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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2025

OR

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

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

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, 2025, there were 162,434,130 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® in Europe and LINZESS in Japan and China, 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 plan and our engagement of Goldman Sachs to explore strategic alternatives; our plan to align with the U.S. Food and Drug Administration on the design of a confirmatory Phase III trial and expectation to initiate such trial and the timing thereof; our ability and the ability of our partners to secure and maintain adequate reimbursement for our products; 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 milestone 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; the in-licensing or acquisition of externally discovered businesses, products or technologies, or other strategic transactions, as well as partnering arrangements, including the timing of potential clinical development and regulatory milestones and expectations relating to the completion of, or the realization of the expected benefits from, such transactions; 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, or redeem or repurchase all or a portion of such debt, as well as the potential benefits of the capped call transactions described herein; asset impairments, and the drivers thereof, and purchase commitments; the status of government regulation in the life sciences industry, particularly with respect to healthcare reform and drug pricing; trends and challenges in our potential markets; trends and challenges in our potential markets; our intention to monitor the closing bid price of our Class A Common Stock and consider available options to regain compliance with the Nasdaq Stock Market's minimum bid requirement; and 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 linaclotide pediatric programs and 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 execute on our strategy to in-license externally developed products or product candidates; 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; our activities to explore potential strategic alternatives may not result in any transaction or enhance stockholder value; the risk that our Class A Common Stock may be delisted from the Nasdaq Global Select Market if we fail to regain compliance with the continued listing requirements of Nasdaq, and therefore, the ability to access the capital markets could be negatively impacted; 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, 2024, which was filed with the U.S. Securities and Exchange Commission, or the SEC, on March 31, 2025, and under the heading "Risk Factors" in 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, 2025
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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, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 92,852	$ 88,559
Accounts receivable, net	86,172	81,886
Prepaid expenses and other current assets	12,729	11,923
Total current assets	191,753	182,368
Property and equipment, net	3,929	4,495
Operating lease right-of-use assets	10,201	11,028
Intangible assets, net	2,453	2,860
Deferred tax assets	129,459	144,234
Other assets	5,151	5,923
Total assets	$ 342,946	$ 350,908
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 1,389	$ 2,127
Accrued research and development costs	4,551	6,681
Accrued expenses and other current liabilities	24,033	26,849
Current portion of operating lease liabilities	3,220	3,189
Current portion of convertible senior notes	199,332	—
Total current liabilities	232,525	38,846
Operating lease obligations, net of current portion	11,117	12,304
Convertible senior notes, net of current portion	—	198,988
Revolving credit facility	385,000	385,000
Other liabilities	22,466	17,105
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 and 162,434,130 shares issued and outstanding at June 30, 2025 and 500,000,000 shares authorized and 160,205,899 shares issued and outstanding at December 31, 2024	162	160
Additional paid-in capital	1,405,224	1,395,317
Accumulated deficit	(1,711,522)	(1,697,735)
Accumulated other comprehensive income (loss)	(2,026)	923
Total stockholders' deficit	(308,162)	(301,335)
Total liabilities and stockholders' deficit	$ 342,946	$ 350,908

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,	
	2025	2024	2025	2024
Revenues:				
Collaborative arrangements revenue	$ 85,239	$ 94,396	$ 126,382	$ 169,273
Total revenues	85,239	94,396	126,382	169,273
Costs and expenses:				
Research and development	23,373	30,388	50,805	56,203
Selling, general and administrative	16,795	36,964	41,055	74,569
Restructuring, net	(250)	2,067	18,309	2,504
Total costs and expenses	39,918	69,419	110,169	133,276
Income from operations	45,321	24,977	16,213	35,997
Other income (expense):				
Interest expense and other financing costs	(8,356)	(7,470)	(16,426)	(14,701)
Interest and investment income	818	1,369	1,687	2,538
Other	39	—	76	—
Other income (expense), net	(7,499)	(6,101)	(14,663)	(12,163)
Income before income taxes	37,822	18,876	1,550	23,834
Income tax expense	(14,223)	(19,736)	(15,337)	(28,856)
Net income (loss)	$ 23,599	$ (860)	$ (13,787)	$ (5,022)
Net income (loss) per share — basic	$ 0.15	$ (0.01)	$ (0.09)	$ (0.03)
Net income (loss) per share — diluted	0.14	(0.01)	(0.09)	(0.03)
Weighted average shares used in computing net income (loss) per share — basic:	161,723	159,014	161,350	158,357
Weighted average shares used in computing net income (loss) per share — diluted:	176,837	159,014	161,350	158,357

