
**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, 2026

or

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

For the transition period from _____ to _____

Commission File Number: 001-40021

AEON Biopharma, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

85-3940478
(I.R.S. Employer
Identification Number)

5 Park Plaza
Suite 1750
Irvine, CA 92614
(Address of Principal Executive Offices)

(949) 354-6499
(Registrant's telephone number)

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>	Emerging growth company <input checked="" type="checkbox"/>

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

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

<u>Title of Each Class</u>	<u>Trading symbol</u>	<u>Name of Exchange on which registered</u>
Class A common stock, \$0.0001 par value per share	AEON	NYSE American

As of May 11, 2026, there were 26,307,211 of the registrant's shares of Class A common stock, \$0.0001 par value per share, outstanding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Report”) contains certain statements that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). All statements other than statements of historical facts contained in this Report, including statements concerning possible or assumed future actions, business strategies, events or results of operations, and any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as “may,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other similar expressions. The forward-looking statements in this Report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Report and are subject to a number of important factors that could cause actual results to differ materially from those in the forward-looking statements, including the risks, uncertainties and assumptions. These forward-looking statements are subject to numerous risks, including, without limitation, the following:

- the projected financial information, anticipated growth rate and market opportunities of AEON Biopharma, Inc. (“AEON”);
 - the ability to maintain the listing of Class A common stock on NYSE American LLC (“NYSE American”);
 - AEON’s public securities’ potential liquidity and trading;
 - AEON’s ability to raise financing in the future and to continue as a going concern;
 - AEON’s success in retaining or recruiting, or changes required in officers, key employees, scientific personnel or directors;
 - factors relating to the business, operations and financial performance of AEON;
 - the initiation, cost, timing, progress and results of research and development activities, preclinical studies or clinical trials with respect to AEON’s current and potential future product candidates;
 - AEON’s ability to identify, develop and commercialize its main product candidate, botulinum toxin complex, ABP-450 (prabotulinumtoxinA) injection (“ABP-450”);
 - AEON’s ability to obtain a Biologics License Application (“BLA”) for therapeutic uses of ABP-450;
 - AEON’s ability to advance its current and potential future product candidates into, and successfully complete, preclinical studies and clinical trials;
 - AEON’s ability to obtain and maintain regulatory approval of its current and potential future product candidates, and any related restrictions, limitations and/or warnings in the label of an approved product candidate;
 - AEON’s ability to obtain and maintain intellectual property protection for its technologies and any of its product candidates;
 - AEON’s ability to successfully commercialize its current and any potential future product candidates;
 - the rate and degree of market acceptance of AEON’s current and any potential future product candidates;
 - regulatory developments in the United States and international jurisdictions;
 - potential liability, lawsuits and penalties related to AEON’s technologies, product candidates and current and future relationships with third parties;
 - AEON’s ability to effectively manage the growth of its operations;
 - AEON’s ability to contract with third-party suppliers and manufacturers and their ability to perform adequately under those arrangements, particularly its license and supply agreement with Daewoong Pharmaceutical Co., LTD. (“Daewoong”) (the “Daewoong Agreement”);
 - anticipated Biosimilar Biological Product Development (“BPD”) meetings with the FDA;
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- anticipated results from our analytical studies;
- AEON’s ability to compete effectively with existing competitors and new market entrants;
- potential effects of extensive government regulation;
- AEON’s future financial performance and capital requirements;
- AEON’s ability to implement and maintain effective internal controls;
- the impact of supply chain disruptions; and
- the impact of macroeconomic developments beyond our control, such as health epidemics or pandemics, macro-economic uncertainties, tariffs, social unrest, hostilities, natural disasters or other catastrophic events, on AEON’s business.

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important factors, including those discussed in this Report, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included elsewhere in this Report are not guarantees of future performance and our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from the forward-looking statements included elsewhere in this Report. In addition, even if our results of operations, financial condition and liquidity, and events in the industry in which we operate, are consistent with the forward-looking statements included elsewhere in this Report, they may not be predictive of results or developments in future periods.

Any forward-looking statement that we make in this Report speaks only as of the date of such statement. Except as required by law, we do not undertake any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Report. For all of our forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Reform Act.

As used in this Report, unless otherwise stated or the context otherwise requires: “we,” “us,” “our,” “AEON,” the “Company,” and similar references refer to AEON Biopharma, Inc. and its subsidiaries, and “common stock” refers to our Class A common stock.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

AEON BIOPHARMA, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data and par value amounts)

	March 31, 2026 <u>(Unaudited)</u>	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,243	\$ 3,006
Prepaid expenses and other current assets	382	392
Total current assets	<u>6,625</u>	<u>3,398</u>
Property and equipment, net	142	162
Operating lease right-of-use asset	992	1,052
Other assets	871	948
Total assets	<u>\$ 8,630</u>	<u>\$ 5,560</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 1,481	\$ 942
Accrued clinical trials expenses	1,173	1,426
Accrued compensation	1,832	2,872
Other accrued expenses	2,183	1,657
Total current liabilities	<u>6,669</u>	<u>6,897</u>
Convertible notes at fair value, including related party amount of \$1,542 and \$34,600 at March 31, 2026 and December 2025, respectively	1,542	34,600
Operating lease liability	825	893
Derivative liability	—	14,879
Warrant liabilities	16,308	3,276
Contingent consideration liability	38	42
Total liabilities	<u>25,382</u>	<u>60,587</u>
Commitments and contingencies (Note 7)		
Stockholders' Deficit:		
Class A common stock, \$0.0001 par value; 1,040,000,000 and 500,000,000 shares authorized at March 31, 2026 and December 31, 2025, and 25,303,058 and 12,105,902 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively	10	9
Additional paid-in capital	465,850	415,783
Accumulated deficit	(482,612)	(470,819)
Total stockholders' deficit	<u>(16,752)</u>	<u>(55,027)</u>
Total liabilities and stockholders' deficit	<u>\$ 8,630</u>	<u>\$ 5,560</u>

See accompanying notes to the condensed consolidated financial statements

AEON BIOPHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(in thousands, except share and per share data) (Unaudited)

	Three Months Ended March 31,	
	2026	2025
Operating expenses:		
Selling, general and administrative	\$ 3,903	\$ 3,125
Research and development	2,034	825
Change in fair value of contingent consideration	(4)	(3,488)
Total operating costs and expenses	<u>5,933</u>	<u>462</u>
Loss from operations	(5,933)	(462)
Other (loss) income:		
Change in fair value of convertible notes	(8,727)	(1,631)
Change in fair value of warrants	4,656	86,729
Loss on issuance of warrants	—	(75,644)
Loss on extinguishment of debt	(76)	—
Loss on derivative liability	(1,743)	—
Other income, net	30	103
Total other (loss) income, net	<u>(5,860)</u>	<u>9,557</u>
(Loss) income before taxes	(11,793)	9,095
Income taxes	—	—
Net (loss) income	<u>\$ (11,793)</u>	<u>\$ 9,095</u>
Basic and diluted net (loss) income per share	<u>\$ (0.29)</u>	<u>\$ 2.28</u>
Weighted average shares of common stock outstanding used to compute basic and diluted net (loss) income per share	<u>40,614,087</u>	<u>3,984,876</u>

See accompanying notes to the condensed consolidated financial statements

AEON BIOPHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(in thousands, except share data) (Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance as of January 1, 2026	12,105,902	\$ 9	\$ 415,783	\$ (470,819)	\$ (55,027)
Net loss	—	—	—	(11,793)	(11,793)
Issuance of pre-funded warrants related to PIPE financing	—	—	13,437	—	13,437
Issuance of shares related to at-the-market offering, net	1,278,776	—	1,665	—	1,665
Issuance of shares related to exchange of convertible notes	11,918,380	1	31,488	—	31,489
Modification of cash-settled restricted stock units	—	—	1,952	—	1,952
Stock-based compensation expense	—	—	1,525	—	1,525
Balance as of March 31, 2026	<u>25,303,058</u>	<u>\$ 10</u>	<u>\$ 465,850</u>	<u>\$ (482,612)</u>	<u>\$ (16,752)</u>
Balance as of January 1, 2025	555,511	\$ 4	\$ 403,024	\$ (431,597)	\$ (28,569)
Net income	—	—	—	9,095	9,095
Issuance of shares and reclassification of liability related to cashless warrant exercises	9,983,104	5	6,417	—	6,422
Stock-based compensation expense	—	—	1,729	—	1,729
Balance as of March 31, 2025	<u>10,538,615</u>	<u>\$ 9</u>	<u>\$ 411,170</u>	<u>\$ (422,502)</u>	<u>\$ (11,323)</u>

See accompanying notes to the condensed consolidated financial statements

AEON BIOPHARMA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, except per share data) (Unaudited)

	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net (loss) income	\$ (11,793)	\$ 9,095
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation	19	19
Stock-based compensation expense	1,932	1,729
Loss on issuance of warrants	—	75,644
Loss on extinguishment of debt	76	—
Change in fair value of convertible notes	8,727	1,631
Change in fair value of warrants	(4,656)	(86,729)
Loss on derivative liability	1,743	—
Change in fair value of contingent consideration	(4)	(3,488)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	10	(298)
Accounts payable	539	(3,473)
Accrued expenses and other liabilities	700	(2,036)
Other assets and liabilities	71	(3)
Net cash used in operating activities	<u>(2,636)</u>	<u>(7,909)</u>
Cash flows from investing activities:		
Purchases of property and equipment	—	(4)
Net cash used in investing activities	<u>—</u>	<u>(4)</u>
Cash flows from financing activities:		
Proceeds from PIPE financing	4,208	—
Proceeds from issuance of at-the-market shares, net	1,665	—
Proceeds from issuance of public offering shares, net	—	18,346
Net cash provided by financing activities	<u>5,873</u>	<u>18,346</u>
Net increase in cash	3,237	10,433
Cash and cash equivalents at beginning of period	3,006	13
Cash and cash equivalents at end of period	<u>\$ 6,243</u>	<u>\$ 10,446</u>
Supplemental disclosure of cash flow information:		
Non-cash financing activities:		
Settlement of convertible notes with common shares	<u>\$ 31,489</u>	<u>\$ —</u>
Reclassification of derivative liability to equity and warrant liabilities in connection with PIPE financing	<u>16,622</u>	<u>—</u>
Modification of cash-settled restricted stock units	<u>1,952</u>	<u>—</u>
Cashless warrant exercises	<u>\$ —</u>	<u>\$ 6,418</u>

See accompanying notes to the condensed consolidated financial statements

AEON BIOPHARMA, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization

Description of Business

AEON Biopharma, Inc. (“AEON” or the “Company”) is a biopharmaceutical company advancing its botulinum toxin complex, ABP-450, as a biosimilar to Botox® (onabotulinumtoxinA) to achieve full-label United States (“U.S.”) market entry for debilitating medical conditions. The Company is headquartered in Irvine, California.

On July 21, 2023 (the “Closing Date”), the Company completed the acquisition of AEON Biopharma Sub, Inc. (formerly known as AEON Biopharma, Inc.) (“Old AEON”) pursuant to the definitive agreement dated December 12, 2022 (the “Business Combination Agreement”), as amended April 27, 2023, by and among Priveterra Acquisition Corp. (“Priveterra”), Priveterra’s wholly-owned subsidiary, Priveterra Merger Sub, Inc., and Old AEON (the “Merger”). On the Closing Date, Old AEON merged with Priveterra Merger Sub, Inc., with Old AEON surviving the merger as a wholly-owned subsidiary of the Company. Also on the Closing Date, the Company changed its name from “Priveterra Acquisition Corp.” to “AEON Biopharma, Inc.” and is referred to herein as “AEON,” or the “Company.”

The Company’s Class A common stock is trading on NYSE American under the symbol “AEON.”

Liquidity and Going Concern

The accompanying condensed consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern. The Company has experienced recurring losses from operations and has a net capital deficiency and negative cash flows from operations since its inception. As of March 31, 2026, the Company reported cash and cash equivalents of \$6.2 million and an accumulated deficit of \$482.6 million. The Company expects to incur losses and use cash in its operations for the foreseeable future.

The Company is seeking full-label U.S. market entry by developing its ABP-450 as a biosimilar through submission of a BLA under Section 351(k), using AbbVie Inc.’s product Botox® as a proposed reference product for all of the indications for which Botox® is approved, other than the cosmetic uses for which the Company does not hold development or commercialization rights. The Company held an initial meeting with the FDA in the third quarter of 2024 during which it aligned with the FDA on next steps to develop a Botox® biosimilar. The Company commenced analytical studies in the fourth quarter of 2024 to prepare for a BPD Type 2a meeting with the FDA that was held in January 2026. During the meeting, the FDA reviewed the Company’s proposed analytical similarity strategy under the 351(k) biosimilar pathway, acknowledged the scientific challenges associated with characterizing a 900 kDa botulinum neurotoxin complex, provided constructive feedback on the Company’s proposed development approach and analytical assessment plan, and noted that the analytical methodologies appeared reasonable to support advancement of the program toward a comprehensive analytical similarity package. The Company believes this feedback provides a clear framework for the remaining analytical components of its biosimilar development program and plans to complete the majority of its analytical comparability program in 2026. The Company is currently planning to request a BPD Type 2b meeting in 2026 to discuss the next phase of the development program to support approval of ABP-450 as a biosimilar to Botox® across all approved therapeutic indications.

On August 14, 2024, the Company entered into an “at-the-market” sales agreement with Leerink Partners LLC (“Leerink Partners”) relating to an at-the-market offering program (the “ATM”), pursuant to which the Company may offer and sell, from time to time at its sole discretion, shares of common stock, registered pursuant to a shelf registration statement on Form S-3 (No. 333-281562) (as amended and supplemented, the “Registration Statement”) that the Securities and Exchange Commission (the “SEC”) declared effective on August 21, 2024, having aggregate gross proceeds of up to \$50.0 million through Leerink Partners as sales agent. Any sales by us pursuant to the Registration Statement, including any sales pursuant to the ATM, will be subject to any limits imposed under applicable law, including General Instructions I.B.1 and I.B.6 of Form S-3. Under the ATM, Leerink Partners is entitled to commission at a rate equal to 3.0% of the gross proceeds from sales of shares of common stock under the ATM. For the three months ended March 31, 2026, there were 1,278,776 shares issued under the ATM for net proceeds of approximately \$1.7 million. As of March 31, 2026, the cumulative shares issued under the ATM were 1,657,786 shares, net proceeds were received of approximately

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\$2.0 million, and approximately \$47.9 million of common stock remains available to be sold under the ATM. The Company may cancel its at-the-market program at any time upon prior notice, pursuant to its terms.

On November 12, 2025, the Company entered into a Securities Purchase Agreement with certain investors whereby the Company issued and sold to the investors certain PIPE Shares, PIPE Pre-Funded Warrants, PIPE Warrants and True-up Warrants (each, as defined below) for total gross proceeds of \$6.0 million. The Company received gross proceeds of \$1.8 million and \$4.2 million upon the First Closing on November 18, 2025 (the “First Closing”) and the Second Closing on January 27, 2026 (the “Second Closing”), respectively. [See Note 4 Private Placement Financing](#) for additional information.

On November 12, 2025, the Company entered into a Term Sheet with Daewoong (the “Term Sheet”) relating to the exchange of the outstanding senior secured convertible notes of the Company held by Daewoong of \$5.0 million and \$10.0 million in principal with maturity dates of March 2027 and April 2027, respectively (the “Exchange”). On December 15, 2025, the Company entered into an Agreement with Daewoong (the “Exchange Agreement”) consistent with the terms of the Term Sheet pursuant to which the Existing Notes (as defined below) held by Daewoong would be exchanged for (i) newly issued shares of common stock of the Company equal to (x) the principal and accrued interest of the Existing Notes as of the closing of the Exchange less (y) the principal amount of the New Convertible Note (as defined below), divided by \$1.00, and then multiplied by 1.3 (and rounded down to the nearest whole share of common stock) and/or pre-funded warrants to purchase shares of common stock (the “Daewoong Pre-Funded Warrants”) in lieu of any shares of common stock that would result in Daewoong’s beneficial ownership of common stock exceeding 49.99% (the “Exchange Shares”), (ii) a new senior secured convertible note for \$1.5 million (the “New Convertible Note”), and (iii) warrants to purchase up to 8.0 million shares of common stock at an exercise price of \$1.09392 per share (the “Daewoong Warrants”). The Daewoong Warrants, which contain the same terms as the PIPE Warrants (as defined below), may only be exercised for cash. The Daewoong Warrants are immediately exercisable after issuance and may be exercised at any time until the five-year anniversary of the Second Closing. [See Note 5 Daewoong Convertible Notes](#) for additional information.

