Table of Contents

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 June 30, 2026

OR

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

For the transition period from to
Commission file number: 001-34620

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

Delaware (State or other jurisdiction of incorporation or organization)	**04-3404176** (I.R.S. Employer Identification Number)
100 Summer Street, Suite 2300 **Boston, Massachusetts** (Address of Principal Executive Offices)	**02110** (Zip Code)

(617) 621-7722
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, $0.001 par value	IRWD	Nasdaq Global Select Market

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

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

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

Large Accelerated Filer ☐	Accelerated Filer ☒
Non-accelerated Filer ☐	Smaller Reporting Company ☒
	Emerging Growth Company ☐

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

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

As of July 31, 2026, there were 165,239,947 shares of Class A common stock outstanding.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks, uncertainties, and assumptions. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding our future financial position, business strategy, budgets, projected costs, plans and objectives of management for future operations. The words "may," "continue," "estimate," "intend," "plan," "will," "believe," "project," "expect," "seek," "anticipate," "could," "should," "target," "goal," "potential" and similar expressions may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. These forward-looking statements include, among other things, statements about the demand and market potential for our products in the countries where they are approved for marketing, as well as the revenues therefrom; the timing, investment and associated activities involved in commercializing LINZESS® by us and AbbVie Inc. in the U.S.; the commercialization of CONSTELLA® and LINZESS in the applicable markets outside the U.S., as well as our expectations regarding revenue generated from our partners; the timing, investment and associated activities involved in developing, obtaining regulatory approval for, launching, and commercializing our products and product candidates, such as apraglutide, by us and our partners worldwide; our plans with respect to recruitment for our ongoing confirmatory Phase III clinical trial of apraglutide for the treatment of short bowel syndrome with intestinal failure; our ability and the ability of our partners to secure and maintain adequate reimbursement for our products, including the status of government regulation in the life sciences industry, particularly with respect to healthcare reform and drug pricing; our ability and the ability of our partners and third parties to manufacture and distribute sufficient amounts of linaclotide active pharmaceutical ingredient, finished drug product and finished goods, as applicable, on a commercial scale; our expectations regarding U.S. and foreign regulatory requirements for our products and our product candidates, such as apraglutide, including our post-approval development and regulatory requirements; the ability of apraglutide and our other product candidates to meet existing or future regulatory standards; the safety profile and related adverse events of our products and our product candidates; the therapeutic benefits and effectiveness of our products and our product candidates and the potential indications and market opportunities therefor; our ability and the ability of our partners to obtain and maintain intellectual property protection for our products and our product candidates and the strength thereof, as well as Abbreviated New Drug Applications filed by generic drug manufacturers and potential U.S. Food and Drug Administration approval thereof, and associated patent infringement suits that we have filed or may file, or other action that we may take against such companies, and the timing and resolution thereof; our ability and the ability of our partners to perform our respective obligations under our collaboration, license and other agreements, and our ability to achieve milestones and other payments under such agreements; our plans with respect to the development, manufacture or sale of our product candidates and the associated timing thereof, including the design and results of pre-clinical studies and clinical trials; our expectations as to future financial performance, revenues, expense levels, payments, cash flows, profitability, tax obligations, capital raising and liquidity sources, and real estate needs, as well as the timing and drivers thereof, and internal control over financial reporting; our ability to repay our outstanding indebtedness when due; asset impairments, and the drivers thereof, and purchase commitments; trends and challenges in our potential markets; the outcome of pending, threatened or future legal proceedings; our ability to attract, motivate and retain key personnel.

Any or all of our forward-looking statements in this Quarterly Report on Form 10-Q may turn out to be inaccurate. These forward-looking statements may be affected by inaccurate assumptions or by known or unknown risks and uncertainties, including those related to the effectiveness of development and commercialization efforts by us and our partners; preclinical and clinical development, manufacturing and formulation development of linaclotide, apraglutide and our other product candidates; the risk of uncertainty relating to pricing and reimbursement policies in the U.S., which, if not favorable for our products, could hinder or prevent our products' commercial success; the risk that clinical programs and studies, including for apraglutide, may not progress or develop as anticipated, including that studies are delayed or discontinued for any reason, such as safety, tolerability, enrollment, manufacturing, economic or other reasons; the risk that findings from our completed nonclinical studies and clinical trials may not be replicated in later trials and clinical trials may not be predictive of the results we may obtain in later-stage clinical trials or of the likelihood of regulatory approval; the risk that apraglutide will not be approved by the U.S. Food and Drug Administration or other regulatory agencies; the risk of competition or that new products may emerge that provide different or better alternatives for treatment of the conditions that our products are approved to treat; the risk that we are unable to successfully partner with other companies to develop and commercialize products or product candidates; the risk that healthcare reform and other governmental and private payor initiatives may have an adverse effect upon or prevent our products' or product candidates' commercial success; the efficacy, safety and tolerability of linaclotide and our product candidates; the risk that the commercial and therapeutic opportunities for LINZESS, apraglutide or our other

product candidates are not as we expect; decisions by regulatory and judicial authorities; the risk we may never get additional patent protection for linaclotide, apraglutide and other product candidates, that patents for linaclotide, apraglutide or other products may not provide adequate protection from competition, or that we are not able to successfully protect such patents; the risk that we are unable to manage our expenses or cash use, or are unable to commercialize our products as expected; the risk that the development of any of our linaclotide pediatric programs and/or apraglutide is not successful or that any of our product candidates does not receive regulatory approval or is not successfully commercialized; outcomes in legal proceedings to protect or enforce the patents relating to our products and product candidates, including abbreviated new drug application litigation; the risk that financial and operating results may differ from our projections; developments in the intellectual property landscape; challenges from and rights of competitors or potential competitors; the risk that our planned investments do not have the anticipated effect on our company revenues; developments in accounting guidance or practice; Ironwood's or AbbVie's accounting practices, including reporting and settlement practices as between Ironwood and AbbVie; the risk that our indebtedness could adversely affect our financial condition or restrict our future operations; and the additional risks identified under the heading "Part I, Item 1A—Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the U.S. Securities and Exchange Commission, or the SEC, on February 26, 2026 and under "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report on Form 10-Q may not occur as contemplated, and actual results could differ materially from those anticipated or implied by the forward-looking statements.

You should not unduly rely on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. Unless required by law, we undertake no obligation to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks we describe in the reports we will file from time to time with the SEC after the date of this Quarterly Report on Form 10-Q.

NOTE REGARDING TRADEMARKS

LINZESS® and CONSTELLA® are trademarks of Ironwood Pharmaceuticals, Inc. Any other trademarks referred to in this Quarterly Report on Form 10-Q are the property of their respective owners. All rights reserved.

IRONWOOD PHARMACEUTICALS, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2026
TABLE OF CONTENTS

PART I — FINANCIAL INFORMATION

Item 1. ***Financial Statements***

Ironwood Pharmaceuticals, Inc.
Condensed Consolidated Balance Sheets
(In thousands, except share and per share amounts)
(unaudited)

	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 79,127	$ 215,456
Accounts receivable, net	112,732	46,745
Prepaid expenses and other current assets	7,342	11,977
Total current assets	199,201	274,178
Property and equipment, net	2,913	3,408
Operating lease right-of-use assets	8,443	9,340
Intangible assets, net	1,633	2,040
Deferred tax assets	69,064	103,433
Other assets	3,874	4,502
Total assets	$ 285,128	$ 396,901
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 911	$ 2,898
Accrued research and development costs	3,124	3,149
Accrued expenses and other current liabilities	25,534	33,239
Current portion of operating lease liabilities	3,285	3,252
Current portion of convertible senior notes	—	199,680
Total current liabilities	32,854	242,218
Operating lease obligations, net of current portion	8,581	9,870
Revolving credit facility	385,000	385,000
Other liabilities	20,536	21,648
Total liabilities	446,971	658,736
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock, $0.001 par value, 75,000,000 shares authorized, no shares issued and outstanding	—	—
Class A Common Stock, $0.001 par value, 500,000,000 shares authorized; 165,239,947 shares issued and outstanding as of June 30, 2026 and 163,058,316 shares issued and outstanding as of December 31, 2025	165	163
Additional paid-in capital	1,419,970	1,412,780
Accumulated deficit	(1,581,654)	(1,673,718)
Accumulated other comprehensive loss	(324)	(1,060)
Total stockholders' deficit	(161,843)	(261,835)
Total liabilities and stockholders' deficit	$ 285,128	$ 396,901

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

Ironwood Pharmaceuticals, Inc.
Condensed Consolidated Statements of Income (Loss)
(In thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues:				
Collaborative arrangements revenue	$ 113,041	$ 85,239	$ 219,547	$ 126,382
Total revenues	113,041	85,239	219,547	126,382
Costs and expenses:				
Research and development	22,421	23,373	44,361	50,805
Selling, general and administrative	11,313	16,795	23,346	41,055
Restructuring, net	—	(250)	(40)	18,309
Total costs and expenses	33,734	39,918	67,667	110,169
Income from operations	79,307	45,321	151,880	16,213
Other income (expense):				
Interest expense and other financing costs	(7,203)	(8,356)	(16,344)	(16,426)
Interest and investment income	1,585	818	3,283	1,687
Other	42	39	84	76
Other income (expense), net	(5,576)	(7,499)	(12,977)	(14,663)
Income before income taxes	73,731	37,822	138,903	1,550
Income tax expense	(22,440)	(14,223)	(46,839)	(15,337)
Net income (loss)	$ 51,291	$ 23,599	$ 92,064	$ (13,787)
Net income (loss) per share — basic	$ 0.31	$ 0.15	$ 0.56	$ (0.09)
Net income (loss) per share — diluted	$ 0.31	$ 0.14	$ 0.55	$ (0.09)
Weighted average shares used in computing net income (loss) per share — basic	164,405	161,723	163,930	161,350
Weighted average shares used in computing net income (loss) per share — diluted	167,179	176,837	167,036	161,350

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

Ironwood Pharmaceuticals, Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In thousands)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net income (loss)	$ 51,291	$ 23,599	$ 92,064	$ (13,787)
Other comprehensive income (loss), net of tax:				
Currency translation adjustment	471	(2,320)	736	(2,949)
Total other comprehensive income (loss), net of tax	471	(2,320)	736	(2,949)
Comprehensive income (loss)	$ 51,762	$ 21,279	$ 92,800	$ (16,736)

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

Ironwood Pharmaceuticals, Inc.
Condensed Consolidated Statements of Stockholders' Deficit
(In thousands, except share amounts)
(unaudited)

	Class A Common Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total stockholders' deficit
	Shares	Amount				
Balance as of December 31, 2025	163,058,316	$ 163	$ 1,412,780	$ (1,673,718)	$ (1,060)	$ (261,835)
Issuance of common stock related to share-based awards	1,555,090	2	(2)	—	—	—
Share-based compensation expense related to share-based awards and employee stock purchase plan	—	—	3,653	—	—	3,653
Net income	—	—	—	40,773	—	40,773
Other comprehensive income, net of tax	—	—	—	—	265	265
Balance as of March 31, 2026	164,613,406	$ 165	$ 1,416,431	$ (1,632,945)	$ (795)	$ (217,144)
Issuance of common stock related to share-based awards and employee stock purchase plan	626,541	—	303	—	—	303
Share-based compensation expense related to share-based awards and employee stock purchase plan	—	—	3,236	—	—	3,236
Net income	—	—	—	51,291	—	51,291
Other comprehensive income, net of tax	—	—	—	—	471	471
Balance as of June 30, 2026	165,239,947	$ 165	$ 1,419,970	$ (1,581,654)	$ (324)	$ (161,843)

	Class A Common Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total stockholders' deficit
	Shares	Amount				
Balance as of December 31, 2024	160,205,899	$ 160	$ 1,395,317	$ (1,697,735)	$ 923	$ (301,335)
Issuance of common stock related to share-based awards	1,603,533	2	4	—	—	6
Share-based compensation expense related to share-based awards and employee stock purchase plan	—	—	5,291	—	—	5,291
Net loss	—	—	—	(37,386)	—	(37,386)
Other comprehensive loss, net of tax	—	—	—	—	(629)	(629)
Balance as of March 31, 2025	161,809,432	$ 162	$ 1,400,612	$ (1,735,121)	$ 294	$ (334,053)
Issuance of common stock related to share-based awards and employee stock purchase plan	624,698	—	88	—	—	88
Share-based compensation expense related to share-based awards and employee stock purchase plan	—	—	4,524	—	—	4,524
Net income	—	—	—	23,599	—	23,599
Other comprehensive loss, net of tax	—	—	—	—	(2,320)	(2,320)
Balance as of June 30, 2025	162,434,130	$ 162	$ 1,405,224	$ (1,711,522)	$ (2,026)	$ (308,162)