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,	
	2025	**2024**	**2025**	**2024**
Net income (loss)	$ 23,599	$ (860)	$ (13,787)	$ (5,022)
Other comprehensive income (loss), net of tax:				
Currency translation adjustment	(2,320)	1	(2,949)	1,938
Defined benefit pension plan	—	451	—	623
Total other comprehensive income (loss), net of tax	(2,320)	452	(2,949)	2,561
Comprehensive income (loss)	$ 21,279	$ (408)	$ (16,736)	$ (2,461)

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 at 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 at 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 at June 30, 2025	162,434,130	$ 162	$ 1,405,224	$ (1,711,522)	$ (2,026)	$ (308,162)

	Class A Common Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' deficit
	Shares	Amount				
Balance at December 31, 2023	156,354,238	$ 156	$ 1,355,195	$ (1,698,615)	$ (3,031)	$ (346,295)
Issuance of common stock related to share-based awards	2,602,885	3	10,058	—	—	10,061
Share-based compensation expense related to share-based awards and employee stock purchase plan	—	—	8,385	—	—	8,385
Taxes paid related to net share settlement of share-based awards	—	—	(616)	—	—	(616)
Net loss	—	—	—	(4,162)	—	(4,162)
Other comprehensive income, net of tax	—	—	—	—	2,109	2,109
Balance at March 31, 2024	158,957,123	$ 159	$ 1,373,022	$ (1,702,777)	$ (922)	$ (330,518)
Issuance of common stock related to share-based awards and employee stock purchase plan	781,878	1	749	—	—	750
Share-based compensation expense related to share-based awards and employee stock purchase plan	—	—	8,570	—	—	8,570
Taxes paid related to net share settlement of share-based awards	—	—	(121)	—	—	(121)
Net loss	—	—	—	(860)	—	(860)
Other comprehensive income, net of tax	—	—	—	—	452	452
Balance at June 30, 2024	159,739,001	$ 160	$ 1,382,220	$ (1,703,637)	$ (470)	$ (321,727)

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,	
	2025	**2024**
Cash flows from operating activities:		
Net loss	$ (13,787)	$ (5,022)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	946	1,019
Loss on disposal of property and equipment	85	70
Share-based compensation expense	9,815	16,955
Non-cash interest expense	832	1,139
Non-cash lease expense	827	763
Deferred income taxes	14,775	19,305
Changes in assets and liabilities:		
Accounts receivable, net	(4,282)	71,015
Prepaid expenses and other current assets	(471)	(2,536)
Other assets	284	(1,009)
Accounts payable and accrued expenses	(4,174)	(14,525)
Accrued research and development costs	(2,664)	(14,611)
Operating lease liabilities	(1,156)	(1,060)
Other liabilities	3,856	6,947
Net cash provided by operating activities	4,886	78,450
Cash flows from investing activities:		
Purchases of property and equipment	(33)	(126)
Net cash used in investing activities	(33)	(126)
Cash flows from financing activities:		
Proceeds from exercise of stock options and employee stock purchase plan	94	10,810
Taxes paid related to net share settlement of share-based awards	—	(737)
Repayment on 2024 Convertible Notes	—	(200,000)
Proceeds from revolving credit facility	—	150,000
Repayments of revolving credit facility	—	(25,000)
Net cash provided by (used in) financing activities	94	(64,927)
Effect of exchange rate changes on cash and cash equivalents	(654)	(27)
Net increase in cash and cash equivalents	4,293	13,370
Cash and cash equivalents, beginning of period	88,559	92,154
Cash and cash equivalents, end of period	$ 92,852	$ 105,524

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 GI product opportunities in areas of significant unmet need, leveraging its demonstrated expertise and capabilities in GI 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 for adult men and women suffering from irritable bowel syndrome with constipation ("IBS-C") or chronic idiopathic constipation ("CIC") and for pediatric patients ages 6-17 years-old suffering from functional constipation ("FC"). LINZESS is available to adult men and women suffering from IBS-C or CIC in the United States (the "U.S.") and Mexico, adult men and women suffering from IBS-C or chronic constipation in Japan, and IBS-C in China, and pediatric patients ages 6-17 years old with FC in the U.S. Linaclotide is available under the trademarked name CONSTELLA® to adult men and women suffering from IBS-C or CIC and pediatric patients ages 6-17 years old with FC in Canada, and to adult men and women suffering from 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 as LINZESS. Astellas Pharma Inc. ("Astellas"), the Company's partner in Japan, has an exclusive license to develop, manufacture, and commercialize linaclotide in Japan. AstraZeneca AB (together with its affiliates) ("AstraZeneca"), the Company's partner in China, has the exclusive right to develop, manufacture, and commercialize products containing linaclotide in China (including Hong Kong and Macau) (the "AstraZeneca License Territory").