The commencement of additional studies, preparation for the potential BPD meeting and any further development of ABP-450 would require additional funding in the form of equity financings or debt. There can be no assurance that such efforts will be successful or that, in the event that they are successful, the terms and conditions of such financing will be commercially acceptable. Furthermore, the use of equity as a source of financing would dilute existing shareholders. As a result of these conditions, management has concluded that there is substantial doubt about the Company’s ability to continue as a going concern and to meet its obligations as they become due within one year after the date that these condensed consolidated financial statements are issued.

The preparation of these condensed consolidated financial statements does not include any adjustments that may result from the outcome of this uncertainty. This basis of accounting contemplates the recovery of the Company’s assets and the satisfaction of the Company’s liabilities and commitments in the normal course of business and does not include any adjustments to reflect the possible future effects of the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

The Company’s future operations are highly dependent on a combination of factors, including (1) the success of its research and development programs; (2) the timely and successful completion of any additional financing; (3) the development of competitive therapies by other biotechnology and pharmaceutical companies; (4) the Company’s ability to manage growth of the organization; (5) the Company’s ability to protect its technology and products; and, ultimately (6) regulatory approval and successful commercialization and market acceptance of its product candidates.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). The condensed consolidated financial statements include the accounts of the Company and its controlled subsidiaries.

Unaudited Interim Financial Information

The accompanying interim condensed consolidated balance sheets as of March 31, 2026, condensed consolidated statements of operations and comprehensive (loss) income and stockholders' deficit for the three months ended March 31, 2026 and 2025, condensed consolidated statement of cash flows for the three months ended March 31, 2026 and 2025, and the related note disclosures are unaudited. The balance sheet information as of December 31, 2025 is derived from the audited financial statements. These unaudited interim financial statements have been prepared in accordance with U.S. GAAP and, in management's opinion, on a basis consistent with the audited financial statements and reflect all adjustments which only include normal recurring adjustments necessary for the fair presentation of the Company's financial position as of March 31, 2026 and its results of operations and comprehensive (loss) income for the three months ended March 31, 2026 and 2025 and cash flows for the three months ended March 31, 2026 and 2025. The results for the three months ended March 31, 2026 are not necessarily indicative of the results to be expected for the year ending December 31, 2026 or any other interim period.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and disclosures made in the accompanying notes. The Company's most significant estimates relate to the research and development accruals, valuation of stock-based compensation, and the fair values of warrant liabilities, convertible notes, and derivative liability, among others. Although the Company bases estimates on historical experience, knowledge of current events and actions it may undertake in the future, and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments over the carrying values of assets and liabilities, this process may result in actual results differing materially from those estimated amounts used in the preparation of the financial statements.

Segment Reporting

The Company determined that it operates and manages its business as one operating segment, focused on the research and development of ABP-450. The Company's chief operating decision maker ("CODM") is the Company's Chief Executive Officer, who reviews its consolidated operating results for the purpose of assessing liquidity needs, allocating resources and evaluating financial performance. Asset information, including monitoring of its cash and cash equivalents, provided to the CODM is consistent with those reported on the condensed consolidated balance sheets. The key measure of the Company's single segment profit and loss that the CODM uses to allocate resources and assess performance is the Company's operating (loss) income as reported on the condensed consolidated statement of operations and comprehensive (loss) income.

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The table below shows a reconciliation of the Company's net (loss) income, including the significant expense categories regularly provided to and reviewed by the CODM, as computed under U.S. GAAP to the Company's total consolidated net (loss) income as reported in the condensed consolidated statement of operations and comprehensive (loss) income:

	Three Months Ended	
	March 31,	
	2026	2025
Segment operating expenses:		
Compensation and benefits	\$ 3,129	\$ 2,388
Professional and legal fees	1,442	1,215
Office and travel	302	234
Research and development	1,064	113
Total selling, general and administrative, and research and development	5,937	3,950
Change in fair value of contingent consideration	(4)	(3,488)
Total operating costs and expenses	5,933	462
Loss from operations	(5,933)	(462)
Other segment items:		
Change in fair value of convertible notes	(8,727)	(1,631)
Change in fair value of warrants	4,656	86,729
Loss on issuance of warrants	—	(75,644)
Loss on extinguishment of debt	(76)	—
Loss on derivative liability	(1,743)	—
Other income, net	30	103
Total other segment items, net	(5,860)	9,557
(Loss) income before taxes	(11,793)	9,095
Income taxes	—	—
Segment net (loss) income	<u>\$ (11,793)</u>	<u>\$ 9,095</u>

Risk and Uncertainties

The Company is subject to risks common to early-stage companies in the pharmaceutical industry including, but not limited to, dependency on the clinical and commercial success of its current and any future product candidates, ability to obtain regulatory approval of its current and any future product candidates, the need for substantial additional financing to achieve its goals, uncertainty of broad adoption of its approved products, if any, by physicians and patients and significant competition.

The Company relies on Daewoong, a South Korean pharmaceutical manufacturer, as an exclusive and sole supplier to manufacture the Company's source material for product candidates. Any termination or loss of significant rights, including exclusivity, under the Company's license and supply agreement with Daewoong would materially and adversely affect the Company's commercialization of its products. [See Note 7 Commitments and Contingencies](#) for a discussion of the Daewoong Agreement.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization. The cost of property and equipment is depreciated over the estimated useful lives of the respective assets. The Company's furniture and fixtures are depreciated on a straight-line basis over a period of seven years. Equipment is depreciated over a useful life of five years. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the related lease term.

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Property and equipment, net, as of March 31, 2026 and December 31, 2025 are as follows (in thousands):

	March 31, 2026	December 31, 2025
Furniture and fixtures	\$ 199	\$ 199
Equipment	241	241
Leasehold improvements	66	66
Property and equipment	506	506
Accumulated depreciation	(364)	(344)
Property and equipment, net	<u>\$ 142</u>	<u>\$ 162</u>

Other Accrued Expenses

Other accrued expenses were as follows (in thousands):

	March 31, 2026	December 31, 2025
Legal expenses	\$ 186	\$ 244
Excise tax liability	569	570
Operating lease liability - short term portion	258	252
Daewoong supplies & analytical testing	204	424
SG&A consulting expenses	428	9
R&D consulting expenses	455	80
Remaining other accrued expenses	83	78
Total other accrued expenses	<u>\$ 2,183</u>	<u>\$ 1,657</u>

Convertible Notes

The Company elected to account for its convertible notes at fair value at inception and at each subsequent reporting date. Subsequent changes in fair value are recorded as a component of non-operating (loss) income in the condensed consolidated statements of operations or as a component of other comprehensive (loss) income for changes related to instrument-specific credit risk. As a result of electing the fair value option, direct costs and fees related to the convertible notes are expensed as incurred.

Contingent Consideration

The Company accounts for its contingent consideration as either equity-classified or liability-classified instruments based on an assessment of the Contingent Consideration Shares specific terms (as further defined in [Note 6 Fair Value Measurements](#)) and applicable authoritative guidance in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 480, Distinguishing Liabilities from Equity (“ASC 480”) and Derivatives and Hedging (“ASC 815”). Based on the appropriate guidance, the Company determined that the Contingent Consideration would be classified as a liability on the condensed consolidated balance sheets and remeasured at each reporting period with changes to fair value recorded to the condensed consolidated statements of operations and comprehensive (loss) income.

Derivative Liability

The Company accounts for its derivative liabilities as either equity-classified or liability-classified instruments based on an assessment of the specific terms and applicable authoritative guidance in ASC 480 and ASC 815. The Company identified that the First Closing of the PIPE contained pre-funded warrants, a tranche right obligation and a True-Up Warrant obligation, and the Second Closing contained pre-funded warrants, PIPE Warrants and True-Up Warrants.

The PIPE Pre-Funded Warrants and True-Up Warrants were determined to be equity classified under ASC 815 upon their issuance. The PIPE Warrants and the tranche right obligation (which encompasses the obligation to issue PIPE Pre-Funded Warrants,

PIPE Warrants, and the True-Up Warrants as of the Second Closing) were determined to not be indexed to the Company's own stock under ASC 815, and as such were classified as liabilities.

The PIPE Warrants were initially measured at fair value using a Black-Scholes calculation and recorded as a liability on the issuance date on the condensed consolidated balance sheets, and remeasured at each reporting period with changes to fair value recorded to the condensed consolidated statements of operations and comprehensive (loss) income. The valuation is subject to inputs and assumptions that have variability, including stock price, risk free rate and volatility. As stock price, risk-free rate and/or volatility increases or decreases, this may result in an increase or decrease, respectively, in the liability. The Company recognized the PIPE Pre-Funded Warrants and True-Up Warrants based on their relative fair values in additional paid-in capital on the issuance date, net of issuance costs.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480 and ASC 815. The assessment considers whether the warrants are freestanding financial instruments and meet all of the requirements for equity classification, including whether the warrants are indexed to the Company's own shares of common stock, among other conditions for equity classification. This assessment is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding. For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as a liability at their initial fair value on the date of issuance, and remeasured at each balance sheet date thereafter until settlement. Changes in the estimated fair value of the warrants are recognized in the Company's condensed consolidated statements of operations and comprehensive (loss) income. The valuation is subject to inputs and assumptions that have variability, including stock price, risk free rate and volatility. As the stock price, risk free rate and/or volatility increases or decreases, this may result in an increase or decrease, respectively, in the liabilities.

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or an exit price paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair value measurements are based on a three-tiered valuation hierarchy, which is classified and disclosed by the Company in one of the three categories as follows:

- Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly, or can be corroborated by observable market data for substantially the full term of the asset or liability; and
- Level 3 — Prices or valuation techniques that require unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The categorization of a financial instrument within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Leases

The Company determines whether a contract is, or contains, a lease at inception. Right-of-use ("ROU") assets represent the Company's right to use an underlying asset during the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at lease commencement based upon the estimated present value of unpaid lease payments over the lease term using the Company's incremental borrowing rate applicable to

the underlying asset unless the implicit rate is readily determinable. The Company determines the lease term as the noncancellable period of the lease, and may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Leases with a term of 12 months or less are not recognized on the balance sheets.

Research and Development Expenses

Research and development costs are expensed as incurred. Research and development expenses consist primarily of costs associated with the Company's biosimilar analyses and clinical studies including clinical trial design, clinical site reimbursement, data management, travel expenses and the cost of products used for biosimilar studies and clinical trials, consulting and internal and external costs associated with the Company's regulatory compliance and quality assurance functions, including the costs of outside consultants and contractors that assist in the process of submitting and maintaining regulatory filings, and overhead costs. Additionally, research and development expenses include employee compensation, including stock-based compensation, supplies, consulting, prototyping, testing, materials, travel expenses and an allocation of facility overhead expenses. Costs incurred in obtaining technology licenses are charged to acquired in-process research and development if the technology licensed has not reached technological feasibility and has no alternative future use.

The Company accrues the expenses for its clinical trial activities performed by third parties, including clinical research organizations and other service providers, based upon estimates of the work completed over the life of the individual study in accordance with associated agreements. The Company determines these estimates through discussion with internal personnel and outside service providers as to progress or stage of completion of trials or services pursuant to contracts with clinical research organizations and other service providers and the agreed-upon fee to be paid for such services. Payments made to outside service providers in advance of the performance of the related services are recorded as prepaid expenses and other current assets until the services are rendered. There have been no material adjustments to the Company's estimates for clinical trial expenses through March 31, 2026.

Stock-Based Compensation

The Company recognizes compensation expense for all share-based awards. The Company accounts for stock-based compensation as measured at grant date, based on the fair value of the award. The Company measures the fair value of awards granted using the Black-Scholes option pricing model, which requires the input of subjective assumptions, including the estimated fair value of common stock, the expected volatility of the Company's common stock, expected risk-free interest rate, and the option's expected life. The Company also evaluates the impact of modifications made to the original terms of equity awards when they occur.

The fair value of equity awards that are expected to vest is amortized on a straight-line basis over the requisite service period. Stock-based compensation expense is recognized net of actual forfeitures when they occur, as an increase to additional paid-in capital in the condensed consolidated balance sheets and in selling, general and administrative or research and development expenses in the condensed consolidated statements of operations and comprehensive (loss) income. All stock-based compensation costs are recorded in the condensed consolidated statements of operations and comprehensive (loss) income based upon the underlying employee's role within the Company.

Net (Loss) Income Per Share

The Company only has one class of shares. Basic net (loss) income per share is computed by dividing the net (loss) income by the weighted average number of shares of common stock outstanding during the period, without consideration for potentially dilutive shares of common stock. Due to their nominal exercise price, the shares underlying outstanding pre-funded warrants are also included in the calculation of basic net (loss) income per share. Diluted net (loss) income per share is computed by dividing the net (loss) income by the weighted-average shares of common stock and potentially dilutive securities outstanding during the period using the treasury stock and if-converted methods, unless their inclusion would have been anti-dilutive. For purposes of the diluted net loss per share calculation, warrants, convertible notes and common stock options were considered as potentially dilutive securities.

Since the Company was in a loss position for the three months ended March 31, 2026, basic net loss per share is the same as diluted net loss per share as the inclusion of all potentially dilutive shares of common stock was anti-dilutive, while for the three months ended March 31, 2025, there were no dilutive shares.

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Basic and diluted net (loss) income per share for the three months ended March 31, 2026 and 2025 were calculated as follows (in thousands, except share and per share amounts):

Three months ended March 31, 2026	
Net loss	\$ (11,793)
Weighted average shares of common stock outstanding, basic and diluted	40,614,087
Net loss per share, basic and diluted	\$ (0.29)
Three months ended March 31, 2025	
Net income	\$ 9,095
Weighted average shares of common stock outstanding, basic and diluted	3,984,876
Net income per share, basic and diluted	\$ 2.28

The following unweighted potentially dilutive securities outstanding have been excluded from the computation of diluted weighted average shares outstanding because such securities have an anti-dilutive impact:

	Three Months Ended	
	March 31,	
	2026	2025
Warrants	18,389,740	4,043,382
Common stock options and restricted stock units	11,781,771	124,584
Convertible notes	2,039,609	399,128
	<u>32,211,120</u>	<u>4,567,094</u>

Contingencies

The Company may be, from time to time, a party to various disputes and claims arising from normal business activities. The Company continually assesses litigation to determine if an unfavorable outcome would lead to a probable loss or reasonably possible loss which could be estimated. The Company accrues for all contingencies at the earliest date at which the Company deems it probable that a liability has been incurred and the amount of such liability can be reasonably estimated. If the estimate of a probable loss is a range and no amount within the range is more likely than another, the Company accrues the minimum of the range. In the cases where the Company believes that a reasonably possible loss exists, the Company discloses the facts and circumstances of the litigation, including an estimable range, if possible.

Recent Accounting Pronouncements

Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, which is intended to improve financial reporting by requiring disaggregated disclosure of certain costs and expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted, and may be applied on either a prospective or retrospective basis. The Company is currently evaluating the impact of this guidance on its condensed consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-11 *Interim Reporting (Topic 270)*, which clarifies interim disclosure requirements and enhances clarity in the application of Topic 270. ASU No. 2025-11 is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years. Early adoption is permitted. The amendments of this ASU can be applied prospectively or retrospectively. The Company is currently evaluating the impact of this guidance on its condensed consolidated financial statements.

Note 3. Public Offering

On January 6, 2025, the Company entered into an underwriting agreement with Aegis Capital Corp. (“Aegis” or the “Underwriter”) pursuant to which the Company agreed to sell and issue, in an underwritten public offering (the “Offering”) 555,571

units, each consisting of (i) one (1) share of common stock, (ii) one (1) Series A Registered common warrant to purchase one (1) share of common stock per warrant (the “Series A Warrant”) at an exercise price of \$45.00 (the “Exercise Price”) and (iii) one (1) Series B Registered common warrant to purchase one (1) share of common stock per warrant (the “Series B Warrant”) at an Exercise Price of \$45.00. The closing of the Offering occurred on January 7, 2025. The Company received net proceeds of approximately \$18.3 million from the Offering, after deducting the offering expenses payable by the Company, including the Underwriter’s fees and expenses.

The Series A Warrants were exercisable beginning on February 24, 2025, the date of approval by stockholders of the Company (the “Stockholder Approval Date” or the “Initial Exercise Date”), and expire in February 2030, the sixty (60) month anniversary of the Initial Exercise Date. The Series B Warrants were exercisable beginning on the Initial Exercise Date and expire in August 2027, on the thirty (30) month anniversary of the Initial Exercise Date.

Upon issuance, the Series A Warrants and Series B Warrants had an initial exercise price of \$45.00, which was reset on the eleventh trading date after the Stockholder Approval Date (the “Reset Date”). Prior to the Stockholder Approval Date, the Series A Warrants and Series B Warrants had a floor price of \$20.23, and following stockholder approval, the Series A Warrants and Series B Warrants had a floor price of \$8.06. The reset price was the greater of (i) the lowest single trading day volume-weighted average price (“VWAP”) of the Company’s common stock during the reset period and (ii) the floor price, as defined in the agreement. The stock price on the Reset Date was below the floor price following the Stockholder Approval Date, and as such, the exercise price was reset to \$8.06.