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

Ironwood Pharmaceuticals, Inc.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(unaudited)

	Six Months Ended June 30,	
	2026	**2025**
Cash flows from operating activities:		
Net income (loss)	$ 92,064	$ (13,787)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	900	946
Loss on disposal of property and equipment	—	85
Share-based compensation expense	6,889	9,815
Non-cash interest expense	808	832
Non-cash lease expense	897	827
Deferred income taxes	34,369	14,775
Changes in operating assets and liabilities:		
Accounts receivable, net	(65,987)	(4,282)
Prepaid expenses and other current assets	4,581	(471)
Other assets	138	284
Accounts payable and accrued expenses	(9,500)	(4,174)
Accrued research and development costs	22	(2,664)
Operating lease liabilities	(1,256)	(1,156)
Other liabilities	(528)	3,856
Net cash provided by operating activities	63,397	4,886
Cash flows from investing activities:		
Purchases of property and equipment	—	(33)
Net cash used in investing activities	—	(33)
Cash flows from financing activities:		
Proceeds from employee stock purchase plan	303	94
Repayment of 2026 Convertible Notes	(200,000)	—
Net cash provided by (used in) financing activities	(199,697)	94
Effect of exchange rate changes on cash and cash equivalents	(29)	(654)
Net increase (decrease) in cash and cash equivalents	(136,329)	4,293
Cash and cash equivalents, beginning of period	215,456	88,559
Cash and cash equivalents, end of period	$ 79,127	$ 92,852

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

Ironwood Pharmaceuticals, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Nature of Business

Ironwood Pharmaceuticals, Inc. ("Ironwood" or the "Company") is a biotechnology company developing and commercializing life-changing therapies for people living with gastrointestinal ("GI") and rare diseases. The Company is focused on the development and commercialization of innovative product opportunities in areas of significant unmet need, leveraging its demonstrated expertise and capabilities in GI and rare diseases.

LINZESS® (linaclotide), the Company's commercial product, is the first product approved by the United States Food and Drug Administration (the "U.S. FDA") in a class of GI medicines called guanylate cyclase type C agonists ("GC-C agonists") and is indicated, in the U.S., for the treatment of irritable bowel syndrome with constipation ("IBS-C") in adults and pediatric patients 7 years of age and older, chronic idiopathic constipation ("CIC") in adults, and functional constipation ("FC") in pediatric patients ages 2-17 years-old. LINZESS is also available for the treatment of adults with IBS-C or CIC in Mexico and Kingdom of Saudi Arabia, adults with IBS-C or chronic constipation in Japan, and adults with IBS-C in China. Linaclotide is available under the trademarked name CONSTELLA® for the treatment of adults with IBS-C or CIC and pediatric patients ages 6-17 years old with FC in Canada, and to adults with IBS-C in certain European countries.

The Company has strategic partnerships with leading pharmaceutical companies to support the development and commercialization of linaclotide throughout the world. The Company and its partner, AbbVie Inc. (together with its affiliates, "AbbVie"), began commercializing LINZESS in the U.S. in December 2012. Under the Company's collaboration for North America with AbbVie, total net sales of LINZESS in the U.S., as recorded by AbbVie, are reduced by commercial costs incurred by each party, and the resulting amount is shared equally between the Company and AbbVie. Additionally, development costs are shared equally between the Company and AbbVie.

Outside of the U.S., the Company earns royalties as a percentage of net sales of products containing linaclotide as an active ingredient by the Company's collaboration partners. AbbVie has an exclusive license from the Company to develop and commercialize linaclotide in all countries other than China (including Hong Kong and Macau), Japan and the countries and territories of North America (the "AbbVie License Territory"). In addition, AbbVie has exclusive rights to commercialize linaclotide in Canada as CONSTELLA and in Mexico and Kingdom of Saudi Arabia as LINZESS. Astellas Pharma Inc. ("Astellas"), the Company's partner in Japan, has an exclusive license to develop, manufacture, and commercialize linaclotide in Japan. Grand Life Sciences (Beijing) Co., Ltd. (together with its affiliates) ("Grand Life Sciences"), the Company's partner in China since May 2026, has the exclusive right to develop, manufacture, and commercialize products containing linaclotide in China (including Hong Kong and Macau) (the "Grand Life Sciences Territory"). In May 2026, and as further described in Note 4, *Collaboration, License and Other Agreements,* AstraZeneca AB notified the Company that it has assigned its rights and obligations under the collaboration agreement to Grand Life Sciences.

The Company is also advancing apraglutide, a next-generation, synthetic peptide long-acting analog of glucagon-like peptide-2, developed for short bowel syndrome ("SBS") patients who are dependent on parenteral support ("PS").

The Company was incorporated in Delaware on January 5, 1998 as Microbia, Inc. On April 7, 2008, the Company changed its name to Ironwood Pharmaceuticals, Inc. To date, the Company has dedicated a majority of its activities to the research, development and commercialization of linaclotide, as well as to other research and development programs, including apraglutide.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements and the related disclosures are unaudited and have been prepared in accordance with accounting principles generally accepted in the U.S. Additionally, certain information and footnote disclosures normally included in the Company's annual financial statements have been

condensed or omitted. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the Securities and Exchange Commission ("SEC") on February 26, 2026 (the "2025 Annual Report on Form 10-K").

The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all normal recurring adjustments considered necessary for a fair statement of the Company's financial position as of June 30, 2026, and the results of its operations for the three and six months ended June 30, 2026 and 2025, its statements of stockholders' deficit for the three and six months ended June 30, 2026 and 2025, and its cash flows for the six months ended June 30, 2026 and 2025. The results of operations for the three and six months ended June 30, 2026 and 2025 are not necessarily indicative of the results that may be expected for the full year or any other subsequent interim period.

Principles of Consolidation

The accompanying condensed consolidated financial statements as of June 30, 2026 include the accounts of Ironwood, its wholly-owned subsidiaries, Ironwood Pharmaceuticals Securities Corporation, Ironwood Pharmaceuticals GmbH, VectivBio AG, and GlyPharma Therapeutic Inc. ("GlyPharma"). All intercompany transactions and balances are eliminated in consolidation.

Use of Estimates

The preparation of condensed consolidated financial statements in accordance with U.S. generally accepted accounting principles requires the Company's management to make estimates and judgments that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the condensed consolidated financial statements, and the amounts of revenues and expenses during the reported periods. On an ongoing basis, the Company's management evaluates its estimates, judgments and methodologies. Estimates and assumptions in the condensed consolidated financial statements include those related to revenue recognition; accounts receivable; useful lives of long-lived assets; impairment of long-lived assets, including goodwill; valuation procedures for right-of-use assets and operating lease liabilities; income taxes, including uncertain tax positions and the valuation allowance for deferred tax assets; research and development expenses; contingencies; defined benefit pension liabilities and certain investment fund assets; and share-based compensation. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ materially from these estimates under different assumptions or conditions. Changes in estimates are reflected in reported results in the period in which they become known.

Summary of Significant Accounting Policies

The Company's significant accounting policies are described in Note 2, *Summary of Significant Accounting Policies*, in the 2025 Annual Report on Form 10-K. During the three and six months ended June 30, 2026, the Company did not adopt any additional significant accounting policies.

New Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (the "FASB") or other standard setting bodies that are adopted by the Company as of the specified effective date. Except as set forth below, the Company did not adopt any new accounting pronouncements during the three and six months ended June 30, 2026.

In November 2024, the FASB issued ASU No. 2024-03, *Disaggregation of Income Statement Expenses* ("ASU 2024-03"). The guidance in ASU 2024-03 requires new financial statement disclosures in tabular format, disaggregating information about prescribed categories underlying any relevant income statement expense captions. The standard is effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. Upon adoption, ASU 2024-03 may be applied prospectively or retrospectively. The Company is currently evaluating the impact that the adoption of ASU 2024-03 may have on its disclosures in its condensed consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20)* ("ASU 2024-04"). The guidance in ASU 2024-04 clarifies the requirements related to accounting for the settlement of a debt instrument as an induced conversion. The standard is effective for fiscal years beginning after December 15, 2025, and interim periods within fiscal years beginning after December 15, 2025, with early adoption permitted as of the beginning of a reporting period if the entity has also adopted ASU 2020-06 for that period. The Company adopted ASU 2024-04 on January 1, 2026. Adoption of the ASU did not have a material impact on the Company's condensed consolidated financial statements.

In July 2025, the FASB issued ASU No. 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets,* ("ASU 2025-05"). The guidance in ASU 2025-05 amends Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments—Credit Losses,* to provide a practical expedient to simplify estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC Topic 606, *Revenue from Contracts with Customers*. The practical expedient, if elected, allows entities to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The standard is effective for annual fiscal years beginning after December 15, 2025 and interim periods within fiscal years beginning after December 15, 2025, with early adoption permitted. Entities that elect the practical expedient should apply the guidance prospectively. The Company adopted ASU 2025-05 on January 1, 2026. Adoption of the ASU did not have a material impact on the Company's condensed consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*, ("ASU 2025-06"). The guidance in ASU 2025-06 amends certain aspects of the accounting for and disclosure of software costs under ASC Subtopic 350-40, *Internal Use Software*. The standard is effective for fiscal years beginning after December 15, 2027 and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. Entities may elect to apply the guidance prospectively, retrospectively, or through a modified prospective transition method. The Company is currently evaluating the impact that the adoption of ASU 2025-06 may have on its consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-07, *Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract,* ("ASU 2025-07"). The guidance in ASU 2025-07 expands the scope exceptions within ASC Topic 815, *Derivatives and Hedging,* to include certain nonexchange-traded contracts with underlyings that are based on operations or activities specific to one of the parties to the contract, including research and development funding arrangements. The standard is effective for annual fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2026, with early adoption permitted. Entities should apply the amendments either prospectively for contracts entered into on or after the date of adoption or on a modified retrospective basis through a cumulative-effect adjustment to the opening balance of retained earnings for contracts that exist as of the beginning of the annual reporting period of adoption. The Company is currently evaluating the impact that the adoption of ASU 2025-07 may have on its consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-11, *Narrow-Scope Improvements* ("ASU 2025-11"). The guidance in ASU 2025-11 amends ASC Topic 270, *Interim Reporting*, to provide clarity on the current interim reporting requirements as well as requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity through the addition of the disclosure principle. The standard is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. Upon adoption, ASU 2025-11 may be applied prospectively or retrospectively. The Company is currently evaluating the impact that the adoption of ASU 2025-11 may have on its consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-12, *Codification Improvements* ("ASU 2025-12"). The guidance in ASU 2025-12 provides incremental improvements to accounting standards for a broad range of topics. The standard is effective for annual fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2026, with early adoption permitted. Upon adoption, ASU 2025-12 may be applied prospectively or retrospectively on an issue-by-issue basis. The Company is currently evaluating the impact that the adoption of ASU 2025-12 may have on its consolidated financial statements.

Other recent accounting pronouncements issued, but not yet effective, are not expected to be applicable to the Company or have a material effect on the condensed consolidated financial statements upon future adoption.

3. Net Income (Loss) Per Share

The following table sets forth the computation of basic and diluted net income (loss) per common share (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025 [1]
Numerator:				
Net income (loss)	$ 51,291	$ 23,599	$ 92,064	$ (13,787)
Add back interest expense, net of tax benefit, on assumed conversion of 2026 Convertible Notes	—	692	—	—
Numerator used in computing net income (loss) per share — basic & diluted	$ 51,291	$ 24,291	$ 92,064	$ (13,787)
Denominator:				
Weighted average number of common shares outstanding used in computing net income (loss) per share — basic	164,405	161,723	163,930	161,350
Effect of dilutive securities:				
Time-based restricted stock units	2,179	53	2,480	—
Performance-based restricted stock units	336	94	347	—
Restricted stock	259	33	279	—
2026 Convertible Notes assumed conversion	—	14,934	—	—
Dilutive potential common shares				
Weighted average number of common shares outstanding used in computing net income (loss) per share — diluted	167,179	176,837	167,036	161,350
Net income (loss) per share — basic	$ 0.31	$ 0.15	$ 0.56	$ (0.09)
Net income (loss) per share — diluted	$ 0.31	$ 0.14	$ 0.55	$ (0.09)

(1) During the six months ended June 30, 2025, the Company was in a net loss position. In fiscal periods with a net loss, basic and diluted earnings per share are identical because inclusion of potentially dilutive common shares would be anti-dilutive.