Through the acquisition of VectivBio Holding AG ("VectivBio") in June 2023 (the "VectivBio Acquisition"), the Company is 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 development of apraglutide is more fully described in Item 2, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, elsewhere in this Quarterly Report on Form 10-Q.

The Company has determined that its cash and cash equivalents on hand as of June 30, 2025, its expected cash inflows from operations and its borrowing capacity will be sufficient to meet its projected operating needs at least through the next twelve months from the issuance of these financial statements. The Company has short-term and long-term debt obligations, including convertible notes that mature on June 15, 2026, which are disclosed in Note 8, *Debt*. There is no assurance the Company will have sufficient liquidity to meet its debt obligations when they become due.

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 the research and development of its other product candidates.

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, 2024, which was filed with the Securities and Exchange Commission ("SEC") on March 31, 2025 (the "2024 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, 2025, and the results of its operations for the three and six months ended June 30, 2025 and 2024, its statements of stockholders' deficit for the three and six months ended June 30, 2025 and 2024, and its cash flows for the six months ended June 30, 2025 and 2024. The results of operations for the three and six months ended June 30, 2025 and 2024 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, 2025 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 at 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 fair value of assets acquired and liabilities assumed in acquisitions; 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 2024 Annual Report on Form 10-K. During the three and six months ended June 30, 2025, 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, 2025.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). The guidance in ASU 2023-09 improves the transparency of annual income tax disclosures by requiring greater disaggregation of information in the rate reconciliation and income taxes paid disaggregated by jurisdiction. The standard is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. Upon adoption, ASU 2023-09 may be applied prospectively or retrospectively. The Company adopted ASU 2023-09 on January 1, 2025 and is currently evaluating the impact that the adoption of ASU 2023-09 may have on its disclosures in its annual consolidated financial statements.

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 is currently evaluating the impact that the adoption of ASU 2024-04 may have on its disclosures in 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

Basic and diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the period. 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 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,	
	2025	2024[1]	2025[1]	2024[1]
Numerator:				
Net income (loss)	$ 23,599	$ (860)	$ (13,787)	$ (5,022)
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 — diluted	$ 24,291	$ (860)	$ (13,787)	$ (5,022)
Denominator:				
Weighted average number of common shares outstanding used in computing net income (loss) per share — basic	161,723	159,014	161,350	158,357
Effect of dilutive securities:				
Time-based restricted stock units	53	—	—	—
Performance-based restricted stock units	94	—	—	—
Restricted stock	33	—	—	—
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	176,837	159,014	161,350	158,357
Net income (loss) per share — basic	$ 0.15	$ (0.01)	$ (0.09)	$ (0.03)
Net income (loss) per share — diluted	$ 0.14	$ (0.01)	$ (0.09)	$ (0.03)

[1] During the three months ended June 30, 2024, and each of the six months ended June 30, 2025 and 2024, the Company was in a net loss position, and therefore, did not differentiate basic and diluted earnings per share.

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,	
	2025	2024	2025	2024
Stock options	3,538	4,759	3,499	3,891
Restricted stock awards	—	—	360	—
Time-based restricted stock units	6,046	5,450	6,516	1,467
Performance-based restricted stock units	—	65	1,638	65
Shares subject to issuance under Employee Stock Purchase Plan	—	—	—	—
2026 Convertible Notes	—	14,934	14,934	14,934
Total	9,584	25,208	26,947	20,357

There was no dilutive impact of the 2024 Convertible Notes (as defined below) for the three and six months ended June 30, 2024 because the Company had elected prior to the beginning of the period to settle the conversion of 2024 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 AstraZeneca 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	**2025**	**2024**	**2025**	**2024**
Linaclotide Collaboration and License Agreements:				
AbbVie (North America)	$ 86,425	$ 92,154	$ 125,819	$ 164,609
AbbVie (Europe and other)	904	833	1,715	1,539
AstraZeneca (China, including Hong Kong and Macau)	74	74	162	195
Astellas (Japan)	428	419	801	787
Other Agreements:				
Asahi Kasei Pharma Corporation (apraglutide)	(2,679)	558	(2,202)	1,269
Other	87	358	87	874
Total collaborative arrangements revenue	$ 85,239	$ 94,396	$ 126,382	$ 169,273

Accounts receivable, net, which is primarily related to collaborative arrangements revenue, was $86.2 million and $81.9 million as of June 30, 2025 and December 31, 2024, respectively. Accounts receivable, net, included $85.6 million and $81.3 million due from the Company's partner, AbbVie, net of $2.9 million and $3.1 million of accounts payable, as of June 30, 2025 and December 31, 2024, 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, 2025 and 2024.