Additionally, the Company granted Aegis a 45-day option to purchase additional shares of common stock and/or Series A Warrants and Series B Warrants of (i) up to 15.0% of the number of shares of common stock sold in the offering, (ii) up to 15.0% of the number of Series A Warrants sold in the offering and (iii) up to 15.0% of the number of Series B Warrants sold in the offering. The purchase price per additional share of common stock is equal to the public offering price of one unit (less \$0.01 allocated to each full Series A Warrant and Series B Warrant), less the underwriting discount. The purchase price per additional Series A Warrant or Series B Warrant is \$0.01. On January 7, 2025, Aegis exercised its over-allotment option with respect to 83,334 Series A Warrants and 83,334 Series B Warrants.

The holders of Series A Warrants can effect a cashless exercise if there is no effective registration statement at the time of exercise. The number of common shares to be issued would be calculated as VWAP minus exercise price of the Series A Warrants multiplied by the number of Series A Warrants to be cashlessly exercised. The holders of Series B Warrants may effect an alternative cashless exercise whether or not an effective registration statement is available for the issuance of shares. In such event, the number of shares to be issued would be calculated as the number of Series B Warrants multiplied by a factor of 3.0.

There were no exercises of Series A Warrants and Series B Warrants during the three months ended March 31, 2026. During the three months ended March 31, 2025, there were 3,142,511 Series B Warrants exercised in accordance with the alternative cashless exercise provision, resulting in the issuance of 9,427,533 shares of common stock. The fair value of the Series B warrants exercised on the respective exercise dates for the three months ended March 31, 2025 was \$6.4 million. There were no Series A Warrants exercised during the three months ended March 31, 2025. As of March 31, 2026, there were 3,565,245 units and 62,263 units of Series A Warrants and Series B Warrants outstanding, respectively.

The Company recognized a loss on issuance of warrants in the first quarter of 2025 of \$75.6 million, which reflects the fair value of the Series A Warrants and Series B Warrants in excess of the proceeds received. For the three months ended March 31, 2026 and 2025, the Company recognized \$0.3 million and \$19.4 million of income related to the change in fair value of the outstanding Series A Warrants, respectively, and \$21 thousand and \$7.9 million of income related to the change in fair value of the remaining outstanding Series B Warrants, respectively. Refer to Note 6 Fair Value Measurements for additional information.

Note 4. Private Placement Financing

Securities Purchase Agreement

On November 12, 2025, the Company entered into a Securities Purchase Agreement (the “Securities Purchase Agreement”) with certain investors (the “Investors”) whereby the Company agreed to issue and sell to the Investors in a private placement (the “PIPE Financing”): (i) shares (the “PIPE Shares”) of its common stock, par value \$0.0001 per share, (ii) pre-funded warrants (the “PIPE Pre-Funded Warrants”) to purchase shares of common stock, (iii) warrants (the “PIPE Warrants”) to purchase shares of common stock, and (iv) True-Up Warrants (as defined below) to purchase shares of common stock. The purchase price paid by the Investors was

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\$0.9116 per Share (or \$0.9115 per PIPE Pre-Funded Warrant in lieu of shares), the closing price of the Company's stock on November 12, 2025.

At the First Closing, the Company issued 1,964,905 PIPE Pre-Funded Warrants in exchange for cash of \$1.8 million. At the Second Closing, the Company issued 4,616,924 PIPE Pre-Funded Warrants, 6,581,829 PIPE Warrants and 6,581,829 True-Up Warrants in exchange for cash of \$4.2 million.

Following the Second Closing and the consummation of the Exchange, the Company issued to each Investor who purchased the securities contemplated in the Securities Purchase Agreement, a warrant (the "True-Up Warrant") to purchase the number of shares of common stock necessary for the Investor's Post-Exchange Investment Percentage (as defined in the Securities Purchase Agreement) following the issuance of the Exchange Shares to be equal to the Investor's Pre-Exchange Investment Percentage (as defined in the Securities Purchase Agreement) (rounded down to the nearest whole share of common stock), provided, however, that in no event shall the number of shares of common stock issuable under an Investor's True-Up Warrants exceed the total number of shares or PIPE Pre-Funded Warrants (as defined below) issued or issuable to an Investor pursuant to the Securities Purchase Agreement.

Subject to the terms and conditions therein, the Securities Purchase Agreement also grants to the Investors, until such time as the earlier of (i) the date that no PIPE Warrants remain outstanding and (ii) the 18-month anniversary of the Second Closing, a right to participate in any financing not registered under the Securities Act and involving the issuance by the Company of common stock or common stock equivalents for cash.

Terms of the PIPE Pre-Funded Warrants, PIPE Warrants and True-Up Warrants

The PIPE Pre-Funded Warrants are being offered in lieu of shares of common stock and each PIPE Pre-Funded Warrant is exercisable for one share of common stock at an exercise price of \$0.0001 per share. The PIPE Pre-Funded Warrants are immediately exercisable after issuance and may be exercised at any time until all of the PIPE Pre-Funded Warrants are exercised in full.

Each of the PIPE Warrants are exercisable for the number of shares, or pre-funded warrants in lieu of shares, purchased by each Investor under the Securities Purchase Agreement (but excluding any shares issuable upon the exercise of the True-Up Warrants), at an exercise price of \$1.09392 per share and may only be exercised for cash. The PIPE Warrants are immediately exercisable after issuance and may be exercised at any time until the five-year anniversary of the Second Closing.

Each True-Up Warrant is exercisable for one share of common stock at an exercise price of \$0.0001 per share. The True-Up Warrants are immediately exercisable after issuance and may be exercised at any time until all of the True-Up Warrants are exercised in full.

The exercise prices and the number of shares issuable upon exercise of the PIPE Pre-Funded Warrants, PIPE Warrants and True-Up Warrants are subject to customary adjustments in the case of stock dividends, stock splits, pro rata distributions, and similar events in respect of the common stock. In addition, the number of shares of the common stock underlying, and the exercise price of, the PIPE Warrants is subject to full ratchet antidilution protection and standard adjustments in the event of a share split, reverse share split, share dividend, share combination recapitalization or other similar transaction involving the common stock; provided, however, that in no event will the exercise price of the PIPE Warrants equal less than \$0.30387 per share of common stock.

In connection with the First Closing, the Company determined that the PIPE Financing included derivative liabilities to issue a variable number of warrants at a future date, and as such, recorded a derivative liability for the tranche right obligation to issue the PIPE Pre-Funded Warrants, PIPE Warrants, and True-Up Warrants with fair value in excess of the cash proceeds received in the Second Closing. For the First Closing, proceeds were allocated to the derivative liability based on the fair value as of grant date of \$12.4 million. As the fair value of the tranche right obligation was greater than the proceeds received, the Company recognized a loss on derivative liability issued of \$10.6 million in the fourth quarter of 2025. As of December 31, 2025, the derivative liability was \$14.9 million. For the three months ended March 31, 2026, the Company recognized change in fair value of derivative liability of \$1.7 million.

Upon the Second Closing, the Company satisfied the obligations underlying the derivative liability, and the fair value of the derivative liability upon the Second Closing of \$16.6 million plus the proceeds of \$4.2 million received in the Second Closing were allocated to the PIPE Warrants at grant date fair value of \$7.4 million, and the residual value of \$13.4 million was allocated between the PIPE Pre-Funded Warrants and the True-Up Warrants based on relative fair value to additional paid in capital on the condensed consolidated balance sheets.

The PIPE Warrants were initially measured at fair value using a Black-Scholes calculation and recorded as a liability on the issuance date, and remeasured at each reporting period with changes to fair value recorded to the condensed consolidated statements of operations and comprehensive (loss) income. The changes in fair value of the derivative liability was a loss of \$1.7 million and was recorded in the condensed consolidated statement of operations and comprehensive (loss) income for the three months ended March 31, 2026. Refer to Note 6 Fair Value Measurements for additional information.

Note 5. Daewoong Convertible Notes

On March 19, 2024, the Company entered into a subscription agreement with Daewoong (the “Subscription Agreement”) relating to the sale and issuance by the Company of senior secured convertible notes (each, a “Convertible Note” and together, the “Convertible Notes”) in the principal amount of \$15.0 million, which are convertible into shares of the Company’s common stock, subject to certain conditions and limitations set forth in each Convertible Note. Pursuant to the terms of the Subscription Agreement, on March 24, 2024, the Company issued and sold to Daewoong one Convertible Note in the principal amount of \$5.0 million, and on April 12, 2024, the Company issued and sold to Daewoong one Convertible Note in the principal amount of \$10.0 million.

On November 12, 2025, the Company entered into the Term Sheet with Daewoong relating to the Exchange of the Convertible Notes. On December 15, 2025, the Company entered into the Exchange Agreement to which the Convertible Notes held by Daewoong would be exchanged for (i) newly issued shares of common stock of the Company equal to (x) the principal and accrued interest of the Convertible Notes as of the closing of the Exchange, less (y) the principal amount of the New Convertible Note, divided by \$1.00, and then multiplied by 1.3 (and rounded down to the nearest whole share of common stock) and/or Daewoong Pre-Funded Warrants in lieu of any shares of common stock that would result in Daewoong’s beneficial ownership of common stock exceeding 49.99%, (ii) the New Convertible Note of \$1.5 million, and (iii) the Daewoong Warrants to purchase up to 8.0 million shares of common stock at an exercise price of \$1.09392 per share. At the closing of the Exchange, the number of Exchange Shares issued was 11,918,380 shares of common stock and 11,236,631 Daewoong Pre-Funded Warrants. Upon the closing of the Exchange, the Convertible Notes were immediately and automatically terminated. The Daewoong Warrants, which contain the same terms as the PIPE Warrants, are immediately exercisable after issuance at an exercise price of \$1.09392 per share, may be exercised at any time until the five-year anniversary of the Second Closing and may only be exercised for cash. The Exchange was approved and executed upon approval at the special meeting of shareholders on January 21, 2026. The Exchange is accounted for as an extinguishment of debt and a loss on extinguishment of \$76 thousand was recognized upon the closing of the Exchange.

The Exchange Agreement provided that the Company nominate one designee of Daewoong to the Company’s board of directors to serve as a Class III director at the 2026 annual meeting of stockholders, of which the director designee is currently Seongsoo Park. Mr. Park currently serves on the Company’s board of directors and is scheduled for renomination at the 2026 annual meeting of stockholders.

During the three months ended March 31, 2026 and March 31, 2025, the Company recognized \$8.7 million and \$1.6 million, respectively, of expense related to the increase in the fair value of the Convertible Notes.

New Convertible Note

The New Convertible Note issued on January 21, 2026, contains customary events of default, accrues interest at an annual rate of 15.79% payable in cash at maturity and has a maturity date of April 12, 2030 (the “New Maturity Date”), unless earlier converted or redeemed in accordance with its terms prior to such date. The Company may not prepay the New Convertible Note or accrued interest prior to the New Maturity Date.

If, prior to the New Maturity Date, the Company consummates a bona-fide third-party financing after the issuance of the New Convertible Note in the form of common stock or any securities convertible into, or exchangeable or exercisable for, common stock (subject to certain exceptions as described in the New Convertible Note), in one or more transactions or a series of related and substantially similar and simultaneous transactions at the same purchase price from third parties unaffiliated with Daewoong and its affiliates, for aggregate gross cash proceeds to the Company of at least \$30.0 million (a “Qualified Financing”), then, upon written notice thereof to Daewoong by the Company, on the closing date of such Qualified Financing, the New Convertible Note will automatically convert in whole, without any further action by Daewoong, into a number of shares of common stock or pre-funded warrants equal to: (i) one and three tenths (1.3) multiplied by (ii) the quotient of (a) the principal amount of the New Convertible Note and all accrued and unpaid interest to be converted divided by (b) the per share price of the common stock sold in the Qualified Financing.

If, prior to the New Maturity Date, the Company provides (i) written notice to Daewoong that it has publicly announced the submission of a BLA filing for ABP-450 as a biosimilar to Botox® (onabotulinumtoxinA) or (ii) a written notice that the Company has consummated a Change of Control (as defined in the New Convertible Note), Daewoong will have the right for thirty (30) days following receipt of either such notice, at Daewoong's option (the "Optional Conversion"), to convert all (but not less than all) of the remaining outstanding portion of the New Convertible Note (subject to any limitations under the rules of NYSE American) into an amount of shares of common stock or pre-funded warrants equal to: (i) one and three tenths (1.3) multiplied by (ii) the quotient of (a) the principal amount of the New Convertible Note and all accrued and unpaid interest to be converted divided by (b) the volume-weighted average trading per share price of common stock over the five (5) trading days prior to the Company's receipt of Daewoong's written notice of exercise of the Optional Conversion.

The New Convertible Note includes a covenant that restricts the Company and AEON Sub's ability to issue debt securities senior or pari passu to such New Convertible Note without Daewoong's prior written consent. The New Convertible Note also includes a covenant that restricts the Company and AEON Sub's ability to issue debt securities junior to such New Convertible Note except as expressly permitted under a security agreement to be entered into between the Company, AEON Sub and Daewoong in connection with closing of the Exchange.

In connection with issuing the New Convertible Note, the Company and AEON Sub granted a first-priority security interest on substantially all of their respective assets, other than certain permitted liens described in the New Convertible Note. Upon the occurrence and continuation of an event of default, Daewoong will be entitled to, among other things, foreclose on the assets that are the subject of the security interest.

The New Convertible Note was recognized at its fair value of \$1.5 million on January 21, 2026. During the three months ended March 31, 2026, the Company recognized \$42 thousand of expense related to the increase in the fair value of the new Convertible Note. As of March 31, 2026, the principal amount outstanding under the new Convertible Note was \$1.5 million, with an estimated fair value of \$1.5 million.

The Daewoong Pre-Funded Warrants and Daewoong Warrants

Under the Exchange Agreement, 11,236,631 Daewoong Pre-Funded Warrants were issued in lieu of shares of common stock and each Daewoong Pre-Funded Warrant is exercisable for one share of common stock at an exercise price of \$0.0001 per share. The Daewoong Pre-Funded Warrants are immediately exercisable after issuance and may be exercised at any time until all of the Daewoong Pre-Funded Warrants are exercised in full.

The 8.0 million Daewoong Warrants are substantially identical to the PIPE Warrants, which are exercisable at an exercise price of \$1.09392 per share and may only be exercised for cash. The Daewoong Warrants are immediately exercisable after issuance and may be exercisable at any time until the five-year anniversary of issuance. The Daewoong Warrants are liability classified and were recognized at their fair value of \$10.3 million on January 21, 2026. As of March 31, 2026, the fair value of the Daewoong Warrant liability was \$7.3 million. During the three months ended March 31, 2026, the Company recognized \$3.0 million of gain related to the decrease in the fair value of the Daewoong Warrants.

The exercise prices and the number of shares issuable upon exercise of the Daewoong Pre-Funded Warrants and the Daewoong Warrants are subject to customary adjustments in the case of stock dividends, stock splits, pro rata distributions, and similar events in respect of the common stock. In addition, the number of shares of the common stock underlying, and the exercise price of the Daewoong Warrants will be subject to full ratchet antidilution protection and standard adjustments in the event of a share split, reverse share split, share dividend, share combination recapitalization or other similar transaction involving the common stock.

Note 6. Fair Value Measurements

The Company measures fair value based on the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities approximate fair value because of the short-term nature of those instruments. The following are other financial assets and liabilities that are measured at fair value on a recurring basis.

Convertible Notes at Fair Value

Due to certain embedded features within the convertible notes, the Company elected the fair value option to account for its convertible notes, including any paid-in-kind principal and interest, and the embedded features.

The fair value of the convertible notes was determined based on Level 3 inputs using a scenario-based analysis that estimated the fair value of the convertible notes based on the probability-weighted present value of multiple settlement scenarios and expected future investment returns, considering each of the possible outcomes available to the noteholders, including repayment at maturity, mandatory conversion upon future financing events, and optional conversion upon achievement of certain milestones or a change in control. The probabilities assigned to each scenario consider the timing and likelihood of potential triggering events as of the measurement date. The significant unobservable input assumptions that can significantly change the fair value included (i) the discount rates, (ii) the timing of payments, and (iii) the probability of certain settlement scenarios. Although the convertible notes were issued to a related party, the Company estimated fair value using a market participant framework as required under ASC 820.

In determining the discount rate, management considered the note's secured status, senior priority relative to other indebtedness, long contractual maturity, and the Company's pre-revenue operating profile, and concluded that a discount rate in the range of 15.5% to 16.5% appropriately reflects market participant return requirements as of March 31, 2026.

