% in the case of base rate loans and from 1.25% to 2
interest on the outstanding principal under the 2022 Facility, we will pay (i) a commitment fee in respect of the unutilized commitments thereunder and (ii) customary le
from 0.15% to 0.35% per annum based on our consolidated net leverage ratio.

As of March 31, 2024 June 30, 2024, the revolving credit facility was undrawn.

Additional Capital Requirements.

Our expected working capital and other capital requirements are described in “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition an
the year ended December 31, 2023. As of March 31, 2024 June 30, 2024, there have been no material changes to our expected working capital and other capital rec
year ended December 31, 2023.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements, which have been
principles (“U.S. GAAP”). GAAP. The preparation of our condensed consolidated financial statements requires us to make estimates and judgments that affect the rep
related disclosure of contingent assets and liabilities.

Our significant accounting policies are described in Part II, Item 8, Note 2, *Summary of Significant Accounting Policies*, to the consolidated financial statements
December 31, 2023. The accounting policies and estimates that are most critical to a full understanding and evaluation of our reported financial results are describ
Financial Condition and Results of Operations of our Annual Report on Form 10-K for the year ended December 31, 2023. There were no material changes to our cri
ended March 31, 2024 June 30, 2024.

Recent Accounting Pronouncements

Refer to Note 2, *Summary of Significant Accounting Policies*, of our condensed consolidated financial statements for a discussion of recent accounting pronounc

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our market risks during the quarter ended March 31, 2024 June 30, 2024.

As of March 31, 2024 June 30, 2024, our cash equivalents and marketable securities consisted of investments in money market funds, asset-backed securities, U
and commercial paper. These investments were made in accordance with our investment policy which specifies the categories, allocations, and ratings of securitie
investment activities is to preserve principal while at the same time maximizing the income we receive without significantly increasing risk. Some of the financial ins
means that a change in prevailing interest rates may cause the value of the instruments to fluctuate. For example, if we purchase a security that was issued with a
value of that security may decline. Based on our current investment portfolio as of March 31, 2024 June 30, 2024, we do not believe that our results of operations w
interest rates.

We hedge a portion of foreign currency exchange risk associated with forecasted royalties revenue denominated in Swiss francs to reduce the risk of our earn
exchange rates. These transactions are designated and qualify as cash flow hedges. The cash flow hedges are carried at fair value with mark-to-market gains an
balance sheets and reclassified to royalty revenue in our condensed consolidated statements of income in the same period as the recognition of the underlying hedge
instruments or other financial instruments for speculative trading purposes.

Further, we do not believe our cash, cash equivalents and marketable securities have significant risk of default or illiquidity. We made this determination based
holdings. While we believe our cash, cash equivalents and marketable securities do not contain excessive risk, we cannot provide absolute assurance that in the f
market value. All of our cash equivalents and marketable securities are recorded at fair market value.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recor
specified in the Securities and Exchange Commission’s rules and forms, and that such information is accumulated and communicated to our management, includ
appropriate, to allow timely decision regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that
operated, can only provide reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management neces
benefit relationship of possible controls and procedures.

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

Changes in Internal Control Over Financial Reporting

There have been no significant changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2024 June 30, 2024 th
affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in disputes, including litigation, relating to claims arising out of operations in the normal course of our business. Any of th we generally believe that we have adequate insurance to cover many different types of liabilities, our insurance carriers may deny coverage or our policy limits may be this were to happen, the payment of any such awards could have a material adverse effect on our condensed consolidated statements of income and balance sheets damage our reputation and business. We currently are not a party to any legal proceedings, the adverse outcome of which, in our opinion, individually or in the agg consolidated statements of income or balance sheets.

Item 1A. Risk Factors

There have been no material changes to the risk factors set forth under Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended Dec

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

In December 2021, the Board of Directors authorized a capital return program to repurchase up to $750.0 million of outstanding stock over a three-year p repurchases and in November 2023, we entered into an ASR agreement with Bank of America, N.A. to accelerate the remaining $250.0 million of share repurchas agreement, at the inception of the ASR, we paid $250.0 million to Bank of America, N.A. and took initial delivery of 5.5 million shares. In June 2024, we finalized the completes the December 2021 capital return program.