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, 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. During the three and six months ended June 30, 2024, the Company incurred $1.9 million and $3.5 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 $1.7 million, and $2.8 million in incremental research and development costs during the three and six months ended June 30, 2025, respectively, and incurred $2.9 million and $5.2 million in incremental research and development costs during the three and six months ended June 30, 2024, 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. Additionally, the Company receives royalties in the mid-teens percent 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.

During the three and six months ended June 30, 2024, the Company recognized a $8.5 million and $38.0 million reduction to collaboration revenue, respectively, as a result of changes in estimates of sales reserves and allowances associated with governmental and contractual rebates. Excluding the changes in estimates, net loss per share – basic and net loss per share – diluted would each have been $0.03 for the three months ended June 30, 2024, and would have been $0.13 and $0.12, respectively, for the six months ended June 30, 2024.

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,	
	2025	2024	2025	2024
Collaborative arrangements revenue related to sales of LINZESS in the U.S.	$ 85,683	$ 91,415	$ 124,452	$ 163,130
Royalty revenue	742	739	1,367	1,479
Total collaborative arrangements revenue	$ 86,425	$ 92,154	$ 125,819	$ 164,609

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. The Company incurred $9.4 million and $19.6 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, 2024, 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 $0.7 million and $1.4 million of combined royalty revenues from Canada and Mexico during the three and six months ended June 30, 2025, respectively. The Company recognized

$0.7 million and $1.5 million of combined royalty revenues from Canada and Mexico during the three and six months ended June 30, 2024, 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 $0.9 million and $1.7 million of royalty revenue during the three and six months ended June 30, 2025, respectively. The Company recognized $0.8 million and $1.5 million of royalty revenue during the three and six months ended June 30, 2024, 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 $0.8 million of royalty revenue during the three and six months ended June 30, 2025, respectively. The Company recognized $0.4 million and $0.8 million of royalty revenue during the three and six months ended June 30, 2024, respectively.

Collaboration Agreement for China (including Hong Kong and Macau) with AstraZeneca

The Company has a collaboration agreement with AstraZeneca under which AstraZeneca has the exclusive right to develop, manufacture and commercialize products containing linaclotide in the AstraZeneca License Territory.

Under the collaboration agreement, AstraZeneca 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 AstraZeneca License Territory. In addition, AstraZeneca 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, 2025, respectively. The Company recognized an insignificant amount and $0.2 million of royalty revenue during the three and six months ended June 30, 2024, respectively.

Apraglutide Agreements

Development and Commercialization Agreement with AKP

In March 2022, VectivBio entered into a development and commercialization agreement with Asahi Kasei Pharma Corporation ("AKP") in which VectivBio granted an exclusive license to AKP, 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 AKP, 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) expiration of regulatory exclusivity in Japan, or (ii) 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 the (i) exclusive license for the development and commercialization of apraglutide in Japan and (ii) 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, 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 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 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. The Company recognized $0.6 million and $1.3 million of revenue related to development activities during the three and six months ended June 30, 2024, respectively. As of June 30, 2025, current deferred revenue of $1.0 million and non-current deferred revenue of $5.7 million is reported within accrued expenses and other current liabilities and other liabilities, respectively, on the condensed consolidated balance sheets. As of December 31, 2024, current deferred revenue of $2.0 million and non-current deferred revenue of $1.8 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.

Other Collaboration and License Agreements

Collaboration and License Option Agreement with COUR

In November 2021, the Company entered into a collaboration and license option agreement (the "COUR Collaboration Agreement") with COUR Pharmaceutical Development Company, Inc. ("COUR"), a biotechnology company developing novel immune-modifying nanoparticles to treat autoimmune diseases, pursuant to which the Company was granted an option (the "Option") to acquire an exclusive license to research, develop, manufacture and commercialize, in the U.S., products containing CNP-104 for the treatment of primary biliary cholangitis ("PBC"). COUR has initiated a Phase II clinical study to evaluate the safety, tolerability, and pharmacodynamic effects and efficacy of CNP-104 in PBC patients. After reviewing the data from the clinical study for CNP-104, the Company had the right to exercise the Option and pay COUR $35.0 million in exchange for the license, subject to the Company's right to apply a credit against such payment as described below.