On December 15, 2025, the Company entered into an Exchange Agreement with Daewoong pursuant to which the \$15.0 million Existing Notes held by Daewoong would be exchanged for (i) newly issued shares of common stock of the Company equal to (x) the principal and accrued interest of the Existing Notes as of the closing of the Exchange less (y) the principal amount of the New Convertible Note, divided by \$1.00, and then multiplied by 1.3 (and rounded down to the nearest whole share of common stock) and/or Daewoong Pre-Funded Warrants, (ii) a new senior secured convertible note for \$1.5 million, and (iii) warrants to purchase up to 8.0 million shares of common stock. At the closing of the Exchange, the number of Exchange Shares issued was 11,918,380 shares of common stock and 11,236,631 Daewoong Pre-Funded Warrants. Upon the closing of the Exchange, the Existing Notes were immediately and automatically terminated. As of December 31, 2025, the principal amount outstanding under the Existing Notes was \$15.0 million, with an estimated fair value of \$34.6 million.

The New Convertible Note was recognized at its fair value of \$1.5 million on January 21, 2026. During the three months ended March 31, 2026, the Company recognized \$42 thousand of expense related to the increase in the fair value of the new Convertible Note. As of March 31, 2026, the principal amount outstanding under the new Convertible Note was \$1.5 million, with an estimated fair value of \$1.5 million. [See Note 5 Daewoong Convertible Notes](#) for more information.

Contingent Consideration and Contingent Founder Shares

As part of the Merger, each share of Priveterra Class B common stock ("Founder Shares"), par value of \$0.0001 per share, issued and outstanding immediately prior to the Merger converted into one share of common stock totaling 95,842 common shares. In addition, certain holders of common stock in Old AEON (the "Participating Stockholders") will be issued a portion of up to 222,653 additional shares of common stock. Therefore, the Contingent Founder Shares and Participating Stockholder shares (together, "Contingent Consideration Shares") contain certain contingent provisions as further discussed below.

Pursuant to the terms of the amended Sponsor Support Agreement, 50% of the Founder Shares (i.e., 47,921 Founder Shares) (the "Contingent Founder Shares") were unvested and subject to the restrictions and forfeiture provisions set forth in this Sponsor Support Agreement, of which 13,980 of such Contingent Founder Shares were forfeited in the second quarter of 2025 as the result of a vesting event not occurring. The remaining 50% of the Founder Shares were not subject to such restrictions and forfeiture provisions. The remaining Contingent Founder Shares shall vest, and shall become free of the provisions as follows:

- 13,890 of the Contingent Founder Shares (the "CD BLA Contingent Founder Shares") shall vest upon the achievement of the conditions for the issuance of the CD BLA Contingent Consideration Shares on or prior to the CD BLA Outside Date; and
- 20,141 of the Contingent Founder Shares (the "Episodic/Chronic Migraine Contingent Founder Shares") shall vest upon the earlier of (x) the achievement of the conditions for the issuance of the Episodic Migraine Contingent Consideration Shares on or before the Episodic Migraine Outside Date and (y) the achievement of the conditions

for the issuance of the Chronic Migraine Contingent Consideration Shares on or before the Chronic Migraine Outside Date.

The Priveterra Sponsor, LLC (the “Sponsor”) has agreed not to vote the Contingent Founder Shares during any period of time that such Contingent Founder Shares are subject to vesting.

As part of the overall consideration paid in connection with the Merger, certain holders of common stock in Old AEON (the “Participating AEON Stockholders”) will be issued a portion of up to 222,653 additional shares of common stock, as follows:

- 55,659 shares of common stock, in the aggregate, if, on or before November 30, 2026 (as it may be extended, the “CD BLA Outside Date”), the Company shall have received from the FDA acceptance for review of the BLA submitted by the Company for the treatment of cervical dystonia (such 55,659 shares of common stock, the “CD BLA Contingent Consideration Shares”);
- 55,659 shares of common stock, in the aggregate, if, on or before June 30, 2029 (as it may be extended, the “Episodic Migraine Outside Date”), the Company shall have received from the FDA acceptance for review of the BLA submitted by the Company for the treatment of episodic migraine (such 55,659 shares of common stock, the “Episodic Migraine Contingent Consideration Shares”); provided that in the event the satisfaction of the conditions for the issuance of the Episodic Migraine Contingent Consideration Shares occurs prior to the satisfaction of the conditions for the issuance of the Chronic Migraine Contingent Consideration Shares, then the number of Episodic Migraine Contingent Consideration Shares shall be increased to 152,998 shares of common stock; and
- 97,339 shares of common stock, in the aggregate, if, on or before June 30, 2028, the Company shall have received from the FDA acceptance for review of the BLA submitted by AEON for the treatment of chronic migraine (such 97,339 shares of common stock, the “Chronic Migraine Contingent Consideration Shares”); provided that in the event that the number of Episodic Migraine Contingent Consideration Shares is increased to 152,998, then the number of Chronic Migraine Contingent Consideration Shares shall be decreased to zero and no Contingent Consideration Shares will be issued in connection with the satisfaction of the conditions to the issuance of the Chronic Migraine Contingent Consideration Shares.
- In the event that the Company licenses any of its products (except in connection with migraine or cervical dystonia indications) to a third-party licensor for distribution in the U.S. market (a “Qualifying License”) prior to the satisfaction of (x) the conditions for the issuance of the Episodic Migraine Contingent Consideration Shares and (y) the conditions for the issuance of the Chronic Migraine Contingent Consideration Shares, then upon the entry of AEON into such Qualifying License, 27,992 shares of common stock shall become due and payable to Participating Stockholders and the number of Episodic Migraine Contingent Consideration Shares and (A) the number of Episodic Migraine Contingent Consideration Shares shall be reduced by 13,996 or by 27,992 and (B) the number of Chronic Migraine Contingent Consideration Shares shall be reduced by 13,996, but not below zero.

The Company classifies the Contingent Consideration as a liability on the condensed consolidated balance sheets and remeasures at each reporting period with changes to fair value recorded to the condensed consolidated statements of operations and comprehensive (loss) income.

The Company utilized the Probability-Weighted Expected Return Method (PWERM) model to value the contingent consideration based on earnout milestones, probability of forfeiture and success scenarios. For the three months ended March 31, 2026 and 2025, the Company recognized a de minimis, and \$3.5 million of income, respectively, related to the change in fair value of contingent consideration on the condensed consolidated statements of operations and comprehensive (loss) income, and relates to the changes in the Company’s stock price during the period. As of March 31, 2026 and December 31, 2025, the contingent consideration liability was \$38 thousand and \$42 thousand, respectively.

Warrants

Private Placement Warrants related to the Closing

As of March 31, 2026 and December 31, 2025, there were 55,403 private placement warrants outstanding related to the closing of the Merger (“SPAC Warrants”). There were no SPAC Warrants exercised during the three months ended March 31, 2026 and 2025.

The SPAC Warrants are accounted for as a liability with changes in the fair value recorded to the condensed consolidated statement of operations and comprehensive (loss) income. The Company utilized the Black-Scholes option pricing model (Level 3), which requires the input of subjective assumptions, including the Company’s stock price, expected volatility of the Company’s common stock, expected risk-free interest rate, and the option’s expected remaining life. The fair value of the SPAC Warrants as of March 31, 2026 and December 31, 2025 were de minimis. For the three months ended March 31, 2026 and 2025, the change in fair value of the SPAC Warrants were de minimis.

Series A Warrants and Series B Warrants

The measurement of fair value for the Series A Warrants and Series B warrants were determined utilizing a Black-Scholes model considering all relevant assumptions as of each reporting period. The fair value on grant date was recorded as a liability on the condensed consolidated balance sheets, and changes in fair value are recognized at each reporting period on the condensed consolidated statement of operations and comprehensive (loss) income.

The table below summarizes the significant assumptions as of each reporting period:

	March 31, 2026		December 31, 2025	
	Series A (Level 3)	Series B (Level 3)	Series A (Level 3)	Series B (Level 3)
Stock Price	\$ 0.99	\$ 0.99	\$ 1.10	\$ 1.10
Exercise Price	8.06	-	8.06	8.06
Expected volatility	164.1%	198.3%	160.0%	200.0%
Risk-free interest rate	3.9%	3.7%	3.6%	3.5%
Expected life (in years)	3.91	1.27	4.02	1.52
Expected dividend yield	—	—	—	—

The grant date fair values for the Series A Warrants and Series B Warrants were \$94.0 million, comprised of \$20.7 million and \$73.3 million for Series A Warrants and Series B Warrants, respectively, on January 7, 2025 and was recorded as a liability as of the grant date due to certain exercise price adjustment provisions occurring in connection with future events. Proceeds were allocated to the warrant liability based on the fair value as of grant date of the warrants of \$94.0 million. As the fair value of the warrants issued was greater than the proceeds received, the Company recognized a loss on issuance of common shares and the warrants of \$75.6 million.

For the three months ended March 31, 2026 and 2025, the Company recognized \$0.3 million and \$19.4 million of income related to the change in fair value of the outstanding Series A Warrants, respectively, and \$21 thousand and \$7.9 million of income related to the change in fair value of the remaining outstanding Series B Warrants, respectively.

A summary of activity for the Company’s issued and outstanding Series A Warrants and Series B Warrants for the three months ended March 31, 2026 and 2025 are as follows:

	Series A	Series B
Issued and Outstanding, January 1, 2026	3,565,245	62,263
Number of warrants issued	—	—
Number of warrants exercised	—	—
Issued and Outstanding, March 31, 2026	3,565,245	62,263

	<u>Series A</u>	<u>Series B</u>
Issued and Outstanding, January 1, 2025	—	—
Number of warrants issued	3,565,245	3,565,245
Number of warrants exercised	—	(3,142,511)
Issued and Outstanding, March 31, 2025	<u>3,565,245</u>	<u>422,734</u>

Odeon Warrants

In October 2025, the Company entered into a settlement agreement with Odeon Capital Group LLC to settle a lawsuit filed against the Company in exchange for \$1.0 million in cash, \$0.3 million shares of common stock and 125,000 warrants (the “Odeon Warrants”) with exercise price of \$2.00 and a three year term. The Company recorded a gain on settlement of \$0.4 million to selling, general and administrative expenses on the condensed consolidated statement of operations and comprehensive (loss) income in the third quarter of 2025.

The Odeon Warrants were initially measured at fair value using a Black-Scholes calculation and recorded as a liability on the issuance date and remeasured at each reporting period with changes to fair value recorded to the condensed consolidated statements of operations and comprehensive (loss) income. The Company utilized the Black-Scholes option pricing model (Level 3), which requires the input of subjective assumptions, including the Company’s stock price, expected volatility of the Company’s common stock, expected risk-free interest rate, and the option’s expected remaining life.

As of March 31, 2026, there were 125,000 Odeon Warrants outstanding with a fair value of \$0.1 million. There were no exercises during the three months ended March 31, 2026. During the three months ended March 31, 2026, the Company recognized a de minimis gain related to the decrease in the fair value of the Odeon Warrants.

PIPE Warrants and Daewoong Warrants

The PIPE Warrants and Daewoong Warrants were initially measured at fair value using a Black-Scholes calculation and recorded as a liability on the issuance date, and remeasured at each reporting period with changes to fair value recorded to the condensed consolidated statements of operations and comprehensive (loss) income. The PIPE Warrants and Daewoong Warrants had a grant date fair value of \$7.4 million and \$10.3 million, respectively

As of March 31, 2026, there were 6.5 million PIPE Warrants and 8.0 million Daewoong Warrants outstanding. There were no exercises during the three months ended March 31, 2026. During the three months ended March 31, 2026, the Company recognized \$1.4 million of gain related to the decrease in the fair value of the PIPE Warrants. During the three months ended March 31, 2026, the Company recognized \$3.0 million of gain related to the decrease in the fair value of the Daewoong Warrants.

The table below summarizes the significant assumptions as of March 31, 2026 and respective issuance dates of the warrants:

	<u>March 31, 2026</u>		<u>January 27, 2026</u>		<u>January 21, 2026</u>	
	PIPE (Level 3)	Daewoong (Level 3)	PIPE (Level 3)	Daewoong (Level 3)	PIPE (Level 3)	Daewoong (Level 3)
Stock Price	\$ 0.99	\$ 0.99	\$ 1.20	\$ 1.36	\$ 1.20	\$ 1.36
Exercise Price	1.09	1.09	1.09	1.09	1.09	1.09
Expected volatility	164.1%	164.1%	160.0%	164.1%	160.0%	164.1%
Risk-free interest rate	3.9%	3.9%	3.6%	3.9%	3.6%	3.9%
Expected life (in years)	4.83	4.82	5.00	5.01	5.00	5.01
Expected dividend yield	—	—	—	—	—	—

Summary of Recurring Fair Value Measurements

The following details the Company's recurring measurements for assets and liabilities at fair value (in thousands):

	Convertible Notes (Level 3)	Warrant Liabilities (Level 3)	Contingent Consideration (Level 3)	Derivative Liability (Level 3)
Balance, January 1, 2026	\$ 34,600	\$ 3,276	\$ 42	\$ 14,879
Issuance of warrants	—	17,688	—	—
Change in fair value	8,727	(4,656)	(4)	1,743
Exchange of convertible notes	(41,785)	—	—	—
Settlement of derivative liability	—	—	—	(16,622)
Balance, March 31, 2026	<u>\$ 1,542</u>	<u>\$ 16,308</u>	<u>\$ 38</u>	<u>\$ —</u>

	Convertible Notes (Level 3)	Warrant Liabilities (Level 3)	Contingent Consideration (Level 3)
Balance, January 1, 2025	\$ 11,689	\$ 1,187	\$ 3,541
Issuance of warrants	—	93,986	—
Change in fair value	1,631	(86,729)	(3,488)
Warrant cashless exercise	—	(6,418)	—
Balance, March 31, 2025	<u>\$ 13,320</u>	<u>\$ 2,026</u>	<u>\$ 53</u>

Note 7. Commitments and Contingencies

Operating Leases

In December 2021, the Company entered into a three-year non-cancellable lease for office space. The lease was extended for an additional five years in March 2024. The lease does not include variable or contingent lease payments. An operating lease asset and liability are recognized based on the present value of the remaining lease payments discounted using the Company's incremental borrowing rate. Lease expense is recognized on a straight-line basis over the lease term.

The following table summarizes supplemental balance sheet information related to the operating lease as of March 31, 2026 (in thousands):

Minimum lease payments by fiscal year	
2026	\$ 223
2027	307
2028	318
2029	329
Thereafter	—
Total future minimum lease payments	1,177
Less: Imputed interest	(94)
Present value of lease payments	1,083
Less: Current portion (included in other accrued expenses)	(258)
Noncurrent operating lease liability	\$ 825
Operating lease right-of-use asset	\$ 992
Remaining lease term in years	3.8
Discount rate	4.3 %

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The following table summarizes supplemental disclosures of operating cost and cash flow information related to operating leases for the three months ended March 31, 2026 and 2025 (in thousands).

	Three Months Ended March 31,	
	2026	2025
Cost of operating leases	\$ 72	\$ 72
Cash paid for operating leases	74	—

Daewoong License and Supply Agreement

On December 20, 2019, the Company entered into the Daewoong Agreement, pursuant to which Daewoong agreed to manufacture and supply ABP-450 and grant the Company an exclusive license for therapeutic indications to import, distribute, promote, market, develop, offer for sale and otherwise commercialize and exploit ABP-450 in the United States, the European Union, the United Kingdom, Canada, Australia, Russia, the Commonwealth of Independent States and South Africa (collectively the “covered territories”).

Daewoong supplies the Company with ABP-450 at an agreed-upon transfer price, with no milestone or royalty payments and no minimum purchase requirements. Daewoong is responsible for all costs related to the manufacturing of ABP-450, including costs related to the operation and upkeep of its manufacturing facility, and the Company is responsible for all costs related to obtaining regulatory approval, including clinical expenses, and commercialization of ABP-450. The Company’s exclusivity is subject to its exercise of commercially reasonable efforts to: (i) achieve all regulatory approvals necessary for ABP-450 to be marketed in the territory for therapeutic indications and (ii) commercialize ABP-450 in the territory for therapeutic indications. During the term of the Daewoong Agreement, the Company cannot purchase, sell or distribute any competing products in a covered territory or sell ABP-450 outside a covered territory.

The initial term of the Daewoong Agreement is from December 20, 2019 to the later of (i) the fifth anniversary of approval from the relevant governmental authority necessary to market and sell ABP-450 or (ii) December 20, 2029, and automatically renews for unlimited additional three-year terms, provided the Daewoong Agreement is not earlier terminated. The Daewoong Agreement will terminate upon written notice by either the Company or Daewoong upon a continuing default that remains uncured within 90 days (or 30 days for a payment default) by the other party, or without notice upon the bankruptcy or insolvency of the Company.