In February 2024, our Board of Directors authorized a new capital return program to repurchase up to $750.0 million of our outstanding common stock.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the fiscal quarter three months ended ended March 31, 2024 June 30, 2024, the following officers no director or officer adopted or terminated any Rule 10 defined pursuant to Item 408(a) of Regulation S-K) as noted in the table below. .

			Trading Arrangement		
Name and Title	**Action**	**Date**	**Rule 10b5-1***	**Non-Rule 10b5-1****	**Total Shar**
Helen Torley President and Chief Executive Officer	Termination	1/30/2024	X		
Helen Torley President and Chief Executive Officer	Adoption	3/22/2024	X		
Nicole LaBrosse Senior Vice President and Chief Financial Officer	Adoption	3/22/2024	X		

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

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

(1) The duration of the trading arrangement was until May 30, 2024, or earlier if all transaction under the trading arrangement had been completed. At the t arrangement.

(2) Represents a sale of common shares acquired upon exercise of stock options with ten-year term expiring in 2025.

Item 6. Exhibits

3.1	Amended and Restated Certificate of Incorporation of Halozyme Therapeutics, Inc. (filed as Exhibit 3.1 to the Company's Form 8-K filed April 1
3.2	Bylaws, as amended (filed as Exhibit 3.1 to the Company's Form 8-K filed December 10, 2021 and incorporated herein by reference)
4.1	Indenture, dated March 1, 2021, between Halozyme Therapeutics, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (file 2021 and incorporated herein by reference)
4.2	Form of Note, dated March 1, 2021, between Halozyme Therapeutics, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee 2021 and incorporated herein by reference)
4.3	Indenture, dated August 18, 2022, between Halozyme Therapeutics, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee, 2022 and incorporated herein by reference)
4.4	Form of Note, dated August 18, 2022, between Halozyme Therapeutics, Inc. and The Bank of New York Mellon Trust Company, N.A., as truste Company's Form 8-K filed August 18, 2022 and incorporated herein by reference)
10.1	Form of Restricted Unit Agreement (2021 plan updated June 2024) (filed herewith)
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended (filed h
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended (filed he
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarb
101.INS	Instance Document - the instance document does not appear in the interactive Data File because its XBRL tags are embedded within the Inlin
101.SCH	Inline Taxonomy Extension Schema Document (filed herewith)
101.CAL	Inline Taxonomy Extension Calculation Linkbase Document (filed herewith)
101.DEF	Inline Taxonomy Extension Definition Linkbase Document (filed herewith)
101.LAB	Inline Taxonomy Extension Label Linkbase Document (filed herewith)
101.PRE	Inline Taxonomy Extension Presentation Linkbase Document (filed herewith)
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) (filed herewith)

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

Halozyme Therapeutics, Inc.
(Registrant)

Dated: May 7, August 6, 2024

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

Helen I. Torley, M.B. Ch.B., M.R.C.P.
President and Chief Executive Officer
(Principal Executive Officer)

Dated: May 7, August 6, 2024

/s/ Nicole LaBrosse

Nicole LaBrosse
Senior Vice President and Chief Financi
(Principal Financial and Accounting Offic

Halozyme Therapeutics, Inc.

Restricted Stock Units Agreement
under the
Halozyme Therapeutics, Inc.
2021 Stock Plan

1. Terminology. Unless otherwise provided in this Award Agreement, capitalized terms used herein are defined in the Glossary a Plan.

2. Vesting. All of the Restricted Stock Units are nonvested and forfeitable as of the Grant Date. So long as your Service is contin upon which vesting is scheduled to occur, the Restricted Stock Units will become vested and nonforfeitable in accordance with the ve circumstances, if any, described in the Notice or herein, none of the Restricted Stock Units will become vested and nonforfeitable after you

3. Termination of Employment or Service. Unless otherwise provided herein or in the Notice, if your Service with the Company Stock Units that are not then vested and nonforfeitable will be forfeited to the Company immediately and automatically upon such cessati you will have no further right, title or interest in or to such Restricted Stock Units or the underlying shares of Stock. Notwithstanding the fore of a Qualifying Termination, then all outstanding Restricted Stock Units that are not then vested and nonforfeitable shall, effective as of 100% vested and nonforfeitable.

4. Restrictions on Transfer. Neither this Award Agreement nor any of the Restricted Stock Units may be assigned, transferre whether by operation of law or otherwise, and the Restricted Stock Units shall not be subject to execution, attachment or similar process. A Restricted Stock Units shall be exercisable during your lifetime only by you or your guardian or legal representative.