In April 2023, the Company and COUR executed an amendment to the COUR Collaboration Agreement, in which the Company agreed to pay a one-time, non-refundable, upfront payment of $6.0 million to COUR in exchange for the right to apply a credit of $6.6 million against future amounts due to COUR in connection with the exercise of the Option, commercial milestones, or royalties. In connection with such payment, COUR also granted the Company a right of first negotiation over certain additional potential research and development programs. The $6.0 million payment was recognized as research and development expense in the second quarter of 2023.

In the third quarter of 2024, the Company received from COUR the topline data from COUR's Phase II clinical study for the treatment of PBC. In September 2024, the Company notified COUR of its decision not to exercise the option to acquire an exclusive license to CNP-104. As a result, the collaboration and license option agreement between the Company and COUR has terminated, and the Company retains no rights and has no obligations related to CNP-104.

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, 2025 and December 31, 2024 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):

		Fair Value Measurements at Reporting Date Using		
	June 30, 2025	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	$ 41,890	$ 41,890	$ —	$ —
U.S. Treasury securities	11,253	—	11,253	—
Commercial paper	9,406	—	9,406	—
Total assets measured at fair value	$ 62,549	$ 41,890	$ 20,659	$ —

		Fair Value Measurements at Reporting Date Using		
	December 31, 2024	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	$ 36,010	$ 36,010	$ —	$ —
U.S. Treasury securities	11,044	—	11,044	—
Commercial paper	7,928	—	7,928	—
Total assets measured at fair value	$ 54,982	$ 36,010	$ 18,972	$ —

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 at June 30, 2025 and December 31, 2024 are carried at amounts that approximate fair value due to their short-term maturities.

Convertible Senior Notes

In August 2019, the Company issued $200.0 million aggregate principal amount of its 0.75% convertible senior notes due 2024 (the "2024 Convertible Notes") and $200.0 million aggregate principal amount of its 1.50% convertible senior notes due 2026 (the "2026 Convertible Notes") (Note 8). The fair value of the respective convertible senior notes, which differs from their carrying value, is influenced by interest rates, the price of the Company's Class A Common Stock and the volatility thereof, and the prices for the respective convertible senior notes observed in market trading, which are Level 2 inputs.

In June 2024, the Company repaid the aggregate principal amount of the 2024 Convertible Notes upon maturity (Note 8). The estimated fair value of the 2026 Convertible Notes was $169.9 million and $186.6 million as of June 30, 2025 and December 31, 2024, respectively.

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 months ended June 30, 2025 included: office leases for its current headquarters location and other locations, and leases for computer and office equipment.

The Company's headquarters office lease and vehicle leases require letters of credit totaling $1.2 million to secure the Company's obligations under the lease agreements. The letters of credit are 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, 2025 and 2024 are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating lease cost	$ 627	$ 627	$ 1,254	$ 1,254
Short-term lease cost	125	361	359	745
Total lease cost	$ 752	$ 988	$ 1,613	$ 1,999

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

	Six Months Ended June 30,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities (in thousands)	$ 1,581	$ 1,550
Weighted-average remaining lease term of operating leases (in years)	5.0	6.0
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.

At lease commencement, the Company recorded a right-of-use asset and a lease liability using an incremental borrowing rate of 5.8%. At June 30, 2025, the balances of the right-of-use asset and operating lease liability were $10.2 million and $14.3 million, respectively. At December 31, 2024, the balances of the right-of-use asset and operating lease liability were $11.0 million and $15.5 million, respectively.

Lease costs recorded during the three and six months ended June 30, 2025 were $0.6 million and $1.3 million, respectively. Lease costs recorded during the three and six months ended June 30, 2024 were $0.6 million and $1.3 million, respectively.

Future minimum lease payments under the Summer Street Lease as of June 30, 2025 are as follows (in thousands):

2025(1)	$ 1,607
2026	3,252
2027	3,317
2028	3,384
2029	3,451
2030	1,450
Total future minimum lease payments	16,461
Less: present value adjustment	(2,124)
Operating lease liabilities	14,337
Less: current portion of operating lease liabilities	(3,220)
Operating lease liabilities, net of current portion	$ 11,117

(1) For the six months ending December 31, 2025.

7. Accrued Expenses and Other Current Liabilities

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

	June 30, 2025	December 31, 2024
Accrued compensation and benefits	$ 8,126	$ 14,547
Accrued interest	4,590	4,771
Accrued restructuring liabilities	4,368	560
Deferred revenue	978	2,032
Accrued taxes	764	521
Other	5,207	4,418
Total accrued expenses and other current liabilities	$ 24,033	$ 26,849

As of June 30, 2025 and December 31, 2024, other accrued expenses were comprised primarily of $5.1 million and $4.3 million of uninvoiced vendor liabilities, respectively.