In connection with the Exchange, on January 21, 2026, the Company entered into a Fifth Amendment to the License and Supply Agreement (the “License Agreement Amendment”) with Daewoong, which amended the Daewoong Agreement, by and between the Company and Daewoong, dated December 20, 2019, as amended on July 29, 2022, January 8, 2023, April 24, 2023 and March 19, 2024. Pursuant to the terms of the License Agreement Amendment, the definition of “Notes” reflects the Exchange and the Termination Purchase Right (as defined in the License Agreement Amendment) will terminate and expire upon Daewoong’s sale of 50% of its common stock, including common stock held by its affiliates and common stock that would be issued upon conversion of the New Convertible Note. The License Agreement, as amended from time to time, also provides that the License Agreement will terminate if, over any six-month period, (a) the Company ceases to commercialize ABP-450 in certain territories specified in the License Agreement and (b) the Company ceases to advance any clinical studies of ABP-450 in such territories. Additionally, the License Agreement also provides that, in the event that the License Agreement is terminated for the foregoing reasons, Daewoong will have the right to purchase all Know-How (as defined in the License Agreement) related to ABP-450 for a price of \$1.00.

The Company has recorded \$0.4 million and \$0.4 million as liabilities in accrued expenses and accounts payable on the condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025, respectively, for ABP-450 supplies, supplies and analytical testing performed by Daewoong. For the three months ended March 31, 2026 and 2025, the Company recorded de minimis of research and development expenses on the condensed consolidated statement of operations and comprehensive (loss) income.

Legal Proceedings

The Company, from time to time, is involved in various litigation matters or regulatory encounters arising in the ordinary course of business that could result in unasserted or asserted claims or litigation. Other than as described below, the Company is not subject

to any currently pending legal matters or claims that would have a material adverse effect on its accompanying financial position, results of operations or cash flows.

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications. The Company’s exposure under these agreements is unknown because it involves claims that may be made against the Company in the future but have not yet been made. The Company accrues a liability for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. [See Note 2 Summary of Significant Accounting Policies](#) for additional information.

Note 8. Common Stock

In February 2025, the Company held a special stockholder meeting, at which stockholders voted, among other matters, to amend the Company’s Certificate of Incorporation, as amended and restated, to increase the number of authorized common stock from 500,000,000 to 1,040,000,000 shares of common stock at par value of \$0.0001 per share. The holders of common stock are entitled to receive dividends whenever funds are legally available, when and if declared by the Company’s Board of Directors. As of March 31, 2026, there has been no cash dividend declared to date. Each share of common stock is entitled to one vote.

Common Stock Reserved

The table below summarizes the Company’s reserved common stock for further issuance as of March 31, 2026 and December 31, 2025:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Stock options issued and outstanding	158,005	158,005
Restricted stock units (unvested)	11,623,766	695,707
Shares available for future issuance under the stock incentive plans and employee stock purchase plan	19,265,192	328,642
Warrants	18,389,740	3,807,911
Pre-funded warrants	24,400,289	1,964,905
Contingent consideration	208,657	208,657
Convertible notes	2,039,609	23,155,011
Total common stock reserved	<u>76,085,258</u>	<u>30,318,838</u>

2023 Employee Stock Purchase Plan (“ESPP”)

The 2023 Employee Stock Purchase Plan assists eligible employees in acquiring a stock ownership interest of the Company’s common stock in consideration of the participating employees’ continued services. Eligible employees will be entitled to purchase, by means of payroll deductions, limited amounts of the Company’s common stock at a discount during periodic offering periods. There were 6,780 shares initially reserved for issuance under the 2023 ESPP, which shall automatically increase on January 1 of each calendar year beginning and including January 1, 2024 and ending on and including January 1, 2033, by an amount equal to the lesser of (i) 1.0% of the total number of shares of common stock issued and outstanding on January 1 of the year in which such increase is to occur, or (ii) such smaller number of shares of common stock as may be established by the Board of Directors. As of March 31, 2026, there were 149,036 shares available for issuance. There have been no shares issued under the 2023 ESPP.

Note 9. Share-based Compensation

2019 Incentive Award Plan

The following table summarizes stock option activity under the 2019 Award Plan:

	Number of Shares	Weighted Average Exercise Price
Outstanding, January 1, 2026	47,955	\$ 720.00
Options granted	—	—
Options forfeited	—	—
Outstanding, March 31, 2026	47,955	\$ 720.00
Exercisable, March 31, 2026	47,516	\$ 720.00

As of March 31, 2026 and December 31, 2025, the weighted average remaining contractual life of options outstanding and options exercisable was 4.8 years and 5.0 years, respectively.

During the three months ended March 31, 2026 and 2025, the Company recognized \$0.2 million and \$0.6 million, respectively, of share-based compensation expense related to stock options granted.

As of March 31, 2026, there was no unrecognized compensation expense related to nonvested stock options.

The following table summarizes restricted stock units activity under the 2019 Award Plan:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding, January 1, 2026	9,351	\$ 780.48
Granted	—	—
Vested	—	—
Forfeited	—	—
Outstanding, March 31, 2026	9,351	\$ 780.48

During the three months ended March 31, 2026 and 2025, the Company recognized \$0.3 million and \$0.3 million, respectively, of share-based compensation expense related to restricted stock units granted, excluding restricted stock units with earnout vesting criteria. For the restricted stock units with earnout vesting criteria, in the third quarter of 2025, the Company determined that the earnout vesting criteria was no longer probable and as such, there was no share-based compensation expense during the three months ended March 31, 2026. During the three months ended March 31, 2025, the Company recognized \$0.1 million of share-based compensation expense related to the restricted stock units with earnout vesting criteria.

As of March 31, 2026, total unrecognized compensation expense related to nonvested restricted stock units, excluding restricted stock units with earnout vesting criteria, was \$1.4 million, which is expected to be recognized over the weighted-average remaining requisite service period of 10 months. The unrecognized compensation expense for restricted stock units with the earnout criteria as of March 31, 2026 of \$4.7 million will be recognized when the milestones are determined to be probable over the RSUs vesting term, calculated as the period from the date the milestone was determined to be probable and the expected achievement date of the milestone.

2023 Incentive Award Plan

As of March 31, 2026, there were 17,847,331 shares of common stock available for issuance under the Company’s 2023 Incentive Award Plan (the “2023 Award Plan”). The following table summarizes stock options activity under the 2023 Award Plan:

	<u>Number of Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding, January 1, 2026	51,016	\$ 242.14
Options granted	—	—
Options forfeited	—	—
Outstanding, March 31, 2026	<u>51,016</u>	\$ 242.14
Exercisable, March 31, 2026	<u>45,160</u>	\$ 169.94

The weighted average remaining contractual life of options outstanding and options exercisable as of March 31, 2026 and December 31, 2025 was 8.2 years and 8.5 years, respectively.

During the three months ended March 31, 2026 and 2025, the Company recognized \$0.5 million, and \$0.6 million respectively, of share-based compensation expense related to stock options granted. As of March 31, 2026, total unrecognized compensation expense related to nonvested stock options was \$2.1 million, which is expected to be recognized over the weighted-average remaining requisite service period of 17 months.

The following table summarizes restricted stock units activity under the 2023 Award Plan:

	<u>Number of Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Outstanding, January 1, 2026	14,215	\$ 60.05
Granted	10,928,059	1.03
Vested	—	—
Forfeited	—	—
Outstanding, March 31, 2026	<u>10,942,274</u>	\$ 1.10

In May 2025, due to equity pool limitations, the Company’s board of directors approved the issuance of cash-settled restricted stock units to employees and directors over a vesting period that entitle the grantee to receive the cash equivalent to the value of a share of the Company’s common stock upon each vesting anniversary. The Company elected to account for cash-settled restricted stock units in accordance with ASC 718. The Company will recognize compensation expense on the condensed consolidated statement of operations and comprehensive (loss) income and record the associated liability to accrued compensation on the condensed consolidated balance sheets using straight-line method over the service period. Additionally, changes in fair value of the awards will be recorded to operating costs on the condensed consolidated statement of operations and comprehensive (loss) income at each reporting date until settlement, reflecting changes in the underlying stock price.

In March 2026, the Company’s board of directors approved the conversion of all cash-settled restricted stock units awards into share-settled restricted stock units. The Company assessed the modification in accordance with ASC 718 Stock-based Compensation, and recorded \$2.0 million to additional paid in capital, representing the fair value of the converted awards on the modification date.

During the three months ended March 31, 2026 and 2025, the Company recognized \$0.9 million and \$0.1 million stock-based compensation expenses related to restricted stock units granted.

As of March 31, 2026, total unrecognized compensation expense related to nonvested restricted stock units was \$9.1 million, which is expected to be recognized over the weighted-average remaining requisite service period of 35 months.

2025 Employee Inducement Incentive Award Plan

As of March 31, 2026, there were 1,268,825 shares of common stock available for issuance under the 2025 Employee Inducement Incentive Award Plan (the “2025 Plan”), including 1,000,000 shares that were approved in March 2026 by the Company’s board of directors to be added to the 2025 Plan.

The following table summarizes stock options activity under the 2025 Plan:

	Number of Shares	Weighted Average Exercise Price
Outstanding, January 1, 2026	59,034	\$ 0.41
Options granted	—	—
Options forfeited	—	—
Outstanding, March 31, 2026	<u>59,034</u>	0.41
Exercisable, March 31, 2026	<u>—</u>	\$ —

The weighted average remaining contractual life of options outstanding and options exercisable as of March 31, 2026 and December 31, 2025 was 9.1 years and 9.3 years, respectively. During the three months ended March 31, 2026, the Company recognized de minimis amounts of share-based compensation expense related to stock options granted. As of March 31, 2026, total unrecognized compensation expense related to nonvested stock options was \$17 thousand, which is expected to be recognized over the weighted-average remaining requisite service period of 37 months.

The following table summarizes restricted stock units activity under the 2025 Plan.

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding, January 1, 2026	672,141	\$ 0.65
Granted	—	—
Vested	—	—
Forfeited	—	—
Outstanding, March 31, 2026	<u>672,141</u>	\$ 0.65

During the three months ended March 31, 2026, the Company recognized de minimis amounts of share-based compensation expense related to restricted stock units granted. As of March 31, 2026, total unrecognized compensation expense related to nonvested restricted stock units was \$1.0 million, which is expected to be recognized over the weighted-average remaining requisite service period of 44 months.

Share-based Compensation Expense and Valuation Information

The Company accounts for the measurement and recognition of compensation expense for all share-based awards based on the estimated fair value of the awards. The fair value of share-based awards is amortized on a straight-line basis over the requisite service period. The Company records share-based compensation expense net of actual forfeitures.

During the three months ended March 31, 2026 and 2025, the Company recognized \$1.9 million and \$1.7 million, respectively, of share-based compensation expense, of which \$1.5 million, and \$1.3 million, respectively, were in selling, general and administrative expenses, and \$0.4 million and \$0.4 million respectively, were in research and development expenses in the accompanying condensed consolidated statements of operations and comprehensive (loss) income.

Note 10. Subsequent Events

The Company has further evaluated subsequent events for recognition and remeasurement purposes as of and for the three months ended March 31, 2026. After review and evaluation, management has concluded that there were no material subsequent events as of the date that the financial statements were available to be issued, other than as disclosed below.

In April 2026, the Company entered into a sublease agreement for its existing corporate office space, which was finalized with landlord consent in May 2026. Under the terms of the sublease, the subtenant is expected to take occupancy in the third quarter of 2026, subject to customary conditions. The Company is actively evaluating alternative office locations and expects to relocate to a smaller space prior to the subtenant's occupancy. The Company intends to occupy the space until the commencement of a fully executed sublease.

From April 1, 2026 through May 11, 2026, the Company issued 1,004,153 shares under the ATM for net proceeds of \$0.9 million, and approximately \$47.0 million of common stock remained available to be sold under the ATM.

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

The following discussion and analysis of financial condition and results of operations should be read together with the condensed consolidated financial statements and the related notes and other financial information included elsewhere in this Report. Some of the information contained in this discussion and analysis contains forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth in the sections of this Report captioned "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements," actual results may differ materially from those anticipated in these forward-looking statements. Unless the context otherwise requires, references to "we," "us," "our," "AEON" and "the Company" refer to the business and operations of AEON Biopharma, Inc. and its consolidated subsidiaries.

Company Overview

We are a biopharmaceutical company focused on developing ABP-450 as a biosimilar to Botox® (onabotulinumtoxinA) for therapeutic indications. Our strategy is to initially pursue regulatory approval in the United States through Section 351(k). We hold exclusive development and commercialization rights for ABP-450 in therapeutic indications across the United States, Canada, the European Union, the United Kingdom, and certain other international territories.

Building on this strategy, we are advancing ABP-450 through the 351(k) biosimilar pathway toward a potential BLA in the United States, targeting the therapeutic botulinum toxin market, which we estimate to be approximately \$3.5 billion in 2026 and projected to grow at an annual growth rate of approximately 8%, according to Clarivate Therapeutic Botulinum Toxin Market Insights 2025. This large and continually growing market has historically been dominated by a single branded product, Botox®. ABP-450 is the same botulinum toxin complex that is currently approved as a biosimilar in Mexico, India and Philippines and, in the U.S., is approved to provide temporary improvement in the appearance of moderate to severe glabellar lines for certain adult patients and marketed by Evolus, Inc. under the name Jeuveau® in the U.S. and Nuceiva® in Canada and the European Union. We have established a highly experienced management team with specific experience in biopharmaceutical and botulinum toxin development and commercialization.

ABP-450 is manufactured by Daewoong Pharmaceutical Co., Ltd. in a facility designed to be compliant with current Good Manufacturing Practice ("cGMP") that has manufactured products approved by the U.S. Food and Drug Administration, Health Canada, and the European Commission. The same botulinum toxin complex is commercially available in multiple international markets and is approved in the United States for aesthetic use under the brand name Jeuveau®. Our development program is focused exclusively on therapeutic indications, where we believe the biosimilar pathway may enable efficient development and broad label access, subject to regulatory review.

We held an initial meeting with the FDA in the third quarter of 2024 during which we obtained feedback from the FDA on the next steps to develop a Botox® biosimilar. We commenced analytical studies in the fourth quarter of 2024 to prepare for a BPD Type 2a meeting with the FDA that was held in January 2026. During the meeting, the FDA reviewed the Company's proposed analytical similarity strategy under the 351(k) biosimilar pathway. The FDA acknowledged the scientific challenges associated with characterizing a 900 kDa botulinum neurotoxin complex, provided constructive feedback on our proposed development approach and analytical assessment plan, and noted that our analytical methodologies appeared reasonable to support advancement of the program toward a comprehensive analytical similarity package. We believe this feedback provides a clear framework for the remaining analytical components of our biosimilar development program and plan to complete the majority of our analytical comparability program in 2026. We are currently planning to request a BPD Type 2b meeting in 2026 to discuss the next phase of the development program to support approval of ABP-450 as a biosimilar to Botox® across all approved therapeutic indications.

The initial results from our analytical studies indicate a 100% amino acid sequence match confirmed between ABP-450 and Botox®, based on sequence coverage of 93% to 99% for the five proteins that comprise the 900 kD botulinum toxin type A complex, using liquid chromatography/mass spectrometry ("LC/MS") analysis of more than 3,400 amino acids across multiple lots of ABP-450 and Botox®, without any sequence deviations observed. Additionally, ABP-450 also demonstrated highly similar potency across two distinct assays (LD50 - in vivo biological activity and CBPA cell-based potency assay) to support clinical dose predictability, comparable vial-to-vial active ingredient composition using ELISA - further supporting dose similarity and reliability, and functional cleavage of SNAP-25, consistent with the mechanism of action. These results contribute to our assessment of analytical similarity by characterizing key structural attributes of ABP-450 relative to the reference product and are intended to reduce residual uncertainty and potentially limit the need for further clinical assessments. Additional analytical and functional studies are ongoing as part of our broader analytical similarity assessment.

Prior to licensing the botulinum toxin complex to Evolus, Daewoong conducted a broad preclinical development program for ABP-450 that was primarily focused on safety to support any clinical indication. Subsequently, Evolus completed a comprehensive clinical development program of the same botulinum toxin complex and has received approval from regulatory authorities in the United States, the European Union and Canada to market and sell Jeuveau® in the United States and Nuceiva® in Canada and the European Union for the temporary improvement in the appearance of moderate to severe glabellar, or frown lines in adults. Over 2,100 adult subjects with moderate to severe glabellar lines at maximum frown participated in Evolus' clinical development program, and each of Evolus' Phase 3 clinical studies successfully met their respective primary safety and efficacy endpoints. While none of these preclinical or clinical programs specifically contemplated any therapeutic use of ABP-450, given that the FDA's regulatory requirements are generally the same for the cosmetic or therapeutic use of a toxin, we believe that the positive data derived from these preclinical and clinical studies will support the clinical development and potential future safety labeling of ABP-450 for our 351(k) biosimilar program, across all labeled dose ranges.