The outstanding securities set forth in the following table have been excluded from the computation of diluted weighted average shares outstanding, as applicable, as their effect would be anti-dilutive (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Stock options	2,019	3,538	2,425	3,499
Restricted stock awards	—	—	—	360
Time-based restricted stock units	915	6,046	1,126	6,516
Performance-based restricted stock units	—	—	—	1,638
2026 Convertible Notes	—	—	—	14,934
Total	2,934	9,584	3,551	26,947

There was no dilutive impact of the 1.50% convertible senior notes due 2026 (the “2026 Convertible Notes”) for the three and six months ended June 30, 2026 because the Company had elected prior to the beginning of the period to settle the conversion of 2026 Convertible Notes, if any, with a combination settlement of a cash payment equal to the principal value of converted notes and shares of Class A Common Stock equal to the conversion value in excess of the principal value, if any (Note 8). Accordingly, interest expense was not removed from the numerator and there was no calculated spread added to the denominator because the average market price of the Company’s Class A Common Stock during the period was not in excess of the conversion price.

4. Collaboration, License and Other Agreements

The Company has linaclotide collaboration agreements with AbbVie for North America and Grand Life Sciences for China (including Hong Kong and Macau), as well as linaclotide license agreements with Astellas for Japan and with AbbVie for the AbbVie License Territory. The following table provides amounts included in the Company's condensed consolidated statements of income (loss) as collaborative arrangements revenue attributable to transactions from these and other agreements (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
Collaborative Arrangements Revenue	**2026**	**2025**	**2026**	**2025**
Linaclotide Collaboration and License Agreements:				
AbbVie (North America)	$ 110,912	$ 86,425	$ 216,022	$ 125,819
AbbVie (Europe and other)	1,113	904	1,921	1,715
Astellas (Japan)	397	428	744	801
Grand Life Sciences [1] (China, including Hong Kong and Macau)	79	74	158	162
Other Agreements:				
Asahi Kasei Therapeutics Corporation (Japan) (apraglutide)	540	(2,679)	702	(2,202)
Other	—	87	—	87
Total collaborative arrangements revenue	$ 113,041	$ 85,239	$ 219,547	$ 126,382

(1) In May 2026, AstraZeneca AB assigned all rights and obligations under the collaboration agreement to Grand Life Sciences.

Accounts receivable, net, which is primarily related to collaborative arrangements revenue, was $112.7 million and $46.7 million as of June 30, 2026 and December 31, 2025, respectively. Accounts receivable, net, included $112.2 million and $46.2 million due from the Company's partner, AbbVie, net of $1.5 million and $2.7 million of accounts payable, as of June 30, 2026 and December 31, 2025, respectively.

The Company routinely assesses the creditworthiness of its license and collaboration partners. The Company did not experience any material losses related to receivables from its license or collaboration partners during the three and six months ended June 30, 2026 and 2025.

Linaclotide Agreements

Collaboration Agreement for North America with AbbVie

In September 2007, the Company entered into a collaboration agreement with AbbVie to develop and commercialize linaclotide for the treatment of IBS-C, CIC, and other GI conditions in North America. Under the terms of this collaboration agreement, the Company received an upfront licensing fee, equity investment, and development and regulatory milestones, and shares equally with AbbVie all development costs as well as net profits or losses from the development and sale of linaclotide in the U.S. In addition, the Company receives royalties in the mid-teens percent based on net sales in Canada and Mexico. AbbVie is solely responsible for the further development, regulatory approval and commercialization of linaclotide in those countries and funding any costs.

During the three and six months ended June 30, 2026, the Company incurred $2.4 million and $3.7 million, respectively, in total research and development expenses under the linaclotide collaboration for North America. During the three and six months ended June 30, 2025, the Company incurred $1.4 million and $3.2 million, respectively, in total research and development expenses under the linaclotide collaboration for North America. As a result of the research and development cost-sharing provisions of the linaclotide collaboration for North America, the Company incurred $0.1 million and $0.3 million in incremental research and development costs during the three and six months ended June 30, 2026, respectively, and incurred $1.7 million, and $2.8 million in incremental research and development costs during the three and six months ended June 30, 2025, respectively, to reflect the obligations of each party under the collaboration to bear 50% of the development costs incurred.

The Company and AbbVie began commercializing LINZESS in the U.S. in December 2012. The Company receives 50% of the net profits and bears 50% of the net losses from the commercial sale of LINZESS in the U.S. Net

profits or net losses consist of net sales of LINZESS to third-party customers and sublicense income in the U.S. less the cost of goods sold as well as selling, general and administrative expenses. LINZESS net sales are calculated and recorded by AbbVie and may include gross sales net of discounts, rebates, allowances, sales taxes, freight and insurance charges, and other applicable deductions.

The Company evaluated its linaclotide collaboration arrangement for North America and concluded that all development-period performance obligations had been satisfied as of September 2012. The Company has determined that there are three remaining commercial-period performance obligations, which include the sales detailing of LINZESS, participation in the joint commercialization committee, and approved additional trials. The consideration remaining includes cost reimbursements in the U.S. and net profit and loss sharing payments based on net sales in the U.S., as well as royalties based on net sales in Canada and Mexico. Royalties and net profit and loss sharing payments will be recorded as collaborative arrangements revenue or expense in the period earned, as these payments relate predominantly to the license granted to AbbVie. The Company records royalty revenue in the period earned based on royalty reports from its partner, if available, or based on the projected sales and historical trends. The cost reimbursements received from AbbVie during the commercialization period will be recognized as earned in accordance with the right-to-invoice practical expedient, as the Company's right to consideration corresponds directly with the value of the services transferred during the commercialization period.

Under the Company's linaclotide collaboration agreement for North America, LINZESS net sales are calculated and recorded by AbbVie and include gross sales net of discounts, rebates, allowances, sales taxes, freight and insurance charges, and other applicable deductions, as noted above. These amounts include the use of estimates and judgments, which could be adjusted based on actual results in the future. The Company records its share of the net profits or net losses from the sales of LINZESS in the U.S., less commercial expenses on a net basis, and presents the settlement payments to and from AbbVie as collaboration expense or collaborative arrangements revenue, as applicable. This treatment is in accordance with the Company's revenue recognition policy, given that the Company is not the primary obligor and does not have the inventory risks in the collaboration agreement with AbbVie for North America. The Company relies on AbbVie to provide accurate and complete information related to net sales of LINZESS in accordance with U.S. generally accepted accounting principles in order to calculate its settlement payments to and from AbbVie and record collaboration expense or collaborative arrangements revenue, as applicable.

The following table summarizes collaborative arrangements revenue from the linaclotide collaboration agreement for North America (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Collaborative arrangements revenue related to sales of LINZESS in the U.S.	$ 110,045	$ 85,683	$ 214,268	$ 124,452
Royalty revenue	867	742	1,754	1,367
Total collaborative arrangements revenue	$ 110,912	$ 86,425	$ 216,022	$ 125,819

The Company incurred $0.5 million and $0.8 million in total selling, general and administrative costs related to the sale of LINZESS in the U.S. in accordance with the cost-sharing arrangement with AbbVie for the three and six months ended June 30, 2026, respectively. The Company incurred $0.2 million and $3.3 million in total selling, general and administrative costs related to the sale of LINZESS in the U.S. in accordance with the cost-sharing arrangement with AbbVie for the three and six months ended June 30, 2025, respectively.

In May 2014, CONSTELLA® became commercially available in Canada and, in June 2014, LINZESS became commercially available in Mexico. The Company records royalties on sales of CONSTELLA in Canada and LINZESS in Mexico in the period earned. The Company recognized $0.9 million and $1.8 million of combined royalty revenues from Canada and Mexico during the three and six months ended June 30, 2026, respectively. The Company recognized $0.7 million and $1.4 million of combined royalty revenues from Canada and Mexico during the three and six months ended June 30, 2025, respectively.

License Agreement with AbbVie (All countries other than the countries and territories of North America, China (including Hong Kong and Macau), and Japan)

The Company has a license agreement with AbbVie to develop, manufacture and commercialize linaclotide in (i) Europe, and (ii) all other countries other than China (including Hong Kong and Macau), Japan, and the countries and

territories of North America, or collectively the "Expanded Territory", for the treatment of IBS-C, CIC and other GI conditions.

Under the license agreement, as amended, AbbVie is obligated to pay the Company, (i) royalties based on sales volume in Europe in the upper-teens percent, and (ii) on a country-by-country and product-by-product basis in the Expanded Territory, a royalty as a percentage of net sales of products containing linaclotide as an active ingredient in the upper-single digits for five years following the first commercial sale of a linaclotide product in a country, and in the low-double digits thereafter. The royalty rate for products in Europe and the Expanded Territory will decrease, on a country-by-country basis, to the lower-single digits, or cease entirely, following the occurrence of certain events. The license agreement also contains certain sales-based milestones and commercial launch milestones, which could total up to $42.5 million.

The Company recognized $1.1 million and $1.9 million of royalty revenue during the three and six months ended June 30, 2026, respectively. The Company recognized $0.9 million and $1.7 million of royalty revenue during the three and six months ended June 30, 2025, respectively.

License Agreement for Japan with Astellas

The Company has a license agreement with Astellas to develop, manufacture, and commercialize linaclotide for the treatment of IBS-C, CIC and other GI conditions in Japan.

Under the license agreement, as amended, Astellas is required to pay royalties to the Company at rates beginning in the mid-single digit percent and escalating to low-double-digit percent, based on aggregate annual net sales in Japan of products containing linaclotide as an active ingredient. These royalty payments are subject to reduction following the expiration of certain licensed patents and the occurrence of generic competition in Japan.

The Company recognized $0.4 million and $0.7 million of royalty revenue during the three and six months ended June 30, 2026, respectively. The Company recognized $0.4 million and $0.8 million of royalty revenue during the three and six months ended June 30, 2025, respectively.

Collaboration Agreement for China (including Hong Kong and Macau) with Grand Life Sciences

AstraZeneca AB (together with its affiliates) ("AstraZeneca") previously held the exclusive right to develop, manufacture, and commercialize products containing linaclotide in China (including Hong Kong and Macau). In May 2026, AstraZeneca assigned its rights and obligations under the collaboration agreement to Grand Life Sciences, which now holds the exclusive rights in this territory.

Under the collaboration agreement, Grand Life Sciences is required to pay tiered royalties to the Company at rates beginning in the mid-single-digit percent and increasing up to twenty percent based on the aggregate annual net sales of products containing linaclotide in the Grand Life Sciences Territory. In addition, Grand Life Sciences may be required to make milestone payments totaling up to $90.0 million contingent on the achievement of certain sales targets.

The Company recognized an insignificant amount and $0.2 million of royalty revenue during the three and six months ended June 30, 2026, respectively. The Company recognized an insignificant amount and $0.2 million of royalty revenue during the three and six months ended June 30, 2025, respectively.

Apraglutide Agreements

Development and Commercialization Agreement with AKTX

In March 2022, VectivBio Holding AG ("VectivBio") entered into a development and commercialization agreement with Asahi Kasei Therapeutics Corporation ("AKTX"), formerly Asahi Kasei Pharma Corporation, in which VectivBio granted an exclusive license to AKTX, with the right to sublicense in multiple tiers, to develop, commercialize and exploit products derived from apraglutide in Japan.