8. Debt

0.75% Convertible Senior Notes due 2024 and 1.50% Convertible Senior Notes due 2026

In August 2019, the Company issued $200.0 million aggregate principal amount of the 2024 Convertible Notes and $200.0 million aggregate principal amount of the 2026 Convertible Notes, pursuant to separate indentures (each an "Indenture" and together the "Indentures"), between the Company and U.S. Bank National Association, as trustee (the "Trustee"). The Company received net proceeds of $391.0 million from the sale of the 2024 Convertible Notes and 2026 Convertible Notes, after deducting fees and expenses of $9.0 million. The Company used $25.2 million of the net proceeds from the sale of the 2024 Convertible Notes and 2026 Convertible Notes to pay the cost of the Capped Calls, as described below.

In June 2024, the Company repaid the $200.0 million aggregate principal amount of the 2024 Convertible Notes upon maturity. The 2024 Convertible Notes bore cash interest at the annual rate of 0.75% payable on June 15 and December 15 of each year. No conversions were exercised by holders of the 2024 Convertible Notes.

The 2026 Convertible Notes bear cash interest at the annual rate of 1.50%, payable on June 15 and December 15 of each year. The 2026 Convertible Notes will mature on June 15, 2026, unless earlier converted or repurchased.

The initial conversion rate for the 2026 Convertible Notes is 74.6687 shares of Class A Common Stock (subject to adjustment as provided for in the Indenture) per $1,000 principal amount of the 2026 Convertible Notes, which is equal to an initial conversion price of approximately $13.39 per share.

The Company will settle conversions of the 2026 Convertible Notes through payment or delivery, as the case may be, of cash, shares of the Company's Class A Common Stock or a combination of cash and shares of Class A Common Stock, at the Company's option (subject to, and in accordance with, the settlement provisions of the Indenture).

Holders of the 2026 Convertible Notes may convert their notes at their option at any time prior to the close of business on the business day immediately preceding December 15, 2025 in multiples of $1,000 principal amount, only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on December 31, 2019 (and only during such calendar quarter), if the last reported sale price of Class A Common Stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the 2026 Convertible Notes on each applicable trading day;

- during the five-business day period after any five consecutive trading day period (the "measurement period") in which the "trading price" (as defined in each Indenture) per $1,000 principal amount of the 2026 Convertible Notes for each trading day of the measurement period was less than 98% of the product

of the last reported sale price of Class A Common Stock and the conversion rate for the 2026 Convertible Notes on each such trading day; or

- upon the occurrence of specified corporate events described in the Indenture.

On or after December 15, 2025, and until the close of business on the second scheduled trading day immediately preceding June 15, 2026, the holders of the 2026 Convertible Notes may convert their 2026 Convertible Notes, in multiples of $1,000 principal amount, regardless of the foregoing conditions.

Upon the occurrence of fundamental changes, as described in the Indenture, prior to the maturity date of the 2026 Convertible Notes, holders of such notes may require the Company to repurchase for cash all or a portion of their notes at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest. If a make-whole fundamental change, as described in the Indenture, occurs and a holder elects to convert its notes in connection with such make-whole fundamental change, such holder may be entitled to an increase in the conversion rate as described in the Indenture.

The Indenture does not contain any financial covenants or restrict the Company's ability to repurchase the Company's securities, pay dividends or make restricted payments in the event of a transaction that substantially increases the Company's level of indebtedness. The Indenture provides for customary events of default. In the case of an event of default arising from specified events of bankruptcy or insolvency, all outstanding notes will become due and payable immediately without further action or notice. If any other event of default under the Indenture occurs or is continuing, the Trustee or holders of at least 25% in aggregate principal amount of the then outstanding notes may declare the principal amount of such notes to be immediately due and payable.

The Company accounts for convertible debt instruments as a single liability measured at amortized cost.

The Company's outstanding balance for the 2026 Convertible Notes consisted of the following (in thousands):

	June 30, 2025	December 31, 2024
Principal:	$ 200,000	$ 200,000
Less: unamortized debt issuance costs	(668)	(1,012)
Net carrying amount	$ 199,332	$ 198,988

The outstanding balance of the 2026 Convertible Notes is classified as a current liability and non-current liability at June 30, 2025 and December 31, 2024, respectively.

In connection with the issuance of the 2026 Convertible Notes, the Company incurred $4.5 million of debt issuance costs, which primarily consisted of initial purchaser's discounts and legal and other professional fees. The debt issuance costs are reflected as a reduction in the carrying value of the 2026 Convertible Notes and recorded as interest expense over the life of the 2026 Convertible Notes.