We plan to pursue approval of ABP-450 by submitting a Section 351(k) BLA that exclusively contemplates therapeutic indications for ABP-450, which we believe could improve provider reimbursement for ABP-450, if approved. Existing botulinum toxins, including Botox®, are approved under a single BLA for both therapeutic and cosmetic indications. As a result, other botulinum toxins are required to include the sales prices of both therapeutic and cosmetic botulinum toxin sales when calculating the average selling price, or ASP, that is used to determine the reimbursement amount physicians receive for therapeutic usage. The inclusion of a lower cosmetic sales price in the calculation of ASP can cause physicians that inject for therapeutic applications to lose money when treating patients with existing botulinum toxins and also creates a deterrent to providing payors and/or providers with rebates or other financial incentives. If we are successful in obtaining approval of a Section 351(k) BLA for therapeutic indications of ABP-450, we believe the ASP for ABP-450 would be calculated using only therapeutic sales, which we believe would facilitate consistent and favorable product reimbursement to physicians when they choose to use ABP-450 for therapeutic treatments, as well as the ability to provide payors and/or providers with rebates and other financial incentives. This pricing model would be unique to us within the current therapeutic neurotoxin market, and we believe it would allow physicians to provide treatment with ABP-450 at a more competitive or the same net price as the market leader after rebates and discounts.

We have never been profitable from operations and, as of March 31, 2026, we had an accumulated deficit of \$482.6 million. We have never generated revenue from ABP-450. We have concluded that we do not have sufficient cash to fund our operations for 12 months from the date of our financial statements without additional financing, and as a result, there is substantial doubt about our ability to continue as a going concern. As of the date of this Report, we expect to have sufficient cash to fund our operating plan into the third quarter of 2026, including funds of \$4.2 million received from the Second Closing. Any further development of ABP-450 for any indication, including the biosimilar pathway and any additional studies, will require additional funding, which may not be available to us on reasonable terms, or at all.

We do not expect to receive any revenue from ABP-450 or any future product candidates that we develop unless and until we obtain regulatory approval and commercialize ABP-450 or any future product candidates. We expect to continue to incur significant expenses and increasing net operating losses for the foreseeable future as we seek regulatory approval, prepare for and, if approved, proceed to commercialization of ABP-450.

Executive Overview

On March 6, 2026, the Company's board of directors appointed John Bencich as the Company's Chief Financial Officer, effective as of March 9, 2026 and principal financial officer, effective as of April 1, 2026. Mr. Bencich's appointment is part of the Company's strategic plan to strengthen its executive leadership team as it advances key regulatory and financing milestones.

Liquidity and Capital Resources and Going Concern

As disclosed further below in the section titled "*Liquidity and Capital Resources*," we have incurred operating losses and negative cash flows from operating activities since inception and expect to continue to incur significant operating losses for the foreseeable future and may never become profitable. As of March 31, 2026, we had reported cash and cash equivalents of \$6.2 million and an accumulated deficit of \$482.6 million. As a result of these conditions, management has concluded that substantial doubt about our ability to continue as a going concern exists as conditions and events, considered in the aggregate, indicate that it is probable that we will be unable to meet our obligations as they become due within one year after the date that the financial statements included in this Report are issued. Our ability to continue as a going concern is dependent upon our ability to successfully accomplish our business plans and secure sources of financing and ultimately attain profitable operations.

Notice of Noncompliance

On February 3, 2025, the Company received a written notice of non-compliance (the “Notice”) from NYSE American stating that the Company is not in compliance with continued listing standards of Section 1003(a)(i) of the NYSE American Company Guide (the “Company Guide”), which requires stockholders’ equity of \$2.0 million or more if the listed company has reported losses from continuing operations and/or net losses in two of its three most recent fiscal years (the “Minimum Requirement”), as defined in Section 1003(a)(i) of the Company Guide. Pursuant to the Notice, the Company reported a stockholders’ deficit of \$32.1 million at September 30, 2024 and had losses in the two most recent fiscal years ended December 31, 2023 based on the Company’s Annual Report on Form 10-K/A filed with the U.S. Securities and Exchange Commission on May 14, 2024, and the Company is not currently eligible for any exemption from the stockholders’ equity requirement in Section 1003(a) of the Company Guide, and as such, NYSE American deems the Company below compliance with the Minimum Requirement. As required by the Notice, the Company submitted a plan to regain compliance with the continued listings standards of the Company Guide (the “Plan”).

On April 22, 2025, the Company received a notification (the “Acceptance Letter”) from NYSE American that the Plan was accepted. In the Acceptance Letter, NYSE American granted the Company until August 3, 2026 (the “Plan Period”) to regain compliance with the continued listing standards. During the Plan Period, the Company will be subject to periodic review by NYSE American on its progress with the goals and initiatives outlined in the Plan. The Company intends to take all reasonable measures available to regain compliance with Sections 1003(a)(i), (ii) and (iii) of the Company Guide during the Plan Period. If the Company does not regain compliance with NYSE American listing standards by August 3, 2026, or if the Company does not make sufficient progress consistent with the Plan during the Plan Period, then NYSE American may initiate delisting proceedings.

On March 31, 2026, the Company received an additional notice indicating that the Company is additionally not in compliance with Section 1003(a)(ii) of the Company Guide, which requires stockholders’ equity of \$4.0 million or more if the listed company has reported losses from continuing operations and/or net losses in three of its four most recent fiscal years. This determination was based on the Company’s reported stockholders’ deficit of approximately \$55 million as of December 31, 2025, and losses from continuing operations and/or net losses in three of its four most recent fiscal years, as reported in the Company’s Annual Report on Form 10-K filed with the SEC on March 30, 2026. This Notice reflects an expected progression of the Company’s previously disclosed compliance status following its 2025 year-end results. The Company remains subject to the terms of the original notice and continues to execute against the NYSE American approved Plan to regain compliance with NYSE American continued listing standards within the Plan Period. The additional notice does not have an immediate impact on the Company’s current listing, Plan Period, or Plan to regain compliance.

The Acceptance Letter has no immediate impact on the listing of the Company’s shares of Class A common stock, par value \$0.0001 per share (the “Common Stock”), which will continue to be listed and traded on NYSE American during the Plan Period, subject to the Company’s compliance with the other listing requirements of NYSE American. The Common Stock will continue to trade under the symbol “AEON.” The Acceptance Letter does not affect the Company’s ongoing business operations or its reporting requirements with the Securities and Exchange Commission. The Company intends to consider available options to resolve the non-compliance with the Minimum Requirement by August 3, 2026. However, there can be no assurance that the Company will be able to regain compliance with the Minimum Requirement.

Public Offering

On January 6, 2025, we entered into an underwriting agreement with Aegis Capital Corp. (“Aegis” or the “Underwriter”) pursuant to which the Company agreed to sell and issue, in an underwritten public offering (the “Offering”) 555,571 units, each consisting of (i) one (1) share of Common Stock, (ii) one (1) Series A Registered Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of \$45.00 (the “Series A Warrant”) and (iii) one (1) Series B Registered Common Warrant to purchase one (1) share of Common Stock per warrant at an exercise price of \$45.00 (the “Series B Warrant”). Additionally, the Company granted Aegis a 45-day option to purchase additional shares of Common Stock and/or Series A Warrants and Series B Warrants of (i) up to 15.0% of the number of shares of Common Stock sold in the offering, (ii) up to 15.0% of the number of Series A Warrants sold in the offering and (iii) up to 15.0% of the number of Series B Warrants sold in the offering. The purchase price per additional share of Common Stock is equal to the public offering price of one unit (less \$0.01 allocated to each full Series A Warrant or Series B Warrant), less the underwriting discount. The purchase price per additional Series A Warrant or Series B Warrant is \$0.01. On January 7, 2025, Aegis exercised its over-allotment option with respect to 83,334 Series A Warrants and 83,334 Series B Warrants.

The closing of the Offering occurred on January 7, 2025. The Company received net proceeds of approximately \$18.3 million from the Offering, after deducting the offering expenses payable by the Company, including the Underwriter's fees and expenses. The Company intends to use the net proceeds from the Offering for general corporate purposes, including working capital.

PIPE Financing

On November 12, 2025, we entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") with certain investors (the "Investors") whereby the Company agreed to issue and sell to the Investors in a private placement (the "PIPE Financing"): (i) shares (the "PIPE Shares") of its common stock, par value \$0.0001 per share, (ii) pre-funded warrants (the "PIPE Pre-Funded Warrants") to purchase shares of common stock, (iii) warrants (the "PIPE Warrants") to purchase shares of common stock, and (iv) True-Up Warrants (as defined below) to purchase shares of common stock. The purchase price paid by the Investors was \$0.9116 per Share (or \$0.9115 per pre-funded warrant in lieu of shares), the closing price of the Company's stock on November 12, 2025.

The first closing of the PIPE Financing occurred on November 18, 2025 (the "First Closing"). At the First Closing, we issued 1,964,905 PIPE Pre-Funded Warrants and received gross proceeds of \$1.8 million. Following the approval of the PIPE Financing at the special shareholder meeting on January 21, 2026, and the consummation of the Exchange (as defined below), the second closing of the PIPE Financing occurred on January 27, 2026 (the "Second Closing"). Upon the Second Closing and the consummation of the Exchange, the Company issued to each Investor pursuant to the Securities Purchase Agreement, a warrant (the "True-Up Warrant") to purchase the number of shares of common stock necessary for the Investor's Post-Exchange Investment Percentage (as defined in the Securities Purchase Agreement) following the issuance of the Exchange Shares (as defined below) to be equal to the Investor's Pre-Exchange Investment Percentage (as defined in the Securities Purchase Agreement) (rounded down to the nearest whole share of common stock), provided, however, that in no event shall the number of shares of common stock issuable under an Investor's True-Up Warrant exceed the total number of PIPE Shares or PIPE Pre-Funded Warrant Shares issued or issuable to an Investor pursuant to the Securities Purchase Agreement. At the Second Closing, we issued 4,616,924 PIPE Pre-Funded Warrants, 6,581,829 PIPE Warrants and 6,581,829 True-Up Warrants to the Investors, and the Company received gross proceeds of \$4.2 million. The Company intends to use the net proceeds from the PIPE Financing for general corporate purposes, including working capital.

Subject to the terms and conditions therein, the Securities Purchase Agreement also granted to the Investors, until such time as the earlier of (i) the date that no PIPE Warrants remain outstanding and (ii) the 18-month anniversary of the Second Closing, a right to participate in any financing not registered under the Securities Act and involving the issuance by the Company of common stock or common stock equivalents for cash.

Terms of the PIPE Pre-Funded Warrants, PIPE Warrants and True-Up Warrants

The PIPE Pre-Funded Warrants were offered in lieu of shares of common stock and each PIPE Pre-Funded Warrant is exercisable for one share of common stock at an exercise price of \$0.0001 per share. The PIPE Pre-Funded Warrants are immediately exercisable after issuance and may be exercised at any time until all the PIPE Pre-Funded Warrants are exercised in full.

Each PIPE Warrant is exercisable for the number of PIPE Shares, or pre-funded warrants in lieu of shares, purchased by each Investor under the Securities Purchase Agreement (but excluding any shares issuable upon the exercise of the True-Up Warrants), at an exercise price of \$1.09392 per share and may only be exercised for cash. The PIPE Warrants are immediately exercisable after issuance and may be able to be exercised at any time until the five-year anniversary of the Second Closing.

Each True-Up Warrant is exercisable for one share of common stock at an exercise price of \$0.0001 per share. The True-Up Warrants are immediately exercisable after issuance and may be able to be exercised at any time until all the True-Up Warrants are exercised in full.

The exercise prices and the number of shares issuable upon exercise of the PIPE Pre-Funded Warrants, PIPE Warrants and True-Up Warrants are subject to customary adjustments in the case of stock dividends, stock splits, pro rata distributions, and similar events in respect of the common stock. In addition, the number of shares of the common stock underlying, and the exercise price of, the PIPE Warrants is subject to full ratchet antidilution protection and standard adjustments in the event of a share split, reverse share split, share dividend, share combination recapitalization or other similar transaction involving the common stock; provided, however, that in no event will the exercise price of the PIPE Warrants equal less than \$0.30387 per share of common stock.

Convertible Note Subscription

In March 2024, we entered into a subscription agreement with Daewoong (the “Subscription Agreement”) relating to our sale and issuance of the convertible notes (the “Convertible Note”) in the principal amount of up to \$15.0 million, which are convertible into shares of common stock, subject to certain conditions and limitations set forth in each Convertible Note. Each Convertible Note contains customary events of default, accrues interest at an annual rate of 15.79% and has a maturity date that is three years from the funding date (the “Existing Maturity Date”), unless earlier repurchased, converted or redeemed in accordance with its terms prior to such date. Pursuant to the terms of the Subscription Agreement, we issued and sold to Daewoong convertible notes in the principal amount of \$5.0 million and \$10.0 million in March 2024 and April 2024, respectively (the “Existing Notes”).

On November 12, 2025, we entered into a binding term sheet (the “Term Sheet”) with Daewoong relating to the exchange (the “Exchange”) of the Existing Notes. On December 15, 2025, we entered into an Exchange Agreement (the “Exchange Agreement”) with Daewoong consistent with the terms of the Term Sheet pursuant to which the Existing Notes held by Daewoong were exchanged for (i) newly issued shares of common stock of the Company equal to (x) the principal and accrued interest of the Existing Notes as of the closing of the Exchange less (y) the principal amount of the New Convertible Note (as defined below), divided by \$1.00, and then multiplied by 1.3 (and rounded down to the nearest whole share of common stock) and/or pre-funded warrants to purchase shares of common stock (the “Daewoong Pre-Funded Warrants”) in lieu of any shares of common stock that would result in Daewoong’s beneficial ownership of common stock exceeding 49.99% (the “Exchange Shares”), (ii) a new senior secured convertible note for \$1.5 million (the “New Convertible Note”), and (iii) warrants to purchase up to 8.0 million shares of common stock at an exercise price of \$1.09392 per share (the “Daewoong Warrants”).

The Daewoong Warrants, which are on the same terms as the PIPE Warrants, are exercisable at an exercise price of \$1.09392 per share and may only be exercised for cash. The Daewoong Warrants are immediately exercisable after issuance and may be able to be exercised at any time until the five-year anniversary of the Second Closing. The Exchange Agreement provides that the Company nominate one designee of Daewoong to the Company’s board of directors to serve as a Class III director at the 2026 annual meeting of stockholders, of which the director designee is currently Seongsoo Park. Mr. Park currently serves on the Company’s board of directors and is scheduled for renomination at the 2026 annual meeting of stockholders. The Exchange was approved at the special meeting of shareholders on January 21, 2026.

New Convertible Note

The New Convertible Note contains customary events of default, accrues interest at an annual rate of 15.79% payable in cash at maturity and has a maturity date of April 12, 2030 (the “Maturity Date”), unless earlier converted or redeemed in accordance with its terms prior to such date. The Company may not prepay the New Convertible Note or accrued interest prior to the New Maturity Date.

If, prior to the New Maturity Date, the Company consummates a bona-fide third-party financing after the issuance of the New Convertible Note in the form of common stock or any securities convertible into, or exchangeable or exercisable for, common stock (subject to certain exceptions as described in the New Convertible Note), in one or more transactions or a series of related and substantially similar and simultaneous transactions at the same purchase price from third parties unaffiliated with Daewoong and its affiliates, for aggregate gross cash proceeds to the Company of at least \$30.0 million (a “Qualified Financing”), then, upon written notice thereof to Daewoong by the Company, on the closing date of such Qualified Financing, the New Convertible Note will automatically convert in whole, without any further action by Daewoong, into a number of shares of common stock or pre-funded warrants equal to: (i) one and three tenths (1.3) multiplied by (ii) the quotient of (a) the principal amount of the New Convertible Note and all accrued and unpaid interest to be converted divided by (b) the per share price of the common stock sold in the Qualified Financing.

If, prior to the New Maturity Date, the Company provides (i) written notice to Daewoong that it has publicly announced the submission of a BLA filing for ABP-450 as a biosimilar to Botox® (onabotulinumtoxinA) or (ii) a written notice that the Company has consummated a Change of Control (as defined in the New Convertible Note), Daewoong will have the right for thirty (30) days following receipt of either such notice, at Daewoong’s option (the “Optional Conversion”), to convert all (but not less than all) of the remaining outstanding portion of the New Convertible Note (subject to any limitations under the rules of NYSE American) into an amount of shares of common stock or pre-funded warrants equal to: (i) one and three tenths (1.3) multiplied by (ii) the quotient of (a) the principal amount of the New Convertible Note and all accrued and unpaid interest to be converted divided by (b) the volume-weighted average trading per share price of common stock over the five (5) trading days prior to the Company’s receipt of Daewoong’s written notice of exercise of the Optional Conversion.