5. Dividend Equivalent Payments. On each dividend payment date for each cash dividend (regular or extraordinary) on the Stoc with dividend equivalents in the form of additional Restricted Stock Units. All such additional Restricted Stock Units shall be subject Restricted Stock Units in respect of which they were credited and shall be settled in accordance with, and at the time of, settlement of related. The number of Restricted Stock Units to be credited shall equal the quotient, rounded to such fraction as determined by the Com the product of (i) the cash dividend payable per share of Stock, multiplied by (ii) the number of Restricted Stock Units credited to your acco

is the Fair Market Value of a share of Stock on the dividend payment date. If your vested Restricted Stock Units have been settled after th any Restricted Stock Units that would be credited pursuant to the preceding sentence shall be settled on or as soon as practicable a preclude the Committee from exercising its discretion under the Plan to determine whether to eliminate fractional units or credit fractional units will be credited.

6. Settlement of Restricted Stock Units.

(a) Manner of Settlement. You are not required to make any monetary payment (other than applicable tax withholding, if required Units, the consideration for which shall be services rendered to the Company or for its benefit. The Company will issue to you, in settlem provisions of Section 7 below, the number of whole shares of Stock that equals the number of whole Restricted Stock Units that become terminate and cease to be outstanding upon such issuance of the shares. Upon issuance of such shares, the Company will determine the entry evidencing such shares) and may deliver such shares on your behalf electronically to the Company's designated stock plan admin may choose at its sole discretion, within reason.

(b) Timing of Settlement. Your Restricted Stock Units will be settled by the Company, via the issuance of Stock as described herei vested and nonforfeitable. However, if a scheduled issuance date falls on a Saturday, Sunday or federal holiday, such issuance date shall executive offices of the Company are open for business. In all cases, the issuance and delivery of shares under this Award Agreement is 1.409A-1(b)(4) and shall be construed and administered in such a manner. If you die after vesting but before settlement, your Restricted St

7. Tax Withholding.

(a) Subject to Sections 7(b) and 7(c), you must satisfy any federal, state, local or other income, employment, or other taxes that th be obligated to withhold with respect to your Restricted Stock Units ("Tax-Withholding Obligation") by tendering a cash payment to the C Units vest (or the time of any other applicable tax withholding event, as the case may be), that covers such Tax-Withholding Obligation, wit manner specified by the Company. The Committee shall have discretion to allow any other method of satisfying any such Tax-Withholding

(b) The Committee may from time to time provide that any Tax-Withholding Obligation that arises in connection with the settleme the Company withholding from the shares otherwise issuable to you in connection with such vested Restricted Stock Units a number of sh the Company at the time of the applicable withholding based on the Company's practice) is sufficient to cover the Tax-Withholding O settlement of your vested Restricted Stock Units. Any shares of Stock withheld to satisfy any such Tax-Withholding Obligation shall not e the applicable withholding obligations, as determined by the Company. To the extent the Committee has provided for such a share Obligation in the circumstances, this Section 7(b) shall control over Section 7(a).

(c) In the event that you are a party to a written letter agreement with the Company that provides, as of the date that the Restri that arises in connection with the settlement of vested Restricted Stock Units will be satisfied by the Company (or any third-party broke

transactions on the open market, for and on your behalf, from the Shares that would otherwise be delivered to you in payment of your ves (valued at the applicable sale prices applying the applicable broker's customary methodology) to satisfy such Tax-Withholding Obligat Restricted Stock Units (a "Sell-To-Cover Transaction"), then the terms of such letter agreement as in effect on the applicable Restricted St of the applicable Tax-Withholding Obligation and, in such circumstances, this Section 7(c) shall control over Sections 7(a) and 7(b).

(d) Unless the Tax-Withholding Obligations of the Company and/or any of its subsidiaries or affiliates are satisfied, the Company s the event any such obligation to withhold arises prior to the delivery to you of Stock hereunder or it is determined after the delivery of Stock obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company (and each of its subsid Company (and its subsidiaries and affiliates) to withhold the proper amount.

8. Adjustments for Corporate Transactions and Other Events.

(a) Stock Dividend, Stock Split and Reverse Stock Split.Upon a stock dividend of, or stock split or reverse stock split affecting, th Units shall, without further action of the Committee, be adjusted to reflect such event; provided, however, that any fractional Restricted St eliminated. Adjustments under this paragraph will be made by the Committee, whose determination as to what adjustments, if any, will be conclusive.