Pursuant to the terms of the development and commercialization agreement with AKTX, VectivBio received an upfront payment of JPY 3,000 million ($24.6 million at date of agreement) and development-related payments of JPY 1,600 million in the aggregate ($13.1 million at date of agreement) and is eligible to receive development

milestones of JPY 1,000 million ($8.2 million at date of agreement) and up to JPY 19,000 million ($155.8 million at date of agreement) of commercial and sales-based milestone payments. VectivBio is also eligible to receive payments in the commercial period for manufacturing supply equal to cost-plus manufacturing mark-up and tiered royalties of up to a mid-double-digit percentage on product sales continuing until the later of (i) the expiration of regulatory exclusivity in Japan, or (ii) the expiration of the last valid patent claim that provides exclusivity to apraglutide in Japan (the "Royalty Term"). The development and commercialization agreement will terminate upon the expiration of the Royalty Term.

The Company identified two performance obligations consisting of (i) the exclusive license for the development and commercialization of apraglutide in Japan and (ii) the development activities for conducting global trials and sharing of associated development data necessary for obtaining and maintaining regulatory approval in Japan. Each performance obligation was capable of being distinct and distinct in the context of the contract. The initial transaction price was allocated to each performance obligation on a relative standalone selling price basis. The Company assessed that it provided a right to use the license as the license exists (in terms of form and functionality) at the point in time at which it is granted and therefore, the performance obligation was satisfied at the inception of the arrangement. The development activities are being recognized over time as the Company performs development activities related to the global trials. The Company recognizes revenue associated with the development activities using an input method, according to the costs incurred, which in management's judgment, is the best measure of progress towards satisfying the performance obligation. Under the sales-or-usage-based royalty exception, revenue related to sales-based milestone payments and royalty payments will be recognized as the underlying sales occur.

Prior to the Company's acquisition of VectivBio in June 2023 (the "VectivBio Acquisition"), VectivBio had received the upfront payment of JPY 3,000 million ($24.6 million at date of agreement), development-related payments of JPY 1,100 million ($9.0 million at date of agreement), and development milestones of JPY 500 million ($4.1 million at date of agreement). Upon the acquisition of VectivBio on June 29, 2023, the Company assumed a contract liability for deferred revenue related to the development-related payments at its fair value of $4.3 million. In April 2024, VectivBio received the final development-related payment of JPY 500 million ($4.1 million at date of agreement).

During the second quarter of 2025, the Company recorded a $2.9 million reduction to cumulative collaborative arrangements revenue due to an increase in estimated development costs in connection with the confirmatory Phase III trial needed to seek U.S. FDA approval for apraglutide.

The Company recognized $0.5 million and $0.7 million of revenue related to development activities during the three and six months ended June 30, 2026, respectively. The Company recognized a net reduction of revenue in the amount of $2.7 million and $2.2 million related to development activities during the three and six months ended June 30, 2025, respectively. As of June 30, 2026, current deferred revenue of $1.3 million and non-current deferred revenue of $4.4 million is reported within accrued expenses and other current liabilities and other liabilities, respectively, on the condensed consolidated balance sheets. As of December 31, 2025, current deferred revenue of $1.1 million and non-current deferred revenue of $5.3 million is reported within accrued expenses and other current liabilities and other liabilities, respectively, on the condensed consolidated balance sheets. Deferred revenue related to development activities is expected to be recognized over the course of the development activities, which are anticipated to be substantially complete by 2030.

License Agreement with Ferring

In August 2012, as subsequently amended and restated in December 2016, GlyPharma entered into an exclusive licensing agreement with Ferring International Center, S.A. ("Ferring"), pursuant to which Ferring granted GlyPharma an exclusive, worldwide, sublicensable license under certain patent rights and know-how controlled by Ferring relating to apraglutide and certain know-how controlled by Ferring relating to specified alternate drug compounds, to research, develop, manufacture, make, have made, import, export, use, sell, distribute, promote, advertise, dispose of or offer to sell (i) products containing apraglutide whose manufacture, use or sale is covered by a valid claim of the licensed patents, or licensed products and (ii) products, containing a specified alternate drug compound, or alternate drug products. In April 2021, the license agreement was transferred and assigned to VectivBio AG, a subsidiary of VectivBio.

Under the license agreement, as partial consideration for the rights Ferring granted to it, VectivBio AG is required to pay Ferring a high single-digit percentage royalty on worldwide annual net sales of licensed products and alternate drug products until, on a country-by-country basis and licensed product-by-licensed product or alternate drug

product-by-alternate drug product basis, as applicable, the date on which the manufacture, use or sale of such licensed product or alternate drug product, as applicable, ceases to be covered by a valid claim of a patent within the licensed patents in such a country. GlyPharma was also required to issue Ferring a certain number of warrants and Class A preferred shares pursuant to a shareholders' agreement. The equity obligations under the license agreement have been fully performed by GlyPharma.

The Company is also obligated to pay Ferring a specified percentage of the annual consideration VectivBio AG or its affiliates, including the Company, received in connection with sales of licensed product or alternate drug product by any third parties to which VectivBio AG or its affiliates, including the Company, grant a sublicense of any of the rights licensed to VectivBio AG by Ferring under this license agreement. Such percentage is in the high single digits for sales of both licensed products and alternate drug products, and such payments are owed for the duration of the royalty term for licensed products or alternate drug products, as applicable.

In October 2025, Ferring filed a complaint against VectivBio AG, for trade secret misappropriation and correction of patent inventorship and ownership in the U.S. District Court in the Eastern District of Texas. In December 2025, the Company, VectivBio AG and Ferring entered into an agreement to settle the claims for $12.5 million and amended the terms of the licensing agreement to require VectivBio AG to pay a high single-digit percentage royalty from the first commercial sale of a licensed product until the seventh anniversary of such first commercial sale, and thereafter, a low single-digit percentage royalty through the date on which such licensed product ceases to be covered by a valid claim of a patent. In connection with the settlement, the Company recorded a charge of $12.5 million as selling, general, and administrative expense in the consolidated statements of income during the year ended December 31, 2025. VectivBio AG paid $7.5 million in December 2025 and is obligated to pay the remaining $5.0 million on or by December 31, 2026, subject to accelerated payment in certain circumstances. As of June 30, 2026 and December 31, 2025, the remaining obligation of $5.0 million is recorded in accrued expenses and other liabilities in the condensed consolidated balance sheets.

5. Fair Value of Financial Instruments

The tables below present information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2026 and December 31, 2025 and indicate the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize observable inputs such as quoted prices in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are either directly or indirectly observable, such as quoted prices for similar instruments in active markets, interest rates and yield curves. Fair values determined by Level 3 inputs utilize unobservable data points in which there is little or no market data, which require the Company to develop its own assumptions for the asset or liability.

The Company's investment portfolio may include fixed income securities that do not always trade on a daily basis. As a result, the pricing services used by the Company apply other available information as applicable through processes such as benchmark yields, benchmarking of like securities, sector groupings and matrix pricing to prepare valuations. In addition, model processes are used to assess interest rate impact and develop prepayment scenarios. These models take into consideration relevant credit information, perceived market movements, sector news and economic events. The inputs into these models may include benchmark yields, reported trades, broker-dealer quotes, issuer spreads and other relevant data. The Company validates the prices provided by its third-party pricing services by obtaining market values from other pricing sources and analyzing pricing data in certain instances. The Company periodically invests in certain reverse repurchase agreements, which are collateralized by Government Securities and Obligations for an amount not less than 102% of their principal amount. The Company does not record an asset or liability for the collateral as the Company is not permitted to sell or re-pledge the collateral. The collateral has at least the prevailing credit rating of U.S. Government Treasuries and Agencies. The Company uses a third-party custodian to manage the exchange of funds and ensure the collateral received is maintained at 102% of the reverse repurchase agreements principal amount on a daily basis.

The following tables present the assets the Company has measured at fair value on a recurring basis (in thousands):

	June 30, 2026	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents:				
Money market funds	$ 45,204	$ 45,204	$ —	$ —
Commercial paper	8,212	—	8,212	—
Total assets measured at fair value	$ 53,416	$ 45,204	$ 8,212	$ —

	December 31, 2025	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents:				
Money market funds	$ 164,907	$ 164,907	$ —	$ —
U.S. Treasury securities	11,479	—	11,479	—
Commercial paper	7,880	—	7,880	—
Total assets measured at fair value	$ 184,266	$ 164,907	$ 19,359	$ —

Cash equivalents, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued research and development costs, accrued expenses and other current liabilities and current portion of operating lease obligations as of June 30, 2026 and December 31, 2025 are carried at amounts that approximate fair value due to their short-term maturities.

2026 Convertible Notes

In June 2026, the Company repaid the aggregate principal amount of the 2026 Convertible Notes upon maturity (Note 8). The estimated fair value of the 2026 Convertible Notes was $189.3 million as of December 31, 2025.

Revolving Credit Agreement

Outstanding borrowings under the revolving credit facility (Note 8) are carried at amounts that approximate fair value based on their nature, terms, credit spreads, and variable interest rates, which are Level 3 inputs.

6. Leases

The Company’s lease portfolio for the three and six months ended June 30, 2026 included office leases for its current headquarters location and other locations, and leases for office equipment.

The Company’s headquarters office lease requires a letter of credit totaling $0.5 million to secure the Company’s obligations under the lease agreement. The letter of credit is maintained under a subfacility of the revolving credit agreement (Note 8).

Lease cost is recognized on a straight-line basis over the lease term. The components of lease cost for the three and six months ended June 30, 2026 and 2025 are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease cost	$ 627	$ 627	$ 1,254	$ 1,254
Short-term lease cost	39	125	80	359
Total lease cost	$ 666	$ 752	$ 1,334	$ 1,613

Supplemental information related to leases for the periods reported is as follows:

	Six Months Ended June 30,	
	2026	2025
Cash paid for amounts included in the measurement of lease liabilities (in thousands)	$ 1,613	$ 1,581
Weighted-average remaining lease term of operating leases (in years)	4.0	5.0
Weighted-average discount rate of operating leases	5.8 %	5.8 %

Summer Street Lease

In June 2019, the Company entered into a non-cancelable operating lease (the "Summer Street Lease") for approximately 39,000 square feet of office space on the 23rd floor of 100 Summer Street, Boston, Massachusetts, which has been the Company's headquarters since October 2019. The Summer Street Lease terminates on June 11, 2030 and includes a 2% annual rent escalation, free rent periods, a tenant improvement allowance, and an option to extend the term of the lease for an additional five years at a market base rental rate. The extension option is not included in the lease term used for the measurement of the lease, as it is not reasonably certain to be exercised. The lease expense, inclusive of the escalating rent payments and lease incentives, is recognized on a straight-line basis over the lease term.

As of lease commencement, the Company recorded a right-of-use asset and a lease liability using an incremental borrowing rate of 5.8%. As of June 30, 2026, the balances of the right-of-use asset and operating lease liability were $8.4 million and $11.9 million, respectively. As of December 31, 2025, the balances of the right-of-use asset and operating lease liability were $9.3 million and $13.1 million, respectively.

Lease costs recorded during the three and six months ended June 30, 2026 were $0.6 million and $1.3 million, respectively. Lease costs recorded during the three and six months ended June 30, 2025 were $0.6 million and $1.3 million, respectively.

Future minimum lease payments under the Summer Street Lease as of June 30, 2026 are as follows (in thousands):

2026[(1)]	$ 1,640
2027	3,317
2028	3,384
2029	3,451
2030	1,451
Total future minimum lease payments	13,243
Less: present value adjustment	(1,377)
Operating lease liabilities	11,866
Less: current portion of operating lease liabilities	(3,285)
Operating lease liabilities, net of current portion	$ 8,581

(1) For the six months ending December 31, 2026.

7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	June 30, 2026	December 31, 2025
Accrued compensation and benefits	$ 7,488	$ 11,590
Accrued litigation settlement	5,000	5,000
Accrued taxes	4,283	927
Accrued interest	3,892	4,437
Deferred revenue	1,254	1,107
Accrued restructuring liabilities	101	771
Other	3,516	9,407
Total accrued expenses and other current liabilities	$ 25,534	$ 33,239

As of June 30, 2026 and December 31, 2025, other accrued expenses were comprised primarily of $3.5 million and $9.4 million of uninvoiced vendor liabilities, respectively.

8. Debt

1.50% Convertible Senior Notes due 2026

In August 2019, the Company issued $200.0 million aggregate principal amount of the 2026 Convertible Notes, governed by an indenture between the Company and U.S. Bank National Association, as trustee. The Company received net proceeds of $195.5 million from the sale of the 2026 Convertible Notes, after deducting fees and expenses of $4.5 million. The Company used $12.6 million of the net proceeds from the sale of the 2026 Convertible Notes to pay the cost of the Capped Calls, as described below.