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The New Convertible Note included a covenant that restricts the Company's and AEON Biopharma Sub Inc.'s (the "AEON Sub") ability to issue debt securities senior or pari passu to such New Convertible Note without Daewoong's prior written consent. The New Convertible Note also included a covenant that restricts the Company and AEON Sub's ability to issue debt securities junior to such New Convertible Note except as expressly permitted under a security agreement to be entered into between the Company, AEON Sub and Daewoong in connection with Closing.

In connection with issuing the New Convertible Note, the Company and AEON Sub granted a first-priority security interest on substantially all of their respective assets, other than certain permitted liens described in the New Convertible Note. Upon the occurrence and continuation of an event of default, Daewoong will be entitled to, among other things, foreclose on the assets that are the subject of the security interest.

The Daewoong Pre-Funded Warrants and Daewoong Warrants

Under the Exchange Agreement and the New Convertible Note, Daewoong Pre-Funded Warrants may be issued in lieu of shares of common stock and each Daewoong Pre-Funded Warrant is exercisable for one share of common stock at an exercise price of \$0.0001 per share. The Daewoong Pre-Funded Warrants are immediately exercisable after issuance and may be exercised at any time until all of the Daewoong Pre-Funded Warrants are exercised in full.

The Daewoong Warrants are substantially identical to the PIPE Warrants, which are exercisable at an exercise price of \$1.09392 per share and may only be exercised for cash. The Daewoong Warrants are immediately exercisable after issuance and may be exercisable at any time until the five-year anniversary of issuance.

The exercise prices and the number of shares issuable upon exercise of the Daewoong Pre-Funded Warrants and the Daewoong Warrants are subject to customary adjustments in the case of stock dividends, stock splits, pro rata distributions, and similar events in respect of the common stock. In addition, the number of shares of the common stock underlying, and the exercise price of, the Daewoong Warrants are subject to full ratchet antidilution protection and standard adjustments in the event of a share split, reverse share split, share dividend, share combination recapitalization or other similar transaction involving the common stock.

Amendment to License Agreement

In connection with the Exchange, on January 21, 2026, the Company entered into a Fifth Amendment to the License and Supply Agreement (the "License Agreement Amendment") with Daewoong, which amends the Daewoong Agreement, by and between the Company and Daewoong, dated December 20, 2019, as amended on July 29, 2022, January 8, 2023, April 24, 2023 and March 19, 2024. Pursuant to the terms of the License Agreement Amendment, the definition of "Notes" reflects the Exchange and the Termination Purchase Right (as defined in the License Agreement Amendment) will terminate and expire upon Daewoong's sale of 50% of its common stock, including common stock held by its affiliates and common stock that would be issued upon conversion of the New Convertible Note. The License Agreement, as amended from time to time, also provides that the License Agreement will terminate if, over any six-month period, (a) we cease to commercialize ABP-450 in certain territories specified in the License Agreement and (b) we cease to advance any clinical studies of ABP-450 in such territories. Additionally, the License Agreement also provides that, in the event that the License Agreement is terminated for the foregoing reasons, Daewoong will have the right to purchase all Know-How (as defined in the License Agreement) related to ABP-450 for a price of \$1.00.

ATM Offering of Common Stock

From April 1, 2026 through May 11, 2026, the Company issued 1,004,153 shares under the ATM for net proceeds of \$0.9 million, and approximately \$47.0 million of common stock remained available to be sold under the ATM.

Components of Our Results of Operations

Revenue

We have generated no revenue from the sale of products and do not anticipate deriving any product revenue unless and until we receive regulatory approval for, and are able to successfully commercialize, ABP-450.

Operating Expenses

Selling, General and Administrative Expenses

Selling, general and administrative (“SG&A”) expenses, consist primarily of compensation for personnel, including stock-based compensation, management, finance, legal, and regulatory functions. Other SG&A expenses include travel expenses, market research and analysis, conferences and trade shows, professional services fees, including legal, audit and tax fees, insurance costs, general corporate expenses, and allocated facilities-related expenses. Additionally, we anticipate continued costs associated with being a public company, including expenses related to services associated with maintaining compliance with the requirements of NYSE American and the SEC, insurance, and investor relations costs. We expect to incur increased costs associated with establishing sales, marketing, and commercialization functions in advance of potential future regulatory approvals and commercialization of our product candidates. If ABP-450 obtains United States regulatory approval for any indication, we expect that we would incur significantly increased expenses associated with building a sales and marketing team and funding commercial activities.

Research and Development Expenses

Our R&D expenses are primarily attributed to the development of ABP-450 as a biosimilar product in the United States through a Section 351(k) BLA, using AbbVie Inc.’s product Botox® as a proposed reference product for all of the indications for which Botox® is approved, other than the cosmetic uses for which we do not hold development or commercialization rights, which may include initiating a comparability study of ABP-450 in one or more of the indications currently approved for use by the proposed reference product. Due to the stage of our development and our ability to use resources across all of our programs, most of our R&D costs are not recorded on a program-specific basis. We expect our R&D expenses to increase as we develop and seek regulatory approval of ABP-450. R&D expenses associated with these activities may include third-party costs such as expenses incurred under agreements with clinical research organizations, the cost of consultants who assist with the development of ABP-450 on a program-specific basis, investigator grants, sponsored research, product costs in connection with acquiring ABP-450 from Daewoong and Botox® for use in conducting preclinical and clinical studies, and other third-party expenses attributable to the development of our product candidates.

R&D activities will be critical to achieving our business strategy. The biosimilar pathway will require significant costs in order to design, execute and complete the primary structural analysis and all supportive comparability analyses. Any clinical studies, such as a comparability study in any of the indications currently approved for use by the proposed reference product, will generally incur greater development costs than those programs incurred in the earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical studies. We expect our R&D expenses to be significant over the next years as we pursue the development of ABP-450 as a biosimilar and seek regulatory approval using Botox® as the reference product. As a result, we are unable to determine the duration and completion costs of our programs or when and to what extent we will generate revenue from commercialization and sale of any of our product candidates. Our R&D activities may be subject to change from time to time as we evaluate our strategic plan, priorities and available resources.

Change in Fair Value of Contingent Consideration

The Company determined that the Contingent Consideration would be classified as a liability on the condensed consolidated balance sheets and remeasured at each reporting period with changes to fair value recorded to the condensed consolidated statements of operations and comprehensive (loss) income.

The Company recognized gains of \$4 thousand and \$3.5 million for the three months ended March 31, 2026 and 2025, respectively, related to the change in the fair value of the contingent consideration related to certain contingent provisions, restrictions and forfeiture provisions for Founder Shares and certain Participating Stockholders shares. The gains were primarily due to impact of stock price fluctuation period over period.

Other (Loss) Income, Net

Other (loss) income, net primarily consists of gains and losses resulting from the remeasurement of the fair value of our convertible notes, warrant liabilities, issuance of warrants, loss on derivative liability, each described below, at each balance sheet date.

Change in fair value of convertible notes – The Company elected the fair value option to account for its convertible notes, with the subsequent changes in fair value recorded in the condensed consolidated statement of operations and comprehensive (loss) income. The fair value of the convertible notes was determined based on Level 3 inputs using a scenario-based analysis that estimated the fair value of the convertible notes based on the probability-weighted present value of expected future investment returns, considering each of the possible outcomes available to the noteholders, including various qualified financings, corporate transaction and dissolution scenarios. The significant unobservable input assumptions that can significantly change the fair value included (i) the discount rates, (ii) the timing of payments, and (iii) the probability of certain settlement scenarios.

Change in fair value of warrants – Changes in the estimated fair value of our warrant liabilities are recognized as a non-cash gain or loss on the condensed consolidated statements of operations and comprehensive (loss) income. The significant unobservable input assumptions that can significantly change the fair value included (i) stock price, (ii) risk-free rate, (iii) volatility and (iv) term of warrant.

Loss on issuance of warrants – the Company's issued Series A Warrants and Series B Warrants in the first quarter of 2025 had grant date fair values of \$94.0 million on January 7, 2025 and was recorded as a liability as of the grant date. Proceeds were allocated to the warrant liability based on the fair value as of grant date of the Series A Warrants and Series B Warrants of \$94.0 million. As the fair value of the warrants issued was greater than the proceeds received, the Company recognized a loss on issuance of warrants of \$75.6 million.

Loss on derivative liability – In connection with the First Closing of the PIPE Financing occurring in the fourth quarter of 2025, the Company determined that the PIPE Financing included derivative liabilities to issue a variable number of warrants at a future date, and as such, recorded derivative liability for the tranche right obligation, PIPE Warrants and True-up Warrants on the condensed consolidated balance sheets in the fourth quarter of 2025. For the First Closing, proceeds were allocated to the derivative liability based on the fair value as of the grant date of \$12.4 million. As the fair value of the derivatives issued are greater than the proceeds received, the Company recognized a loss on derivative liability issued of \$10.6 million in the fourth quarter of 2025. Additionally, the subsequent changes in fair value of the derivative liability was a loss of \$2.5 million and was recorded in the condensed consolidated statement of operations and comprehensive (loss) income for the year ended December 31, 2025. For the three months ended March 31, 2026, the Company recognized change in fair value of derivative liability of \$1.7 million. Upon the Second Closing, the Company satisfied the obligations underlying the derivative, and the derivative liability was derecognized from the condensed consolidated balance sheet. In connection with the Second Closing, the Company satisfied the obligations underlying the derivative liability, and the fair value of the derivative liability upon the Second Closing of \$16.6 million plus the proceeds of \$4.2 million received in the Second Closing were allocated to the PIPE Warrants at grant date fair value of \$7.4 million, and the residual value of \$13.4 million was allocated between the PIPE Pre-funded Warrants and the True-up Warrants based on relative fair value to additional paid in capital on the condensed consolidated balance sheets.

Results of Operations

The following table summarizes our results of operations for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2026	2025
Operating expenses:		
Selling, general and administrative	\$ 3,903	\$ 3,125
Research and development	2,034	825
Change in fair value of contingent consideration	(4)	(3,488)
Total operating costs and expenses	<u>5,933</u>	<u>462</u>
Loss from operations	(5,933)	(462)
Other (loss) income:		
Change in fair value of convertible notes	(8,727)	(1,631)
Change in fair value of warrants	4,656	86,729
Loss on issuance of warrants	—	(75,644)
Loss on extinguishment of debt	(76)	—
Loss on derivative liability	(1,743)	—
Other income, net	30	103
Total other (loss) income, net	<u>(5,860)</u>	<u>9,557</u>
(Loss) income before taxes	(11,793)	9,095
Income taxes	—	—
Net (loss) income	<u>\$ (11,793)</u>	<u>\$ 9,095</u>
Basic and diluted net (loss) income per share	<u>\$ (0.29)</u>	<u>\$ 2.28</u>
Weighted average shares of common stock outstanding used to compute basic and diluted net (loss) income per share	<u>40,614,087</u>	<u>3,984,876</u>

Comparison of the three months ended March 31, 2026 and 2025

Operating Expenses

Selling, General and Administrative (SG&A) Expenses

SG&A expenses were \$3.9 million for the three months ended March 31, 2026, resulting in an increase of \$0.8 million, or 26%, compared to \$3.1 million during the three months ended March 31, 2025. The increase in SG&A expenses was primarily attributable to increases in payroll-related expenses including bonuses achieved in the current year compared to prior year, stock-based compensation related to RSUs issued in the first quarter of 2026, and increase in professional and legal fees for strategy consulting and financing activities.

Research and Development (R&D) Expenses

R&D expenses were \$2.0 million for the three months ended March 31, 2026, an increase of \$1.2 million, or 150%, compared to \$0.8 million for the three months ended March 31, 2025. The increase was primarily attributable to increases in biosimilar R&D consulting expense, payroll-related expenses including bonuses achieved in the current year compared to prior year and stock-based compensation related to RSUs issued in the first quarter of 2026.

Change in Fair Value of Contingent Consideration

The Company recognized gain of de minimis and \$3.5 million for the three months ended March 31, 2026 and 2025, respectively, related to the change in the fair value of the contingent consideration related to certain contingent provisions, restrictions and

forfeiture provisions for Founder Shares and certain Participating Stockholders shares. The gain was primarily due to decreases in the Company's stock price, resulting in decreases in fair value of the contingent consideration as of each reporting period.

Other (Loss) Income, Net

Other (loss) income, net primarily consist of gains and losses resulting from the remeasurement of the fair value of our convertible notes and warrant liabilities, issuance of warrants, loss on extinguishment of debt and loss on derivative liability, each described below.

Change in fair value of convertible notes – The Company elected the fair value option to account for its convertible notes, with the subsequent changes in fair value recorded in the condensed consolidated statement of operations and comprehensive (loss) income. The Company recognized losses of \$8.7 million and \$1.6 million for the three months ended March 31, 2026 and 2025, respectively, primarily due to changes in conversion probabilities of the Daewoong convertible notes and changes in the Company's stock price. On January 21, 2026, the Exchange Agreement resulted in the extinguishment of debt of \$76 thousand.

Change in fair value of warrants – Changes in the estimated fair value of our warrant liabilities are recognized as a non-cash gain or loss on the condensed consolidated statements of operations and comprehensive (loss) income. For the three months ended March 31, 2026 the Company recognized gain of \$4.7 million primarily related to change in fair value of the Daewoong warrants and PIPE Warrants, compared to a gain of \$86.7 million for the three months ended March 31, 2025 primarily due to fair value of the Series A Warrants and Series B Warrants issued and due to fluctuations in stock price and decrease in warrants outstanding due to cashless exercise of Series B Warrants in the first quarter of 2025.

Loss on issuance of warrants – The Company issued Series A Warrants and Series B Warrants in the first quarter of 2025 related to the Offering in that had grant date fair values of \$94.0 million on January 7, 2025 and was recorded as a liability as of grant date. Proceeds were allocated to the warrant liabilities based on the fair value as of grant date of the Series A Warrants and Series B Warrants of \$94.0 million. As the fair value of the Series A Warrants and Series B Warrants issued were greater than the proceeds received, the Company recognized a loss on issuance of warrants of \$75.6 million.

Loss on derivative liability – In connection with the First Closing of the PIPE Financing occurring in the fourth quarter of 2025, the Company determined that the PIPE Financing included derivative liabilities to issue a variable number of warrants at a future date, and as such, recorded derivative liability for the tranche right obligation, PIPE Warrants and True-up Warrants on the condensed consolidated balance sheets in the fourth quarter of 2025. For the First Closing, proceeds were allocated to the derivative liability based on the fair value as of grant date of \$12.4 million. As the fair value of the derivatives issued are greater than the proceeds received, the Company recognized a loss on derivative liability issued of \$10.6 million in the fourth quarter of 2025. Additionally, the subsequent changes in fair value of the derivative liability was a loss of \$2.5 million and was recorded in the condensed consolidated statement of operations and comprehensive (loss) income for the year ended December 31, 2025. For the three months ended March 31, 2026, the Company recognized change in fair value of derivative liability of \$1.7 million. Upon the Second Closing, the Company satisfied the obligations underlying the derivative, and the derivative liability was derecognized from the condensed consolidated balance sheet.

Liquidity and Capital Resources

Our primary sources of capital have been debt and equity financing. We have experienced recurring losses from operations and have a net capital deficiency and negative cash flows from operations since our inception. As of March 31, 2026, we had reported cash and cash equivalents of \$6.2 million and an accumulated deficit of \$482.6 million.

On January 6, 2025, we entered into the Underwriting Agreement with Aegis pursuant to which the Company agreed to sell and issue shares of common stock and certain Series A Warrants and Series B Warrants. The closing of the Offering occurred on January 7, 2025, and the Company received net proceeds of approximately \$18.3 million from the Offering.

On November 12, 2025, we entered into the Securities Purchase Agreement with certain Investors whereby the Company issued and sold to the Investors certain PIPE Shares, PIPE Pre-Funded Warrants, PIPE Warrants and True-up Warrants for total gross proceeds of \$6.0 million. The Company received gross proceeds of \$1.8 million and \$4.2 million upon the First Closing on November 18, 2025 and the Second Closing on January 27, 2026, respectively.

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On November 12, 2025, we entered into the Term Sheet with Daewoong relating to the Exchange of the Subscription Agreement with Daewoong relating to the Existing Notes of \$5.0 million and \$10.0 million in principal with maturity dates of March 2027 and April 2027, respectively.