(b) Treatment on Change in Control. Notwithstanding anything herein to the contrary, in connection with a Change in Control, the to the extent applicable, ensure that the definitive documentation setting forth the terms of the Change in Control provides, that either:

(i) the Company shall continue to maintain in effect, or the Company's successor shall assume, the Plan, this Award A hereunder (together with all other outstanding equity incentive plans, award agreements and awards of the Company), and such Restric with the number and kind of shares or units associated with such Restricted Stock Units adjusted to reflect the Change in Control in acc accordance with and subject to their terms and conditions (including, without limitation, with respect to vesting, exercise, forfeiture, immediately prior to the Change in Control; or

(ii) the Restricted Stock Units shall be cancelled immediately prior to and contingent upon the consummation of such Char in respect thereof in an amount calculated based on the value of the Restricted Stock Units at the time of such Change in Control as deter assuming the Award was fully vested and exercisable and/or not subject to forfeiture, as applicable. For avoidance of doubt: In respect c eligible to receive an amount in cash equal to the per-share consideration received by sellers of the class of shares subject to such Restrict

Payments described in this Section 8(b) shall be made on, or as soon as administratively practicable following, the Change in Contro

9. Non-Guarantee of Employment or Service Relationship. Nothing in the Plan or this Award Agreement shall alter your emp Company, nor be construed as a contract of employment or service relationship between the Company and you, or as a contractual righ relationship with, the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with discharge results in the forfeiture of any nonvested and forfeitable Restricted Stock Units or any other adverse effect on your interests unde

10. Rights as Stockholder. You shall not have any of the rights of a stockholder with respect to any shares of Stock that may be i such shares of Stock have been issued to you. No adjustment shall be made for dividends, distributions, or other rights for which the re except as provided in Section 5 of this Award Agreement with respect to dividend equivalent payments or as otherwise permitted under the

11. The Company's Rights. The existence of the Restricted Stock Units shall not affect in any way the right or power of the Compa adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or c debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Stock or the rights thereof, o sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar charac

12. Restrictions on Issuance of Shares. The issuance of shares of Stock upon settlement of the Restricted Stock Units shall requirements of federal, state, or foreign law with respect to such securities. No shares of Stock may be issued hereunder if the issuan applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market sy inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counse subject to the Restricted Stock Units shall relieve the Company of any liability in respect of the failure to issue such shares as to which suc a condition to the settlement of the Restricted Stock Units, the Company may require you to satisfy any qualifications that may be neces applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

13. Notices. All notices and other communications made or given pursuant to this Award Agreement shall be given in writing and the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to or in the case of notices delivered to the Company by you, addressed to the Committee, care of the Company for the attention of its Secret

the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this award request your consent to participate in the Plan or accept this award of Restricted Stock Units by electronic means. You hereby consent to requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or anoth

14. Entire Agreement. This Award Agreement, together with the relevant Notice and the Plan, contain the entire agreement bet Units granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications mad respect to the Restricted Stock Units granted hereunder shall be void and ineffective for all purposes.

15. Amendment. This Award Agreement may be amended from time to time by the Committee in its discretion; provided, however manner that would have a materially adverse effect on the Restricted Stock Units as determined in the discretion of the Committee, exc signed by each of the parties hereto.

16. 409A Savings Clause. This Award Agreement and the Restricted Stock Units granted hereunder are intended to fit within the the Code as set forth in Treasury Regulation Section 1.409A-1(b)(4). In administering this Award Agreement, the Company shall interpre such exemption. Notwithstanding the foregoing, if it is determined that the Restricted Stock Units fail to satisfy the requirements of the compensation subject to Section 409A, and if you are a "Specified Employee" (within the meaning set forth Section 409A(a)(2)(B)(i) of the (within the meaning of Treasury Regulation Section 1.409A-1(h)), then the issuance of any shares that would otherwise be made upon the six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the date tha separation from service, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of additional taxatio of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Section 409A of the Code purposes of Section 409A of the Code, the payment of dividend equivalents under Section 5 of this Award Agreement shall be construed a dividend equivalents shall be treated separately from the time and form of payment of the underlying Restricted Stock Units.

17. [Reserved.]