In June 2026, the Company repaid the $200.0 million aggregate principal amount of the 2026 Convertible Notes upon maturity. The 2026 Convertible Notes bore cash interest at the annual rate of 1.50% payable on June 15 and December 15 of each year. No conversions were exercised by holders of the 2026 Convertible Notes.

The Company accounts for convertible debt instruments as a single liability measured at amortized cost. As of December 31, 2025, the Company had an outstanding principal balance of $200.0 million and unamortized debt issuance costs of $0.3 million, resulting in a net carrying amount of $199.7 million, which was reported as a current liability.

The effective annual interest rate of the 2026 Convertible Notes for the period from the date of issuance through maturity was 1.9%. The effective annual interest rate is computed using the contractual interest and the amortization of debt issuance costs.

The following table sets forth total interest expense recognized related to the 2026 Convertible Notes (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Contractual interest expense	$ 625	$ 750	$ 1,375	$ 1,500
Amortization of debt issuance costs	145	173	320	344
Total interest expense	$ 770	$ 923	$ 1,695	$ 1,844

Capped Calls with Respect to the 2026 Convertible Notes

To minimize the impact of potential dilution to the Company's Class A common stockholders upon conversion of the 2026 Convertible Notes, the Company separately entered into the capped call transactions in August 2019 (the "Capped Calls") in connection with the issuance of the 2026 Convertible Notes. The Company paid the counterparties $12.6 million to enter into the Capped Calls, of which $12.5 million related to the premium payments and $0.1 million related to transaction costs. These instruments meet the conditions outlined in ASC 815 to be classified in stockholders' equity and are not subsequently remeasured as long as the conditions for equity classification continue to be met.

The Capped Calls in connection with the issuance of the 2026 Convertible Notes, which covered 14,933,740 shares of Class A Common Stock, terminated unexercised upon expiry in June 2026.

Revolving Credit Facility

In May 2023, in connection with the VectivBio Acquisition, the Company entered into a credit agreement with Wells Fargo Bank, N.A., as administrative agent (in such capacity, the "Agent"), collateral agent, a letter of credit issuer and a lender, and the other agents, lenders and letter of credit issuers parties thereto (collectively, the "Lenders"). In September 2024, the Company, the Agent and the Lenders entered into the first amendment to the revolving credit agreement (as amended from time to time, the "Revolving Credit Agreement") to, among other things, increase the borrowing capacity from $500.0 million to $550.0 million, extend the maturity date, and increase the Company's permitted maximum consolidated secured net leverage ratio.

The Revolving Credit Agreement provides for a $550.0 million secured revolving credit facility (the "Revolving Credit Facility"), which includes a $10.0 million letter of credit subfacility, and loans made thereunder will mature on December 31, 2028.

At the Company's election, borrowings under the Revolving Credit Agreement will bear interest at a rate equal to (a) Adjusted Term Secured Overnight Financing Rate ("Adjusted Term SOFR") (as defined in Revolving Credit Agreement) plus the applicable rate (ranging from 1.75% to 3.00%) or (b) the highest of (1) the weighted average overnight Federal funds rate, as published by the Federal Reserve Bank of New York, plus one half of 1.0%, (2) the prime lending rate or (3) the one-month Adjusted Term SOFR plus 1.0% in effect from time to time plus the applicable rate (ranging from 0.75% to 2.00%). The applicable rates are based on the Company's consolidated secured net leverage ratio (as defined under the Revolving Credit Facility) at the time of the applicable borrowing.

The Company pays a quarterly commitment fee of 0.30% to 0.425% on the daily amount by which the commitments under the Revolving Credit Agreement exceed the outstanding loans and letters of credit.

The loans and other obligations under the Revolving Credit Agreement are secured by substantially all of the Company's personal property, including a pledge of all the capital stock of subsidiaries held directly by the Company or any subsidiary that guarantees the Revolving Credit Agreement following the closing date (which pledge, in the case of any foreign subsidiary, is limited to 65% of the voting stock), subject to certain customary exceptions and limitations. The Revolving Credit Agreement generally prohibits any other liens on the assets of the Company and its Restricted Subsidiaries (as defined in the Revolving Credit Agreement), subject to certain exceptions as described in the Revolving Credit Agreement.

Under the terms of the Revolving Credit Agreement, the Company will be able to request an increase in the commitments or the addition of a term loan secured by a pari passu lien on the collateral of up to an additional amount equal to the greater of $200.0 million and 100% of the trailing twelve-month Consolidated Adjusted EBITDA (as defined in the Revolving Credit Agreement) upon satisfaction of customary conditions, including receipt of commitments from either new lenders or increased commitments from existing lenders.

The Revolving Credit Agreement contains certain customary covenants applicable to the Company and its Restricted Subsidiaries. The Company is required to maintain a maximum consolidated secured net leverage ratio of 3.00 to 1.00, and a minimum interest coverage ratio of 3.00 to 1.00, in each case at the end of each fiscal quarter. The Revolving Credit Agreement allows the Company to elect to increase the permitted maximum consolidated secured net leverage ratio to 3.50 to 1.00, for up to four fiscal quarters, in the event it consummates an acquisition for consideration in excess of $50.0 million, subject to certain limitations on how often this election can be made. As of June 30, 2026, the Company was in compliance with all covenants under the Revolving Credit Agreement.

In connection with the initial execution of the Revolving Credit Agreement during the second quarter of 2023 and the amendment executed in the third quarter of 2024, the Company incurred $2.9 million and $2.2 million of debt issuance costs, respectively, which consisted primarily of lender fees. The debt issuance costs are classified as other assets and are amortized on a straight-line basis over the term of the Revolving Credit Agreement. The Company had unamortized capitalized debt issuance costs of $2.4 million and $2.9 million as of June 30, 2026 and December 31, 2025, respectively.

The outstanding principal balance on the Revolving Credit Facility was $385.0 million as of June 30, 2026 and December 31, 2025.

The following table sets forth total interest expense recognized related to the Revolving Credit Agreement (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Contractual interest expense	$ 6,081	$ 6,926	$ 12,039	$ 13,694
Amortization of debt issuance costs	244	244	488	488
Other financing costs	108	263	246	400
Total interest expense	$ 6,433	$ 7,433	$ 12,773	$ 14,582

9. Employee Stock Benefit Plans

The Company has several share-based compensation plans under which stock options, restricted stock awards, restricted stock units and other share-based awards are available for grant to employees, officers, directors, and consultants of the Company.

The following table summarizes share-based compensation expense (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Share-based compensation expense:				
Research and development	$ 1,519	$ 1,398	$ 2,970	$ 2,888
Selling, general and administrative	1,717	3,126	3,919	6,828
Restructuring	—	—	—	99
Total share-based compensation expense included in operating expenses	3,236	4,524	6,889	9,815
Income tax expense (benefit)	(846)	(532)	705	2,909
Total share-based compensation expense, net of tax	$ 2,390	$ 3,992	$ 7,594	$ 12,724

Restructuring expenses include modifications to share-based awards held by employees impacted by certain workforce reductions (Note 11).

10. Income Taxes

The income tax provision during interim periods is computed by applying an estimated annual U.S. effective income tax rate to U.S. year-to-date pre-tax income, plus adjustments for significant unusual or infrequently occurring items, in accordance with ASC Subtopic 740-270, *Income Taxes – Interim Reporting*. Year-to-date pre-tax net loss generated in Switzerland is not included in the interim period income tax provision, as the related deferred tax assets are reserved in full by a valuation allowance.

During the three and six months ended June 30, 2026, the Company recorded income tax expense of $22.4 million and $46.8 million, respectively. During the three and six months ended June 30, 2025, the Company recorded income tax expense of $14.2 million and $15.3 million, respectively. Due to the Company's ability to offset the majority of its pre-tax income against net operating losses and research and development credits, the majority of its tax provision is expected to represent a non-cash expense.

The Company continues to record a valuation allowance against certain deferred tax assets comprised primarily of net operating loss carryforwards in Switzerland, net operating loss carryforwards in certain U.S. states, and U.S. federal and state tax credits that are expected to expire prior to utilization. On a periodic basis, the Company reassesses the valuation allowance on its deferred income tax assets, weighing positive and negative evidence to assess the recoverability of the deferred tax assets.

11. Workforce Reductions and Restructuring

In January 2025, following an analysis of its strategy and core business needs, and in an effort to streamline focus and support the continued development of the Company's pipeline, the Company commenced a reduction in the Company's workforce of approximately 50%, primarily consisting of field-based sales employees. The reduction in workforce was substantially completed during the first quarter of 2025. In connection with workforce reduction, the Company incurred restructuring expenses, primarily comprised of severance, benefits, and related costs. During the three months ended June 30, 2026, the Company did not incur any restructuring expenses. During the six months ended June 30, 2026, the Company incurred an insignificant amount of restructuring expenses. During the three and six months ended June 30, 2025, the Company reduced restructuring expenses by $0.3 million and incurred $18.0 million of restructuring expenses, respectively.

12. Segment Reporting

The Company operates in one reportable business segment—human therapeutics. The human therapeutics segment revenues are generated primarily through collaborative arrangements and license agreements related to research and development and commercialization of linaclotide. The accounting policies of the human therapeutics segment are the same as those described in the summary of significant accounting policies.

The Company has identified the Chief Executive Officer and the Chief Financial Officer as the chief operating decision-maker ("CODM"). The CODM uses consolidated net income (loss) to understand and evaluate the Company's operating performance and trends, to prepare and approve the annual budget, and to develop short-term and long-term operating plans. Revenues, costs and expenses, other income (expense), and income tax expense are provided to the CODM as presented in the statement of income (loss). Total assets are not reviewed by the CODM when evaluating the segment's performance.

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

Forward-Looking Information

The following discussion of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the notes to those financial statements appearing elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025 which was filed with the U.S. Securities and Exchange Commission, or the SEC, on February 26, 2026, or the 2025 Annual Report on Form 10-K. This discussion contains forward-looking statements that involve significant risks and uncertainties. As a result of many factors, such as those set forth under "Note Regarding Forward-Looking Statements," in this Quarterly Report on Form 10-Q, under "Part I, Item 1A—Risk Factors" in our 2025 Annual Report on Form 10-K and under "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q, our actual results may differ materially from those anticipated in these forward-looking statements.

Overview

We are a biotechnology company developing and commercializing life-changing therapies for people living with gastrointestinal, or GI, and rare diseases. We are focused on the development and commercialization of innovative product opportunities in areas of significant unmet need, leveraging our demonstrated expertise and capabilities in GI and rare diseases.

LINZESS® (linaclotide), our commercial product, is the first product approved by the United States Food and Drug Administration, or U.S. FDA, in a class of GI medicines called guanylate cyclase type C agonists, or GC-C agonists, and is indicated, in the U.S., for the treatment of irritable bowel syndrome with constipation, or IBS-C, in adults and pediatric patients 7 years of age and older, chronic idiopathic constipation, or CIC, in adults, and functional constipation, or FC, in pediatric patients ages 2-17 years-old. LINZESS is also available for the treatment of adults with IBS-C or CIC in Mexico and Kingdom of Saudi Arabia, adults with IBS-C or chronic constipation in Japan, and adults with IBS-C in China. Linaclotide is available under the trademarked name CONSTELLA® for the treatment of adults with IBS-C or CIC and pediatric patients ages 6-17 years old with FC in Canada, and to adults with IBS-C in certain European countries.

We have strategic partnerships with leading pharmaceutical companies to support the development and commercialization of linaclotide throughout the world, including with our partner, AbbVie Inc., or together with its affiliates, AbbVie, in the U.S. and all countries worldwide other than China (including Hong Kong and Macau) and Japan, Grand Life Sciences (Beijing) Co., Ltd., or Grand Life Sciences, in China (including Hong Kong and Macau), and Astellas Pharma Inc., or Astellas, in Japan. In May 2026, AstraZeneca AB, our former partner in China (including Hong Kong and Macau), notified us that it assigned all its rights and obligations under the collaboration agreement to Grand Life Sciences.