On December 15, 2025, we entered into the Exchange Agreement with Daewoong consistent with the terms of the Term Sheet pursuant to which the Existing Notes held by Daewoong would be exchanged for (i) newly issued shares of common stock of the Company equal to (x) the principal and accrued interest of the Existing Notes as of the closing of the Exchange less (y) the principal amount of the New Convertible Note, divided by \$1.00, and then multiplied by 1.3 (and rounded down to the nearest whole share of common stock) and/or Daewoong Pre-Funded Warrants in lieu of any shares of common stock that would result in Daewoong's beneficial ownership of common stock exceeding 49.99% (the "Exchange Shares"), (ii) a new senior secured convertible note for \$1.5 million (the "New Convertible Note"), and (iii) warrants to purchase up to 8.0 million shares of common stock at an exercise price of \$1.09392 per share (the "Daewoong Warrants"). The Daewoong Warrants, which contain the same terms as the PIPE Warrants, are exercisable at an exercise price of \$1.09392 per share and may only be exercised for cash. The Daewoong Warrants are immediately exercisable after issuance and may be able to be exercised at any time until the five-year anniversary of the Second Closing.

We are a biopharmaceutical company seeking accelerated and full-label U.S. market entry by developing our ABP-450 as a biosimilar through submission of a BLA under Section 351(k), using AbbVie Inc.'s product Botox® as a proposed reference product for all of the indications for which Botox® is approved, other than the cosmetic uses for which we do not hold development or commercialization rights. We held an initial meeting with the FDA in the third quarter of 2024 during which we obtained feedback from the FDA on next steps to develop a Botox® biosimilar. We commenced analytical studies in the fourth quarter of 2024 to prepare for a BPD Type 2a meeting with the FDA that was held on January 21, 2026. During the meeting, the FDA reviewed the Company's proposed analytical similarity strategy under the 351(k) biosimilar pathway. The FDA acknowledged the scientific challenges associated with characterizing a 900 kDa botulinum neurotoxin complex, provided constructive feedback on our proposed development approach and analytical assessment plan, and noted that our analytical methodologies appeared reasonable to support advancement of the program toward a comprehensive analytical similarity package. We believe this feedback provides a clear framework for the remaining analytical components of our biosimilar development program and plan to complete the majority of our analytical comparability program in 2026. We are currently planning to request a BPD Type 2b meeting in 2026 to discuss the next phase of the development program to support approval of ABP-450 as a biosimilar to Botox® across all approved therapeutic indications. However, the commencement of additional studies, preparation for the potential BPD meeting and any further development of ABP-450 would require additional funding in the form of equity financings or debt. There can be no assurance that such efforts will be successful or that, in the event that they are successful, the terms and conditions of such financing will be commercially acceptable. Furthermore, the use of equity as a source of financing would dilute existing shareholders.

We have incurred operating losses and negative cash flows from operating activities since inception and expect to continue to incur significant operating losses for the foreseeable future and may never become profitable. Our primary use of cash is to fund operating expenses, which consist of R&D expenditures, including development and execution of our analytical plan, possible clinical trials, as well as SG&A expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay or prepay these expenses. We expect to continue to incur substantial costs in order to conduct R&D activities necessary to develop and commercialize our product candidates. Until such time, if ever, as we can generate substantial product revenue from sales of ABP-450, we will need additional capital to undertake these activities and commercialization efforts, and, therefore, we intend to raise such capital through the issuance of additional equity, borrowings, and potentially strategic alliances with other companies. However, if such financing is not available at adequate levels or on acceptable terms, we could be required to reduce the scope of or eliminate some of our development programs or commercialization efforts, out-license intellectual property rights to our product candidates or sell unsecured assets, or a combination of the above, any of which may have a material adverse effect on our business, results of operations, financial condition and/or our ability to fund our scheduled obligations on a timely basis or at all. Our ability to continue as a going concern is dependent upon our ability to successfully accomplish these plans and secure sources of financing and ultimately attain profitable operations.

We may also seek to raise additional capital through the sale of public or private equity or convertible debt securities. If we incur additional debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends to holders of our common stock. If we undertake discretionary financing by issuing equity securities or convertible debt securities, our stockholders may experience substantial dilution. We may sell common stock, convertible securities or other equity securities in one or more transactions at a price per share that is less than the price per share paid by current public stockholders. If we sell common stock, convertible securities, or other equity securities in more than one transaction, stockholders may be further diluted by subsequent sales. Additionally, future equity financings

may result in new investors receiving rights superior to our existing stockholders. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests.

We may receive additional capital from the cash exercise of the SPAC Warrants, Series A Warrants, Series B Warrants, Odeon Warrants, PIPE Warrants and Daewoong Warrants. However, the exercise price of such warrants range from \$1.09 to \$828.00 per warrant and the last reported sales price of our common stock on May 11, 2026 was \$0.882. The likelihood that holders of the warrants will exercise their respective warrants, and therefore the likelihood of any amount of cash proceeds that we may receive, is dependent upon the trading price of our common stock after effectiveness of the registration statement related thereto registering the issuance of common stock underlying such warrants. If the trading price for our common stock does not maintain a price above the exercise price per share, we do not expect holders to exercise their respective warrants for cash. We will have broad discretion over the use of any proceeds from the exercise of such securities. Any proceeds from the exercise of such securities would increase our liquidity, but we are not currently budgeting for any cash proceeds from the exercise of such warrants when planning for our operational funding needs. Additionally, the SPAC Warrants and Series B Warrants may be exercised on a cashless basis at any time and we will not receive any proceeds from such exercise, even if such warrants are in-the-money.

To the extent that we raise additional capital through marketing and distribution arrangements or other collaborations, royalty agreements, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our product candidates, future revenue streams, research programs or product licenses on terms that may not be favorable to us. If these sources are insufficient to satisfy our liquidity requirements, we will seek to raise additional funds through future equity or debt financings. If we raise additional funds by issuing equity securities, our stockholders would experience dilution. Additional debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. There can be no assurance that our efforts to procure additional financing will be successful or that, if they are successful, the terms and conditions of such financing will be favorable to us or our stockholders. If we are unable to raise additional financing when needed, we may be required to delay, reduce, or terminate the development, commercialization and marketing of our products and scale back our business and operations.

As a result of these conditions, management has concluded that substantial doubt about our ability to continue as a going concern exists as conditions and events, considered in the aggregate, indicate that it is probable that we will be unable to meet our obligations as they become due within one year after the date that the financial statements included in this Report are issued. Our financial information throughout this Report and our financial statements included elsewhere in this Report have been prepared on a basis that assumes that we will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. This financial information and our condensed consolidated financial statements do not include any adjustments that may result from an unfavorable outcome of this uncertainty. Our ability to continue as a going concern is dependent upon our ability to successfully accomplish our business plans and secure sources of financing and ultimately attain profitable operations.

As of the date of this Report, we expect to have sufficient cash to fund our operating plan into the third quarter of 2026. We will actively attempt to secure additional capital to fund our operations. However, we cannot assure you that we will be able to raise additional capital on commercially reasonable terms or at all.

Net Cash Used in Operating Activities

Net cash used in operating activities for the three months ended March 31, 2026 was \$2.6 million, consisting primarily of a net loss of \$11.8 million, non-cash gain of \$7.8 million and changes in operating assets and liabilities of \$1.4 million. Non-cash gain primarily consists of \$8.7 million related to an increase in the fair value of convertible notes, \$1.9 million related to stock-based compensation expense for our executives and directors, \$1.7 million loss on derivative liability related to the Second Closing of the PIPE Financing, offset by \$4.7 million related to decreases in the fair value of warrants. The change in operating assets and liabilities is primarily due to modification of cash-settled restricted stock units to equity-settled restricted stock units in the first quarter of 2026.

Net cash used in operating activities for the three months ended March 31, 2025 was \$7.9 million, consisting primarily of a net income of \$9.1 million and non-cash charges of \$11.2 million, consisting primarily of \$86.7 million related to decreases in the fair value of warrants and \$3.5 million related to a decrease in the fair value of contingent consideration, offset by \$75.6 million loss on issuance of warrants, \$1.7 million related to stock-based compensation expense for our executives and directors and \$1.6 million related to an increase in the fair value of convertible notes.

Cash Flows from Investing Activities

Net cash used in investing activities for the three months ended March 31, 2026 and 2025 were zero and a de minimis amount, respectively, related to the purchase of property and equipment in 2025.

Cash Flows from Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2026 was \$5.9 million, primarily from proceeds from the PIPE Financing and ATM, compared to \$18.3 million for the three months ended March 31, 2025, primarily related to the public offering in the first quarter of fiscal 2025.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with United States generally accepted accounting principles ("GAAP"). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosure of contingent assets and liabilities, revenue and expenses at the date of the financial statements as well as the expenses incurred during the reporting period. Generally, we base our estimates on historical experience and on various other assumptions in accordance with GAAP that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions and such differences could be material to the financial position and results of operations. On an ongoing basis, we evaluate our judgments and estimates in light of changes in circumstances, facts and experience. As of March 31, 2026, there have been no changes to our critical accounting policies from those reported on our Annual Report on Form 10-K.

JOBS Act; Smaller Reporting Company

We are an emerging growth company, as defined in the Securities Act, as modified by the JOBS Act. For so long as we remain an emerging growth company, we are permitted and intend to rely on certain exemptions from various public company reporting requirements, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and any golden parachute payments not previously approved. In particular, in this Report, we have provided only two years of interim financial statements that would be required if we were not an emerging growth company. Section 102(b)(2) of the JOBS Act allows us to delay adoption of the new or revised accounting standards until those standards apply to non-public business entities. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year following the fifth anniversary of Priveterra's initial public offering (December 31, 2026), (ii) the last day of the fiscal year in which we have total annual gross revenue of at least \$1.235 billion, (iii) the last day of the fiscal year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock held by non-affiliates exceeded \$700.0 million as of the last business day of the second fiscal quarter of such year, or (iv) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period.

We are also a "smaller reporting company," as such term is defined in Rule 12b-2 of the Exchange Act, meaning that the market value of our common stock held by non-affiliates is less than \$700 million and our annual revenue is less than \$100 million during the most recently completed fiscal year. We will continue to be a smaller reporting company if either (i) the market value of our common stock held by non-affiliates is less than \$250 million or (ii) our annual revenue is less than \$100 million during the most recently completed fiscal year and the market value of our common stock held by non-affiliates is less than \$700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies.

Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation. Investors could find our common stock less attractive to the extent

we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and the trading price may be more volatile.

Recently Issued and Adopted Accounting Pronouncements

We describe the recently issued accounting pronouncements that apply to us in [Note 2 Summary of Significant Accounting Policies](#) of the condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information under this Item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are our controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934), as amended (the “Exchange Act”) is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Due to the inherent limitations of control systems, not all misstatements may be detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. Controls and procedures can only provide reasonable, not absolute, assurance that the above objectives have been met.

Our Chief Executive Officer and Chief Financial Officer (“certifying officers”), in their role as Principal Executive and Financial Officer, have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of March 31, 2026. Our certifying officers concluded that our disclosure controls and procedures were effective as of March 31, 2026.

Changes in Internal Control over Financial Reporting

Other than described above, there have not been any changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act) during the quarter to which this Report relates that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

On November 20, 2025, Aegis Capital Corp. (“Aegis”) filed a lawsuit against the Company in the Supreme Court of the State of New York, alleging that the Company failed to honor Aegis’s right of first refusal (the “ROFR”) when AEON raised capital through a self-directed private placement in public equity (“PIPE”). In the complaint, Aegis claimed that AEON misappropriated \$1.59 million by not engaging Aegis as its underwriter or bookrunner in the PIPE and sought punitive damages and attorneys’ fees. Aegis was unsuccessful in its attempts to obtain both a temporary restraining order and permanent injunction. In April 2026, AEON’s motion to dismiss was granted with prejudice, which dismissal Aegis could choose to appeal.

Item 1A. Risk Factors

We are subject to various risks and uncertainties in the course of our business. In addition to other information contained elsewhere in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors discussed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K filed with the SEC on March 30, 2026, which could materially affect our business, financial condition, or future results. As of the date of this Quarterly Report on Form 10-Q, there have been no material changes to the risk factors disclosed in the Annual Report.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the fiscal quarter ended March 31, 2026, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (in each case, as defined in Item 408 of Regulation S-K).

Item 6. Exhibits

See Exhibit Index.

EXHIBIT INDEX

Exhibit No.	Description
2.1*	Business Combination Agreement, dated as of December 12, 2022, by and among Priveterra Acquisition Corp., Priveterra Merger Sub, Inc. and AEON Biopharma, Inc. (incorporated by reference to Exhibit 2.1 to the Form 8-K filed by Priveterra Acquisition Corp. with the SEC on December 13, 2022).
2.1(a)*	Amendment No. 1 to Business Combination Agreement, dated as of April 27, 2023, by and among Priveterra Acquisition Corp., AEON Biopharma, Inc. and Priveterra Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to the Form 8-K filed by Priveterra Acquisition Corp. with the SEC on May 1, 2023).
3.1	Third Amended and Restated Certificate of Incorporation of AEON Biopharma, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company with the SEC on July 27, 2023).
3.1.1	Certificate of Amendment of Third Amended and Restated Certificate of Incorporation of AEON Biopharma, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company with the SEC on February 24, 2025).
3.2	Amended and Restated Bylaws of AEON Biopharma, Inc. (incorporated by reference to Exhibit 3.2 to the Form 8-K filed by the Company with the SEC on July 27, 2023).
3.2.1	Amendment to Amended and Restated Bylaws of AEON Biopharma, Inc. (incorporated by reference to Exhibit 3.1 to Form 8-K filed by the Company with the SEC on December 20, 2024).
4.1	Warrant Agreement, dated as of February 8, 2021, by and between Priveterra Acquisition Corp. and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.1 to the Form 10-K filed by Priveterra Acquisition Corp. with the SEC on March 28, 2022).
4.2	Specimen Warrant Certificate (incorporated by reference to Exhibit 4.2 to the Form 10-K filed by Priveterra Acquisition Corp. with the SEC on March 29, 2024).
4.3	Senior Secured Convertible Note, dated as of March 24, 2024, by and among AEON Biopharma, Inc., Daewoong Pharmaceutical Co., LTD. and AEON Biopharma Sub, Inc. (incorporated by reference to Exhibit 4.1 to the Form 8-K filed by the Company with the SEC on March 28, 2024).
4.4	Senior Secured Convertible Note, dated as of April 12, 2024, by and among AEON Biopharma, Inc., Daewoong Pharmaceutical Co., LTD. and AEON Biopharma Sub, Inc. (incorporated by reference to Exhibit 4.1 to the Form 8-K filed by the Company with the SEC on April 17, 2024).
4.5	Description of AEON Biopharma Inc.'s Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.5 to the Form 10-K filed by the Company with the SEC on August 12, 2024).
4.6	Form of Series A Warrant (incorporated by reference to Exhibit 4.1 to the Form 10-K filed by the Company with the SEC on January 7, 2025).
4.7	Form of Series B Warrant (incorporated by reference to Exhibit 4.2 to the Form 10-K filed by the Company with the SEC on January 7, 2025).
31.1†	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2†	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1#	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2#	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS†	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH†	XBRL Taxonomy Extension Schema Document
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document
104†	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

† Filed herewith.

* The annexes, schedules, and certain exhibits to this Exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby agrees to furnish supplementally a copy of any omitted annex, schedule or exhibit to the SEC upon request.

The certification attached as Exhibits 32.1 and 32.2 that accompanies this Quarterly Report on Form 10-Q is not deemed filed with the SEC and is not to be incorporated by reference into any filing of AEON Biopharma, Inc. under the Securities Act of

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1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

Date: May 14, 2026

AEON BIOPHARMA, INC.

By: /s/ Robert Bancroft
Name: Robert Bancroft
Title: President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ John Bencich
Name: John Bencich
Title: Chief Financial Officer
(Principal Financial Officer)

By: /s/ Jennifer Sy
Name: Jennifer Sy
Title: Chief Accounting Officer
(Principal Accounting Officer)

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

I, Robert Bancroft, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AEON Biopharma, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 14, 2026

By: /s/ Robert Bancroft

Name: Robert Bancroft

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

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

I, John Bencich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AEON Biopharma, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 14, 2026

By: /s/ John Bencich

Name: John Bencich
Title: Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of AEON Biopharma, Inc. (the “Company”) hereby certifies, to the best of my knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 14, 2026

By: /s/ Robert Bancroft

Name: Robert Bancroft

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

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of AEON Biopharma, Inc. (the “Company”) hereby certifies, to the best of my knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 14, 2026

By: /s/ John Bencich

Name: John Bencich

Title: Chief Financial Officer

(Principal Financial Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.