18. No Obligation to Minimize Taxes. The Company has no duty or obligation to minimize the tax consequences to you of this awa you for any adverse tax consequences to you arising in connection with this award. You are hereby advised to consult with your own pers tax consequences of this award and by signing the Notice, you have agreed that you have done so or knowingly and voluntarily declined to

19. Conformity with Plan. This Award Agreement is intended to conform in all respects with, and is subject to all applicable provis Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Award Agreemer silent, the Plan shall govern. A copy of the Plan isavailable on the Company's intranet or upon written request to the Committee.

20. No Funding. This Award Agreement constitutes an unfunded and unsecured promise by the Company to issue shares of Stoc the status of a general unsecured creditor of the Company as a result of receiving the grant of Restricted Stock Units.

21. Effect on Other Employee Benefit Plans. The value of the Restricted Stock Units subject to this Award Agreement shall not other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, excep

The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

22. Governing Law. The validity, construction, and effect of this Award Agreement, and of any determinations or decisions made and the rights of any and all persons having or claiming to have any interest under this Award Agreement, shall be determined exclusively without regard to its provisions concerning the applicability of laws of other jurisdictions. Any suit with respect hereto will be brought in the f city or town in which the Company's principal executive office is located, and you hereby agree and submit to the personal jurisdiction and

23. Headings. The headings in this Award Agreement are for reference purposes only and shall not affect the meaning or interpret

24. Electronic Delivery of Documents. By your signing the Notice, you (i) consent to the electronic delivery of this Award Agreer Restricted Stock Units, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that y of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) furth required to consent to electronic delivery of documents.

25. No Future Entitlement. By your signing the Notice, you acknowledge and agree that: (i) the grant of a restricted stock unit a contractual or other right to receive future grants of restricted stock units, or compensation in lieu of restricted stock units, even if restricted (ii) all determinations with respect to any such future grants and the terms thereof will be at the sole discretion of the Committee; (iii) the

item of compensation which is outside the scope of your employment contract, if any; (iv) the value of the restricted stock units is not part purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar or retirement benefits; (v) the vesting of the restricted stock units ceases upon termination of Service with the Company or transfer of e eligibility for any reason, except as may otherwise be explicitly provided in this Award Agreement; (vi) the Company does not guarantee an claim or entitlement to compensation or damages arises if the restricted stock units decrease or do not increase in value and you irrevo does arise.

26. Personal Data. For purposes of the implementation, administration and management of the restricted stock units or the effectu venture, merger, reorganization, consolidation, recapitalization, business

combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involv consent, by execution of the Notice, to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal vendors or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withhold and unvested) may be transferred to third parties assisting in the implementation, administration and management of the restricted stock un you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You und country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understa to implement, administer and manage the restricted stock units or effect a Corporate Transaction. You understand that you may, at any tim potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing accept a restricted stock unit award.

27. Counterparts. The Notice may be executed in counterparts, each of which shall be deemed an original, but all of which togethe

{*Glossary begins on next page*}

GLOSSARY

(a) "***Affiliate***" means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with Ha ventures, limited liability companies, and partnerships). For this purpose, the term "control" (including the term "controlled by") means the possessi direction of the management and policies of the relevant entity, whether through the ownership of voting securities, by contract or otherwise.

(b) "***Award Agreement***" means this document, as amended from time to time, together with the Plan which is incorporated herein by re

(c) "***Cause***" means, solely for purposes of this Award Agreement, a determination made in good faith by the Committee, which determi

(i) been convicted of, or plead nolo contendere to, a felony or crime involving moral turpitude;

(ii) committed fraud with respect to, or misappropriated any funds or property of the Participating Company Group, or an

(iii) illegally used or illegally distributed controlled substances;

(iv) willfully violated any material written rule, regulation, procedure or policy of the Participating Company applicable to determined by the Committee in good faith; or

(v) materially breached any employment, nondisclosure, nonsolicitation or other similar material agreement execut demonstrable harm to the Company, as determined by the Committee in good faith.

(d) "***Code***" means the Internal Revenue Code of 1986, as amended, and the Treasury regulations and other guidance promulgated the

(e) "***Committee***" means the Compensation Committee or other committee of the Board of Directors of the Company duly appointed t specified by the Board of Directors.