We are also advancing apraglutide, a next-generation, synthetic long-acting peptide analog of glucagon-like peptide-2, or GLP-2, for short bowel syndrome, or SBS, patients who are dependent on parenteral support, or PS. In February 2024, we announced positive topline results from our pivotal Phase III clinical trial, STARS, which evaluated the efficacy and safety of once-weekly subcutaneous apraglutide in reducing parenteral support dependency in adult patients with short bowel syndrome with intestinal failure, or SBS-IF. We are also conducting an open-label extension study, STARS Extend, to further assess the safety of apraglutide in adult patients with SBS-IF. In April 2025, we announced that, based on discussions with the U.S. FDA, a confirmatory Phase III clinical trial is needed to seek approval of a new drug application or NDA, for apraglutide for patients with SBS-IF who are dependent on PS. We subsequently met with the U.S. FDA and aligned on key design elements of a confirmatory Phase III clinical trial, STARS-2, of apraglutide. STARS-2 is a 24-week global, randomized, double-blind, placebo-controlled trial. The clinical trial will consist of a primary endpoint measuring relative change from baseline in actual weekly PS as well as additional key secondary endpoints. In June 2026, we initiated STARS-2 and are actively recruiting patients.

To date, we have dedicated a majority of our activities to the research, development and commercialization of linaclotide, as well as other research and development programs, including apraglutide. For the three and six months ended June 30, 2026, we recorded net income of $51.3 million and $92.1 million, respectively. For the three and six months ended June 30, 2025, we recorded net income of $23.6 million and a net loss of $13.8 million, respectively. As of June 30, 2026, we had an accumulated deficit of approximately $1.6 billion. We are unable to predict the extent of any future losses or guarantee that our company will be able to generate and maintain positive cash flows.

We were incorporated in Delaware on January 5, 1998 as Microbia, Inc. On April 7, 2008, we changed our name to Ironwood Pharmaceuticals, Inc. We operate in one reportable business segment—human therapeutics.

Financial Operations Overview

Revenues. Our revenues are generated primarily through our collaborative arrangements and license agreements related to research and development and commercialization of linaclotide.

The majority of our revenues are generated from the sales of LINZESS in the U.S. We record our share of the net profits and losses from the sales of LINZESS in the U.S. less commercial expenses on a net basis and present the settlement payments to and from AbbVie as collaboration expense or collaborative arrangements revenue, as applicable. Net profits or losses consist of net sales to third-party customers and sublicense income in the U.S. less the cost of goods sold as well as selling, general and administrative expenses. Although we expect net sales to increase over time, the settlement payments between AbbVie and us, resulting in collaborative arrangements revenue or collaboration expense, are subject to fluctuation based on the ratio of selling, general and administrative expenses incurred by each party. In addition, our collaborative arrangements revenue may fluctuate as a result of the timing and amount of license fees and clinical and commercial milestones received and recognized under our current and future strategic partnerships as well as timing and amount of royalties from the sales of linaclotide in markets outside the U.S. where linaclotide is commercialized.

Research and Development Expenses. The core of our research and development strategy is to leverage our demonstrated expertise and capabilities in GI and rare diseases to bring medicines to patients. Research and development expenses consist of expenses incurred in connection with the research into and development of products and product candidates. These expenses consist primarily of compensation, benefits and other employee-related expenses, research and development related facility costs, third-party contract costs relating to nonclinical study and clinical trial activities, development of manufacturing processes, regulatory registration of third-party manufacturing facilities, and licensing fees for our product candidates.

Research and development expenses include amounts owed to AbbVie on an ongoing basis under cost-sharing

provisions in our collaboration agreement for linaclotide. Reimbursements received for research and development activities under this agreement are netted against research and development expenses.

Apraglutide. In February 2024, we announced positive topline results from our pivotal Phase III clinical trial, STARS, which evaluated the efficacy and safety of once-weekly subcutaneous apraglutide in reducing PS dependency in adult patients with SBS-IF. SBS-IF, a rare and severe organ failure condition in which patients are dependent on PS, affects an estimated 18,000 adult patients in the U.S., Europe, and Japan. We are also conducting an open-label extension study, STARS Extend, to further assess the safety of apraglutide in adult patients with SBS-IF. In April 2025, we announced that, based on discussions with the U.S. FDA, a confirmatory Phase III clinical trial is needed to seek approval of an NDA for apraglutide for patients with SBS-IF who are dependent on PS. We subsequently met with the U.S. FDA and aligned on key design elements of a confirmatory Phase III clinical trial, STARS-2, of apraglutide. In June 2026, we initiated STARS-2 and are actively recruiting patients.

Linaclotide. Our commercial product, LINZESS, is commercially available in the U.S. for the treatment of IBS-C in adults and pediatric patients 7 years of age and older, CIC in adults and FC in pediatric patients ages 2-17 years-old. Linaclotide is also available to adults suffering from IBS-C or CIC in certain countries of the world, including China, Japan, and in a number of European countries.

We and AbbVie continue to explore ways to enhance the clinical profile of LINZESS by studying linaclotide in additional indications, populations and formulations to assess its potential to treat various conditions. In September 2020, based on the Phase IIIb data of linaclotide 290 mcg on the overall abdominal symptoms of bloating, pain and discomfort in adult patients with IBS-C, the U.S. FDA approved our supplemental new drug application to include a more comprehensive description of the effects of LINZESS in its approved label.

In addition, we and AbbVie have established a nonclinical and clinical post-marketing plan with the U.S. FDA to understand the safety and efficacy of LINZESS in pediatric patients. In August 2021, the U.S. FDA approved a revised label for LINZESS based on clinical safety data that had been generated thus far in pediatric studies. The updated label modified the boxed warning for risk of serious dehydration and contraindication against use in children to those less than two years of age. The boxed warning and contraindication previously applied to all children less than 18 years of age and less than 6 years of age, respectively. In June 2023 and May 2026, the U.S. FDA approved LINZESS as a once-daily treatment for pediatric patients ages 6-17 years-old and 2-5 years-old with FC, respectively, making LINZESS the first and only U.S. FDA-approved prescription therapy for FC in this patient population. On October 15, 2025, the U.S. FDA granted us a pediatric exclusivity for studies conducted on linaclotide, and in November 2025, approved LINZESS for pediatric patients 7 years of age and older with IBS-C.

IW-3300. We were developing IW-3300, a GC-C agonist, for the potential treatment of visceral pain conditions, such as interstitial cystitis and bladder pain syndrome, or IC/BPS. In April 2025, based on analysis of the Phase II data, we decided to cease developing IW-3300 for IC/BPS.

CNP-104. Through a collaboration and license option agreement, or the COUR Collaboration Agreement, we and COUR Pharmaceutical Development Company, Inc., or COUR, were developing CNP-104 for the treatment of PBC, a rare autoimmune disease targeting the liver. In the third quarter of 2024, we received from COUR the topline data from COUR's Phase II Clinical study for the treatment of PBC. In September 2024, we notified COUR of our decision not to exercise the option to acquire an exclusive license to CNP-104. As a result, the COUR Collaboration Agreement has terminated, and we retain no rights and have no obligations related to CNP-104.

Early research and development. Our early research and development efforts have been focused on supporting our development stage GI and rare diseases programs, including exploring strategic options for further development of certain of our internal programs, as well as evaluating external development-stage programs.

The following table sets forth our research and development expenses related to our product pipeline for the three and six months ended June 30, 2026 and 2025, respectively. These expenses relate primarily to compensation, benefits and other employee-related expenses and external costs associated with nonclinical studies and clinical trial costs for our product candidates. We allocate costs related to facilities, depreciation, share-based compensation, research and development support services and certain other costs directly to programs.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)		(in thousands)	
Apraglutide	$ 18,767	$ 16,965	$ 37,331	$ 36,242
Linaclotide[1]	2,790	3,467	5,223	7,396
IW-3300[2]	(104)	2,051	(49)	4,327
CNP-104	—	—	—	75
Early research and development	968	890	1,856	2,765
Total research and development expenses	$ 22,421	$ 23,373	$ 44,361	$ 50,805

(1) Includes linaclotide in all indications, populations and formulations.

(2) Includes a net credit during the three and six months ended June 30, 2026 received upon the close-out of the development program.

We and AbbVie are exploring development opportunities to enhance the clinical profile of LINZESS by studying linaclotide in additional indications, populations and formulations to assess its potential to treat various conditions. We cannot currently estimate with any degree of certainty the amount of time or money that we will be required to expend in the future on linaclotide for additional indications, populations or formulations.

The lengthy process of securing regulatory approvals for product candidates, including apraglutide, requires the expenditure of substantial resources. Any failure by us to obtain, or any delay in obtaining, regulatory approvals would materially adversely affect our product development efforts and our business overall. Given the inherent uncertainties that come with the development of pharmaceutical products, we cannot estimate with any degree of certainty how our programs will evolve, and therefore the amount of time or money that would be required to obtain regulatory approval to market them.

As a result of these uncertainties surrounding the timing and outcome of any approvals, we are currently unable to estimate precisely when, if ever, linaclotide's utility will be expanded within its currently approved indications; if or when linaclotide will be developed outside of its current markets, indications, populations or formulations; or when, if ever, apraglutide or any of our other product candidates will generate revenues and cash flows.

We invest carefully in our pipeline, and the commitment of funding for each subsequent stage of our development programs is dependent upon the receipt of clear, supportive data. In addition, we intend to access externally discovered drug candidates that fit within our core strategy. In evaluating these potential assets, we apply the same investment criteria as those used for investments in internally discovered assets.

The successful development of our product candidates is highly uncertain and subject to a number of risks including, but not limited to:

- The duration of clinical trials may vary substantially according to the type, complexity and novelty of the product candidate;
- The U.S. FDA and comparable foreign agencies impose substantial and varying requirements on the introduction of therapeutic pharmaceutical products, typically requiring lengthy and detailed laboratory and clinical testing procedures, sampling activities and other costly and time-consuming procedures;
- Data obtained from nonclinical and clinical activities at any step in the testing process may be adverse and lead to discontinuation or redirection of development activity. Data obtained from these activities also are susceptible to varying interpretations, which could delay, limit or prevent regulatory approval;
- The U.S. FDA and comparable foreign agencies may require additional clinical trials and other studies, which may be costly or delay, limit, prevent or otherwise impact regulatory submission or approval;
- The duration and cost of early research and development, including nonclinical studies and clinical trials, may vary significantly over the life of a product candidate and are difficult to predict;
- The costs, timing and outcome of regulatory review of a product candidate may not be favorable, and, even if approved, a product may face post-approval development and regulatory requirements;

- There may be substantial costs, delays and difficulties in successfully integrating externally developed product candidates into our business operations; and
- The emergence of competing technologies and products and other adverse market developments may negatively impact us.

As a result of the factors discussed above, including the factors discussed under "Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q, and under "Part I, Item 1A – Risk Factors" in our 2025 Annual Report on Form 10-K and under "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q, we are unable to determine the duration and costs to complete current or future nonclinical and clinical stages of our product candidates or when, or to what extent, we will generate revenues from the commercialization and sale of our product candidates. Development timelines, probability of success and development costs vary widely. We anticipate that we will make determinations as to which additional programs to pursue and how much funding to direct to each program on an ongoing basis in response to the data of each product candidate, the competitive landscape and ongoing assessments of such product candidate's commercial potential.

We expect to invest in our development programs and incur substantial research and development expenses for the foreseeable future. We will continue to invest in linaclotide, including the investigation of ways to enhance the clinical profile within its currently approved indications, and the exploration of its potential utility in other indications, populations and formulations, and in apraglutide, as we advance it through clinical trials, in addition to funding research and development activities under our external collaboration and license agreements with respect to our products and product candidates.

Selling, General and Administrative Expense. Selling, general and administrative expense consists primarily of compensation, benefits and other employee-related expenses for personnel in our administrative, finance, legal, information technology, business development, commercial, sales, marketing, communications and human resource functions. Other costs include legal costs of pursuing patent protection of our intellectual property, general and administrative related facility costs, insurance costs and professional fees for accounting, tax, consulting, legal and other services. As we continue to invest in the development and commercialization of LINZESS, apraglutide and other product candidates, we expect our selling, general and administrative expenses will be substantial for the foreseeable future.

We include AbbVie's selling, general and administrative cost-sharing payments in the calculation of the net profits and net losses from the sale of LINZESS in the U.S. and present the net payment to or from AbbVie as collaboration expense or collaborative arrangements revenue, respectively.