The Company determined the expected life of 2026 Convertible Notes was equal to its approximately seven-year term. The effective annual interest rate of the 2026 Convertible Notes for the period from the date of issuance through June 30, 2025 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 2026 Convertible Notes (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Contractual interest expense	$ 750	$ 1,063	$ 1,500	$ 2,188
Amortization of debt issuance costs	173	369	344	777
Total interest expense	$ 923	$ 1,432	$ 1,844	$ 2,965

Future minimum payments under the 2026 Convertible Notes as of June 30, 2025, are as follows (in thousands):

2025[1]	$ 1,500
2026	201,500
Total future minimum payments	203,000
Less: amounts representing interest	(3,000)
Less: unamortized debt issuance costs	(668)
2026 Convertible Notes balance	$ 199,332

(1) For the six months ending December 31, 2025.

Capped Calls with Respect to 2024 Convertible Notes and 2026 Convertible Notes

To minimize the impact of potential dilution to the Company's Class A common stockholders upon conversion of the 2024 Convertible Notes and 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 2024 Convertible Notes and the 2026 Convertible Notes. The Company paid the counterparties $25.2 million to enter into the Capped Calls, of which $25.0 million related to the premium payments and $0.2 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 2024 Convertible Notes, which covered 14,933,740 shares of Class A Common Stock, terminated unexercised upon expiry in June 2024.

The Capped Calls in connection with the 2026 Convertible Notes have an initial strike price of approximately $13.39 per share, which corresponds to the initial conversion price of the 2026 Convertible Notes and is subject to anti-dilution adjustments generally similar to those applicable to the 2026 Convertible Notes. The Capped Calls have a cap price of approximately $17.05 per share, subject to certain adjustments. The Capped Calls cover 14,933,740 shares of Class A Common Stock (subject to anti-dilution and certain other adjustments), which is the same number of shares of Class A Common Stock that initially underlie the 2026 Convertible Notes. Holders of the 2026 Convertible Notes do not have any rights with respect to the Capped Calls.

The Capped Calls are expected generally to reduce the potential dilution to the Class A Common Stock upon conversion of the 2026 Convertible Notes in the event that the market price per share of Class A Common Stock is greater than the strike price of the Capped Calls as adjusted pursuant to the anti-dilution adjustments. If, however, the market price per share of Class A Common Stock exceeds the cap price of the Capped Calls, there would nevertheless be dilution upon conversion of the 2026 Convertible Notes to the extent that such market price exceeds the cap price of the Capped Calls.

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 quantum of the Revolving Credit Facility 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 the earliest to occur of (i) December 31, 2028 or (ii) the date that is 91 days prior to the stated maturity date of the Company's existing convertible notes then outstanding, unless, in the case of clause (ii), the Company's minimum liquidity equals or exceeds certain agreed levels.

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, 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 (as defined in the Revolving Credit Agreement). The Company is required to maintain a maximum consolidated secured net leverage ratio of 3.50 to 1.00 until the end of the final quarter of 2025 (the "Initial Period"), (ii) 3.25 to 1.00 until the end of the first quarter of 2026 (the "Interim Period") and (iii) 3.00 to 1.00 thereafter, 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 (i) 4.00 to 1.00 during the Initial Period, (ii) 3.75 to 1.00 during the Interim Period and (iii) 3.50 to 1.00 thereafter, in each case 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, 2025, 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 $3.4 million and $3.9 million at June 30, 2025 and December 31, 2024, respectively.

The outstanding principal balance on the Revolving Credit Facility was $385.0 million and $385.0 million as of June 30, 2025 and December 31, 2024, respectively.

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,	
	2025	2024	2025	2024
Contractual interest expense	$ 6,926	$ 5,841	$ 13,694	$ 11,598
Amortization of debt issuance costs	244	180	488	361
Other financing costs	263	13	400	25
Total interest expense	$ 7,433	$ 6,034	$ 14,582	$ 11,984

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,	
	2025	2024	2025	2024
Share-based compensation expense:				
Research and development	$ 1,398	$ 1,833	$ 2,888	$ 4,046
Selling, general and administrative	3,126	6,737	6,828	12,909
Restructuring	—	—	99	—
Total share-based compensation expense included in operating expenses	4,524	8,570	9,815	16,955
Income tax expense (benefit)	(532)	(648)	2,909	(2,013)
Total share-based compensation expense, net of tax	$ 3,992	$ 7,922	$ 12,724	$ 14,942

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, 2025, the Company recorded income tax expense of $14.2 million and $15.3 million, respectively. During the three and six months ended June 30, 2024, the Company recorded income tax expense of $19.7 million and $28.9 million, respectively. Due to the Company's ability to offset its pre-tax income against net operating losses, the majority of its tax provision is expected to represent a non-cash expense until its net operating losses have been fully utilized.