(f) "***Company***" means Halozyme Therapeutics, Inc. and its Affiliates, except where the context otherwise requires. For purposes of d Plan) has occurred, Company shall mean only Halozyme Therapeutics, Inc.

(g) "***Fair Market Value***" has the meaning set forth in the Plan. The Plan generally defines Fair Market Value to mean the closing pric exchange or market on which the Stock is then listed or admitted to trading or, if no sale is reported for that date, the last preceding business day on wh

(h) "***Good Reason***" means, solely for purposes of this Award Agreement, the occurrence of any of the following events without your co

(i) any material diminution in your annual base salary or annual target bonus opportunity (expressed as a percentage of

(ii) any requirement by the Participating Company that you physically relocate from your current work location to anothe

that any such condition shall not constitute Good Reason unless both (x) you provide written notice to the Company of the condition claimed to co existence of such condition (such notice to be delivered in accordance with Section 13), and (y) the Company fails to remedy such condition within th provided, further, that in all events the termination of your employment with the Company shall not constitute a termination for Good Reason unless twenty (120) days following the initial existence of the condition claimed to constitute Good Reason.

(i) "***Grant Date***" means the effective date of a grant of Restricted Stock Units made to you as set forth in the relevant Notice.

(j) "***Notice***" means the statement, letter or other written notification provided to you by the Company setting forth the terms of a grant of

(k) "***Plan***" means the Halozyme Therapeutics, Inc. 2021 Stock Incentive Plan, as amended from time to time.

(l) "***QualifyingTermination***" means the occurrence of any of the following events within two years following the occurrence of a Chang

(i) termination by the Participating Company of your Service for any reason other than Cause; or

(ii) your voluntary resignation for Good Reason; or

(iii) a termination of your Service due to your death or Disability.

For purposes of determining whether a Qualifying Termination has occurred, if at the time of your termination of Service you are a party to a Chang Control Severance Plan, the terms "Cause" and "Good Reason" are used as defined in your Change in Control Agreement, or if you are not then a p Change in Control Severance Plan. For clarity, if you are not a party to a Change in Control Agreement or a participant in the Change in Control Sev shall apply.

(m) "***Restricted Stock Unit***" means the Company's commitment to issue one share of Stock at a future date, subject to the terms of th

(n) "***Service***" means your employment, service as a non-executive director, or other service relationship with the Company and its Affili

with the Company and its Affiliates if, immediately after a sale, merger, or other corporate transaction, the trade, business, or entity with which you are Halozyme Therapeutics, Inc. or its successor or an Affiliate of Halozyme Therapeutics, Inc. or its successor.

(o) "***Stock***" means the common stock, US$0.001 par value per share, of Halozyme Therapeutics, Inc., as adjusted from time to time in

(p) "***You***" or "***Your***" means the recipient of the Restricted Stock Units as reflected on the applicable Notice. Whenever the word "you" under circumstances where the provision should logically be construed, as determined by the Committee, to apply to the estate, personal representati be transferred by will or by the laws of descent and distribution, the words "you" and "your" shall be deemed to include such person.

{*End of Agreement*}

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Helen I. Torley, M.B. Ch.B., M.R.C.P., Chief Executive Officer of Halozyme Therapeutics, Inc. certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Halozyme Therapeutics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements 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 con 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 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 ensur 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 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 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 q annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant' 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 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 fi

Dated: May 7, August 6, 2024

/s/ Helen I. Torley,

Helen I. Torley, M.
President and Chi

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Nicole LaBrosse, Chief Financial Officer of Halozyme Therapeutics, Inc. certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements 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 con 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 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 ensur 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 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 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 q annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant' 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 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 fi

Dated: May 7, August 6, 2024

/s/ Nicole LaBrosse
Nicole LaBrosse
Senior Vice President and Chief

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

In connection with the Quarterly Report of Halozyme Therapeutics, Inc. (the "Registrant") on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024, as f hereof (the "Report"), I, Helen I. Torley, M.B. Ch.B., M.R.C.P., Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursua best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: May 7, August 6, 2024

/s/ Helen I. Torley,
Helen I. Torley, M.
President and Chi

In connection with the Quarterly Report of Halozyme Therapeutics, Inc. (the "Registrant") on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024, as f hereof (the "Report"), I, Nicole LaBrosse, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 9 knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: May 7, August 6, 2024

/s/ Nicole LaBross
Nicole LaBrosse
Senior Vice Presid

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