Restructuring Expenses. Restructuring expenses primarily pertain to a workforce reduction in January 2025 consisting primarily of field-based sales employees. The workforce reduction and restructuring initiatives are more fully described in Note 11, *Workforce Reductions and Restructuring*, to our condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Interest Expense and Other Financing Costs. Interest expense consists primarily of cash and non-cash interest costs related to the 1.50% convertible senior notes due 2026, or the 2026 Convertible Notes, which we repaid upon maturity in June 2026, and our $550.0 million secured revolving credit facility, or the Revolving Credit Facility. Non-cash interest expense consists of amortization of debt issuance costs.

Interest and Investment Income. Interest and investment income consists of interest earned on our cash and cash equivalents.

Income Taxes. We prepare our income tax provision based on our interpretation of the income tax accounting rules and each jurisdiction's enacted tax laws and regulations. As of interim reporting dates, we record our income tax provision by applying our estimated annual effective tax rate to year-to-date pre-tax income, plus adjustments for significant discrete items.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our condensed consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make certain estimates and assumptions that may affect the reported amounts of assets and liabilities, the disclosure of assets and liabilities as of the date of the condensed consolidated financial statements, and the amounts of revenues and expenses during the reported periods. We base our estimates on our historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ materially from our estimates under different assumptions or conditions. Changes in estimates are reflected in reported results in the period in which they become known.

During the three and six months ended June 30, 2026, there were no material changes to our critical accounting policies as reported in our 2025 Annual Report on Form 10-K.

Results of Operations

The following discussion summarizes the key factors our management believes are necessary for an understanding of our condensed consolidated financial statements.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)		(in thousands)	
Revenues:				
Collaborative arrangements revenue	$ 113,041	$ 85,239	$ 219,547	$ 126,382
Total revenues	113,041	85,239	219,547	126,382
Costs and expenses:				
Research and development	22,421	23,373	44,361	50,805
Selling, general and administrative	11,313	16,795	23,346	41,055
Restructuring, net	—	(250)	(40)	18,309
Total costs and expenses	33,734	39,918	67,667	110,169
Income from operations	79,307	45,321	151,880	16,213
Other income (expense):				
Interest expense and other financing costs	(7,203)	(8,356)	(16,344)	(16,426)
Interest and investment income	1,585	818	3,283	1,687
Other	42	39	84	76
Other income (expense), net	(5,576)	(7,499)	(12,977)	(14,663)
Income before income taxes	73,731	37,822	138,903	1,550
Income tax expense	(22,440)	(14,223)	(46,839)	(15,337)
Net income (loss)	$ 51,291	$ 23,599	$ 92,064	$ (13,787)

Three and six months ended June 30, 2026 compared to three and six months ended June 30, 2025

Revenues

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2026	2025	$	2026	2025	$
	(in thousands)			(in thousands)		
Revenues:						
Collaborative arrangements revenue	$ 113,041	$ 85,239	$ 27,802	$ 219,547	$ 126,382	$ 93,165
Total revenues	$ 113,041	$ 85,239	$ 27,802	$ 219,547	$ 126,382	$ 93,165

Collaborative arrangements revenue. The increase in collaborative arrangements revenue of $27.8 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 was primarily related to a $24.4 million increase in our share of net profits from the sale of LINZESS in the U.S., which was driven primarily by increased net price and increased prescription demand.

The increase in collaborative arrangements revenue of $93.2 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was primarily related to a $89.8 million increase in our share of net profits from the sale of LINZESS in the U.S., which was driven primarily by increased net price and increased prescription demand, as well as inventory channel fluctuations.

Costs and Expenses

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2026	2025	$	2026	2025	$
		(in thousands)			(in thousands)	
Costs and expenses:						
Research and development	$ 22,421	$ 23,373	$ (952)	$ 44,361	$ 50,805	$ (6,444)
Selling, general and administrative	11,313	16,795	(5,482)	23,346	41,055	(17,709)
Restructuring, net	—	(250)	250	(40)	18,309	(18,349)
Total costs and expenses	$ 33,734	$ 39,918	$ (6,184)	$ 67,667	$ 110,169	$ (42,502)

Research and development. The decrease in research and development expenses of $1.0 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 was primarily related to a $1.6 million decrease in external costs associated with the IW-3300 development program and a $1.2 million decrease in external costs associated with the linaclotide program, partially offset by a $1.3 million increase in external costs associated with the apraglutide program.

The decrease in research and development expenses of $6.4 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was primarily related to a $3.0 million decrease in external costs associated with the IW-3300 development program and a $2.3 million decrease in external costs associated with the linaclotide program.

Selling, general and administrative. Selling, general and administrative expenses decreased by $5.5 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025, primarily due to a $3.1 million decrease in compensation, benefits, and other employee-related expenses and a $2.2 million decrease in professional services expenses.

Selling, general and administrative expenses decreased by $17.7 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025, primarily due to a $9.5 million decrease in compensation, benefits, and other employee-related expenses and a $7.4 million decrease in professional services expenses.

Restructuring, net. Restructuring expense for the three months ended June 30, 2025 were comprised of adjustments related to the workforce reduction in January 2025 consisting primarily of field-based employees.

The decrease in restructuring expense of $18.3 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was primarily related to the workforce reduction in January 2025 consisting primarily of field-based employees.

Other Income (Expense), Net

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2026	2025	$	2026	2025	$
		(in thousands)			(in thousands)	
Other income (expense):						
Interest expense and other financing costs	$ (7,203)	$ (8,356)	$ 1,153	$ (16,344)	$ (16,426)	$ 82
Interest and investment income	1,585	818	767	3,283	1,687	1,596
Other	42	39	3	84	76	8
Total other income (expense), net	$ (5,576)	$ (7,499)	$ 1,923	$ (12,977)	$ (14,663)	$ 1,686

*Interest expense and other financing cost*s. Interest expense and other financing costs decreased by $1.2 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025, primarily due to lower interest rates on the Revolving Credit Facility throughout the period.

Interest expense and other financing costs decreased by $0.1 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025, primarily due to lower interest rates on the Revolving Credit Facility throughout the period, partially offset by professional services incurred in connection with potential financing transactions.

Interest and investment income. Interest and investment income increased by $0.8 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 due to an increase in cash and cash equivalents balances throughout the period prior to repayment of the 2026 Convertible Notes in June 2026, partially offset by a decrease in interest rates.

Interest and investment income increased by $1.6 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 due to an increase in cash and cash equivalents balances throughout the period prior to repayment of the 2026 Convertible Notes in June 2026, partially offset by a decrease in interest rates.

Other. During the three and six months ended June 30, 2026 and 2025, we recorded a gain of an insignificant amount for pension-related activities.

Income taxes. For the three and six months ended June 30, 2026, we recorded income tax expense of $22.4 million and $46.8 million, respectively. For the three and six months ended June 30, 2025, we recorded income tax expense of $14.2 million and $15.3 million, respectively. Due to our ability to utilize our net operating losses and research and development credits to offset the majority of federal taxable income and taxable income in most states, the majority of our tax provision will be a non-cash expense.

Liquidity and Capital Resources

As of June 30, 2026, we had $79.1 million of cash and cash equivalents. Our cash equivalents include amounts held in money market funds and commercial paper. We invest cash in excess of immediate requirements in accordance with our investment policy, which limits the amounts we may invest in certain types of investments and requires all investments held by us to be at least A- rated, with a remaining final maturity when purchased of less than twenty-four months, so as to primarily achieve liquidity and capital preservation objectives.

We anticipate our cash and cash equivalents balance, our expected net cash inflows from operations, our borrowing capacity on our Revolving Credit Facility, and/or additional capital sources to allow us to meet our short-term and long-term cash obligations, which are reflected in our condensed consolidated balance sheets. Our most significant fixed obligations are debt obligations and lease commitments, for which annual payments are disclosed in Note 8, *Debt*, and Note 6, *Leases*, respectively, to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, as well as supply purchase commitments, for which the obligations are disclosed in Note 10, *Commitments and Contingencies*, in our 2025 Annual Report on Form 10-K.

In June 2026, we repaid the outstanding aggregate principal amount of the 2026 Convertible Notes at their scheduled maturity using available cash on hand. No conversions were exercised by holders of the 2026 Convertible Notes, and the capped call transactions we have separately entered into in connection with the issuance of the 2026 Convertible Notes terminated upon expiry.

Sources of Liquidity

We have financed our operations to date primarily through both the private sale of our preferred stock and the public sale of our common stock, debt financings, and cash generated from our operations. As of June 30, 2026, our debt is comprised of $385.0 million aggregate principal amount outstanding under our Revolving Credit Facility, which we entered into in May 2023 to partially finance our acquisition of VectivBio Holding AG in June 2023. The Revolving Credit Facility provides for $550.0 million of borrowing capacity and includes a $10.0 million letter of credit subfacility. Refer to Note 8, *Debt*, to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for information related to our debt obligations.

Summary of Cash Flows

The following table summarizes cash flows from operating, investing, and financing activities for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,	
	2026	2025
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ 63,397	$ 4,886
Investing activities	—	(33)
Financing activities	(199,697)	94
Effect of exchange rate changes on cash and cash equivalents	(29)	(654)
Net increase (decrease) in cash and cash equivalents	$ (136,329)	$ 4,293

Cash Flows from Operating Activities

Net cash provided by operating activities is derived by adjusting net income (loss) for non-cash items and changes in operating assets and liabilities, which reflect timing differences between the receipt and payment of cash associated with transactions and when they are recognized in the results of operations.

Net operating cash inflows for the six months ended June 30, 2026 and 2025 totaled $63.4 million and $4.9 million, respectively, and were derived primarily from collaboration arrangements revenue related to sales of LINZESS in the U.S.

Cash Flows from Investing Activities

Cash used in investing activities for the six months ended June 30, 2025 was insignificant and pertained to the purchase of property and equipment.

Cash Flows from Financing Activities

Cash used in financing activities for the six months ended June 30, 2026 was $199.7 million, which was comprised primarily of a repayment of $200.0 million aggregate principal on the 2026 Convertible Notes upon their maturity in June 2026. Cash provided by financing activities for the six months ended June 30, 2025 was insignificant and was generated by employee equity transactions.

Funding Requirements

We began commercializing LINZESS in the U.S. with our collaboration partner, AbbVie, in the fourth quarter of 2012, and we currently derive a significant portion of our revenue from this collaboration. Our goal is to generate and maintain positive cash flows, driven by increased revenue generated through sales of LINZESS and other commercial activities and financial discipline, while continuing to invest in the development and commercialization of linaclotide, apraglutide, and other product candidates.

Under our collaboration with AbbVie for North America, total net sales of LINZESS in the U.S., as recorded by AbbVie, are reduced by commercial costs incurred by each party, and the resulting amount is shared equally between us and AbbVie. Additionally, we receive royalties from AbbVie based on sales of linaclotide in its licensed territories outside of the U.S. We believe revenues from our LINZESS partnership for the U.S. with AbbVie will continue to constitute a significant portion of our total revenue for the foreseeable future and we cannot be certain that such revenues, as well as the revenues from our other commercial activities, will continue to enable us to generate positive cash flows, or to do so in the timeframes we expect. We also anticipate that we will continue to incur substantial expenses for the next several years as we further develop and commercialize linaclotide in the U.S., develop and commercialize other product candidates, including apraglutide, and invest in building our pipeline through internal or external opportunities. We believe that our cash and cash equivalents on hand as of June 30, 2026, our expected cash inflows from operations, and our borrowing capacity on our Revolving Credit Facility will be sufficient to meet our

projected operating needs at least through the next twelve months from the issuance of these financial statements. We have long-term debt obligations, which are disclosed in Note 8, *Debt*, to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. There is no assurance we will have sufficient liquidity to meet our debt obligations when they become due.

Our forecast of the period of time through which our financial resources will be adequate to support our operations, including the underlying revenue expectations and estimates regarding the costs to continue to develop, obtain regulatory approval for, and commercialize linaclotide in the U.S., develop and commercialize other product candidates, including apraglutide, and our goal to generate and maintain positive cash flows, are forward-looking statements that involve risks and uncertainties. Our actual results could vary materially and negatively from these and other forward-looking statements as a result of a number of factors, including the factors discussed under the headings "Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q under "Part I, Item 1A—Risk Factors" in our 2025 Annual Report on Form 10-K and under "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q. We have based our estimates on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect.

Due to the numerous risks and uncertainties associated with the development and commercialization of our product candidates, we are unable to estimate precisely the amounts of capital outlays and operating expenditures necessary to develop, obtain regulatory approval for, and commercialize linaclotide, apraglutide and our other product candidates, in each case, for all of the markets, indications, populations and formulations for which we believe each is suited. Our funding requirements will depend on many factors, including, but not limited to, the following:

- the revenue generated by sales of LINZESS and CONSTELLA and from any other sources;
- the rate of progress and cost of our commercialization activities, including the expense we incur in marketing and selling LINZESS in the U.S. and from any other sources;
- the success of our third-party manufacturing activities;
- the time and costs involved in developing, and obtaining regulatory approvals for, our product candidates, including apraglutide, as well as the timing and cost of any post-approval development and regulatory requirements;
- the time and costs associated with commercial manufacturing, sales, marketing and distribution of apraglutide, if approved;
- the success of our research and development efforts;
- the emergence of competing or complementary products;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- the terms and timing of any collaborative, licensing or other arrangements that we may establish, including milestones, royalties or other payments due or payable under such agreements; and
- the acquisition of businesses, products and technologies and the impact of other strategic transactions, as well as the cost and timing of evaluating, acquiring, and, if completed, integrating into our business operations any such assets.

Financing Strategy

We may, from time to time, consider additional funding through a combination of new collaborative arrangements, strategic alliances, and additional equity and debt financings or from other sources. We will continue to manage our capital structure and to consider all financing opportunities, whenever they may occur, that could strengthen our long-term liquidity profile. Any such capital transactions may or may not be similar to transactions in which we have engaged in the past. There can be no assurance that any such financing opportunities will also be available on acceptable terms, if at all.

New Accounting Pronouncements

For a discussion of recent accounting pronouncements, refer to Note 2, *Summary of Significant Accounting Policies*, to our consolidated financial statements in our 2025 Annual Report on Form 10-K and Note 2, *Summary of Significant Accounting Policies*, appearing elsewhere in this Quarterly Report on Form 10-Q. We did not otherwise adopt any new accounting pronouncements during the three and six months ended June 30, 2026 that had a material effect on our condensed consolidated financial statements included in this report.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended, and are not required to provide the information otherwise required under this item.

Item 4. ***Controls and Procedures***

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our 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. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, or Exchange Act, our management, including our principal executive officer and our principal financial officer, conducted an evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures as of such date are effective at the reasonable assurance level in ensuring that information required to be disclosed by us in the reports that we file or submit under 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 by us in the reports we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

As required by Rule 13a-15(d) of the Exchange Act, our management, including our principal executive officer and our principal financial officer, conducted an evaluation of the internal control over financial reporting to determine whether any changes occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Based on management's evaluation, our principal executive officer and principal financial officer concluded no changes during the period covered by this Quarterly Report on Form 10-Q materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1A. *Risk Factors*

Our business faces significant risks and uncertainties. Certain important factors may have a material adverse effect on our business prospects, financial condition and results of operations, and you should carefully consider them. Accordingly, in evaluating our business, we encourage you to carefully consider the discussion of risk factors in "Part I, Item 1A—Risk Factors" in our 2025 Annual Report on Form 10-K, in addition to other information contained in or incorporated by reference into this Quarterly Report on Form 10-Q.

We have received notices of Paragraph IV certifications related to LINZESS in conjunction with ANDAs filed by generic drug manufacturers, and we may receive additional notices from others in the future. We have, and may continue to, become involved in legal proceedings to protect or enforce intellectual property rights relating to our products and our product candidates, which could be expensive and time consuming, and unfavorable outcomes in such proceedings could have a material adverse effect on our business.

Competitors may infringe the patents relating to our products and our product candidates or may assert that such patents are invalid. To counter ongoing or potential infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. Litigation with generic manufacturers has become increasingly common in the biotechnology and pharmaceutical industries. In addition, in an infringement or invalidity proceeding, a court or patent administrative body may determine that a patent of ours is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question.

Generic drug manufacturers were first able to file Abbreviated New Drug Applications, or ANDAs, for generic versions of LINZESS in August 2016. When filing an ANDA for one of our products, a generic drug manufacturer may choose to challenge one or more of the patents that cover such product and seek to commercialize generic versions of one or more LINZESS doses. As such, we have brought, and may bring in the future, legal proceedings against generic drug manufacturers.

We and AbbVie have received Paragraph IV certification notice letters regarding ANDAs submitted to the U.S. FDA by generic drug manufacturers requesting approval to engage in commercial manufacture, use, sale and offer for sale of linaclotide capsules (72 mcg, 145 mcg and 290 mcg), or Potential Generic Products, proposed generic versions of our U.S. FDA-approved drug LINZESS. Frequently, innovators receive multiple ANDA filings.

After evaluation, we have in the past filed, and may, in the future, file patent infringement lawsuits or take other action against companies making ANDA filings. If a patent infringement suit has been filed within 45 days of receipt of a notice letter, the U.S. FDA is not permitted to approve any ANDA that is the subject of such lawsuit for 30 months from the date of the New Drug Application holder's and patent owner's receipt of the ANDA filer's notice letter, or until a court decides that the relevant patents are invalid, unenforceable and/or not infringed. We have previously entered into settlement agreement with five of these filers.

On June 12, 2026, we received a notice letter relating to an ANDA that was submitted to the U.S. FDA by Alkem Laboratories Ltd., or Alkem. Alkem's notice letter contends that the U.S. patents for LINZESS listed in the U.S. FDA's list of Approved Drug Products with Therapeutic Equivalence Evaluations, commonly referred to as the Orange Book, are invalid, unenforceable and/or would not be infringed by Alkem's manufacture, use, sale or offer for sale of Alkem's Potential Generic Products. In response to Alkem's notice letter, we and AbbVie filed a lawsuit against Alkem in the U.S. District Court for the District of New Jersey in July 2026. We asserted that the challenged patents are valid and infringed by Alkem. In accordance with the Hatch-Waxman Act, the timely filing of the lawsuit against Alkem with respect to the challenged patents triggered an automatic stay of the U.S. FDA's approval of the ANDAs until up to December 12, 2028 (unless there is a court decision adverse to us and AbbVie sooner).

We may receive additional notice letters regarding ANDAs submitted to the U.S. FDA (and we may receive amendments to notice letters), but we may not become aware of these filings for several months after any such submission due to procedures specified under applicable U.S. FDA regulations.

Additionally, the validity of the patents relating to our products and our product candidates may be challenged by third parties pursuant to administrative procedures introduced by the America Invents Act, specifically *inter partes* review, or IPR, and/or post grant review, or PGR, before the U.S. Patent and Trademark Office, or the USPTO. Generic drug manufacturers may challenge our patents through IPRs or PGRs instead of or in addition to ANDA legal proceedings.

Patent litigation (including any lawsuits that we file against generic drug manufacturers in connection with the receipt of a notice letter), IPRs and PGRs involve complex legal and factual questions and we may need to devote significant resources to such legal proceedings. We can provide no assurance concerning the duration or the outcome of any such patent-related lawsuits or administrative proceedings, including any settlements or other resolutions thereof which could, in addition to other risks, result in a shortening of exclusivity periods. An adverse result in any litigation or defense proceedings could put one or more of the patents relating to our products and our product candidates at risk of being invalidated or interpreted narrowly, or could otherwise result in a loss of patent protection for the product or product candidate at issue, and could put our patent applications at risk of not issuing, which would materially harm our business. Upon any loss of patent protection for one of our products, or upon an "at-risk" launch (despite pending patent infringement litigation, before any court decision or while an appeal of a lower court decision is pending) by a manufacturer of a generic version of one of our patented products, our revenues for that product could be significantly reduced in a short period of time, which would materially and adversely affect our business.

Interference or derivation proceedings brought by the USPTO may be necessary to determine the priority of inventions with respect to the patents relating to our products and our product candidates and patent applications or those of our partners. An unfavorable outcome could require us to cease using the technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if a prevailing party does not offer us a license on terms that are acceptable to us. Litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distraction of our management and other employees. In addition, we may not be able to prevent, alone or with our partners, misappropriation of our proprietary rights, particularly in countries where the laws may not protect those rights as fully as in the U.S.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, as well as the potential for public announcements of the results of hearings, motions or other interim proceeding or developments, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

Item 5. ***Other Information***

During the quarter ended June 30, 2026, no directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. ***Exhibits***

See the Exhibit Index on the following page of this Quarterly Report on Form 10-Q.

EXHIBIT INDEX

Exhibit No:	Description
3.1	Eleventh Amended and Restated Certificate of Incorporation. Incorporated by reference to Exhibit 3.1 of Ironwood Pharmaceuticals, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on March 30, 2010.
3.2	Certificate of Retirement. Incorporated by reference to Exhibit 3.2 of Ironwood Pharmaceuticals, Inc.'s Amendment No. 1 to Form 8-A, filed with the SEC on January 3, 2019.
3.3	Certificate of Amendment of Eleventh Amended and Restated Certificate of Incorporation. Incorporated by reference to Exhibit 3.1 of Ironwood Pharmaceuticals, Inc.'s Current Report on Form 8-K, filed with the SEC on May 31, 2019.
3.4	Fifth Amended and Restated Bylaws. Incorporated by reference to Exhibit 3.2 of Ironwood Pharmaceuticals, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on March 30, 2010.
10.1#	Amendment No. 1 to the Amended and Restated 2019 Equity Incentive Plan. Incorporated by reference to Exhibit 10.1 of Ironwood Pharmaceuticals, Inc.'s Current Report on Form 8-K, filed with the SEC on June 18, 2026.
31.1*	Certification of Chief Executive Officer pursuant to Rules 13a-14 or 15d-14 of the Exchange Act.
31.2*	Certification of Chief Financial Officer pursuant to Rules 13a-14 or 15d-14 of the Exchange Act.
32.1‡	Certification of Chief Executive Officer pursuant to Rules 13a-14(b) or 15d-14(b) of the Exchange Act and 18 U.S.C. Section 1350.
32.2‡	Certification of Chief Financial Officer pursuant to Rules 13a-14(b) or 15d-14(b) of the Exchange Act and 18 U.S.C. Section 1350.
101.INS*	XBRL Instance Document – The Instance Document does not appear in the Interactive Data Files 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.LAB*	XBRL Taxonomy Extension Label Linkbase Database.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
104*	The cover page from this Quarterly Report on Form 10-Q formatted in Inline XBRL.

* Filed herewith.
‡ Furnished herewith.
# Management contract or compensatory plan, contract, or arrangement.

SIGNATURES

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

Ironwood Pharmaceuticals, Inc.

Date: August 6, 2026

By: /s/ THOMAS MCCOURT
Thomas McCourt
Chief Executive Officer
(Principal Executive Officer)

Date: August 6, 2026

By: /s/ RONALD SILVER
Ronald Silver
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 31.1

CERTIFICATION PURSUANT
TO RULES 13a-14(a) OR 15d-14(a) UNDER
THE SECURITIES EXCHANGE ACT OF 1934

I, Thomas McCourt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ironwood Pharmaceuticals, Inc. (the "registrant");

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

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

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

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

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

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

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

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

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

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

Date: August 6, 2026

/s/ THOMAS MCCOURT
Thomas McCourt
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT
TO RULES 13a-14(a) OR 15d-14(a) UNDER
THE SECURITIES EXCHANGE ACT OF 1934

I, Ronald Silver, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ironwood Pharmaceuticals, Inc. (the "registrant");

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

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

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

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

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

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

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

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

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

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

Date: August 6, 2026

/s/ RONALD SILVER
Ronald Silver
Interim Chief Financial Officer

EXHIBIT 32.1

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

In connection with the Quarterly Report of Ironwood Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas McCourt, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

/s/ THOMAS MCCOURT
Thomas McCourt
Chief Executive Officer

August 6, 2026

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

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

In connection with the Quarterly Report of Ironwood Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald Silver, Interim Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

/s/ RONALD SILVER
Ronald Silver
Interim Chief Financial Officer

August 6, 2026

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.