The Company continues to record a valuation allowance against certain deferred tax assets comprised primarily of net operating loss carryforwards in Switzerland, as well as 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.

On July 4, 2025, the One Big Beautiful Bill Act (the “OBBBA”) was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The Company is currently assessing the impact of the OBBBA impact on its consolidated financial statements.

11. Workforce Reductions and Restructuring

In June 2023, the Company commenced the elimination of certain positions in connection with the VectivBio Acquisition. The majority of the eliminations were substantially completed during the year ended December 31, 2023. During the three and six months ended June 30, 2025, the Company incurred an insignificant amount and $0.3 million of restructuring expenses, respectively. During the three and six months ended June 30, 2024, the Company incurred $2.1 million and $2.5 million of restructuring expenses, respectively. The restructuring expenses are comprised primarily of employee severance, benefits, and related costs.

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. This reduction in workforce was substantially completed during the first quarter of 2025. 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, primarily comprised of severance, benefits, and related costs.

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, 2024 which was filed with the U.S. Securities and Exchange Commission, or the SEC, on March 31, 2025, or the 2024 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 2024 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 GI product opportunities in areas of significant unmet need, leveraging our demonstrated expertise and capabilities in GI 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 for adult men and women suffering from irritable bowel syndrome with constipation, or IBS-C, or chronic idiopathic constipation, or CIC, and for pediatric patients ages 6-17 years-old suffering from functional constipation, or FC. LINZESS is available to adult men and women suffering from IBS-C or CIC in the U.S. and Mexico, adult men and women suffering from IBS-C or chronic constipation in Japan, and adult men and women suffering from IBS-C in China, and pediatric patients ages 6-17 with FC in the U.S. Linaclotide is available under the trademarked name CONSTELLA® to adult men and women suffering from IBS-C or CIC and pediatric patients ages 6-17 years old with FC in Canada, and to adult men and women suffering from 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, AstraZeneca AB or together with its affiliates, AstraZeneca in China (including Hong Kong and Macau), and Astellas Pharma Inc., or Astellas, in Japan.

We also aim to leverage our development and commercialization capabilities in GI to bring additional treatment options to GI patients.

Through the VectivBio acquisition, we are 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. In April 2025, we announced that, based on discussions with the U.S. FDA, a confirmatory Phase III 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.

To date, we have dedicated a majority of our activities to the research, development and commercialization of linaclotide, as well as to the research and development of apraglutide and our other product candidates. 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. For the three and six months ended June 30, 2024, we recorded a net loss of $0.9 million and $5.0 million, respectively. As of June 30, 2025, we had an accumulated deficit of approximately $1.7 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 the European, Canadian, Mexican, Japanese, or Chinese markets or any other markets where linaclotide receives approval and is commercialized.

Research and Development Expense. The core of our research and development strategy is to leverage our demonstrated expertise and capabilities in GI diseases to bring multiple medicines to patients. Research and development expense consists 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.

Linaclotide. Our commercial product, LINZESS, is commercially available in the U.S. for the treatment of IBS-C or CIC in adults and for FC in pediatric patients ages 6-17 years-old. Linaclotide is also available to adult men and

women 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, the U.S. FDA approved LINZESS as a once-daily treatment for pediatric patients ages 6-17 years-old with FC, making LINZESS the first and only FDA-approved prescription therapy for FC in this patient population. The safety and effectiveness of LINZESS in patients with FC less than 6 years of age or in patients with IBS-C less than 18 years of age have not been established. Additional clinical pediatric programs in IBS-C and FC are ongoing.

Apraglutide for SBS-IF. 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, or 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 trial is needed to seek approval of an NDA for apraglutide for patients with SBS-IF who are dependent on PS. We plan to align with the U.S. FDA on the design of a confirmatory Phase III trial and the regulatory path forward in the fourth quarter of 2025. Subject to alignment with the U.S. FDA, we expect to initiate a confirmatory Phase III trial in the first half of 2026.

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. In April 2025, based on analysis of the Phase II data, we decided to end further investment in developing IW-3300.

CNP-104. Through the COUR Collaboration Agreement, we and 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 programs, including exploring strategic options for further development of certain of our internal programs, as well as evaluating external development-stage GI 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, 2025 and 2024, 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,	
	2025	2024	2025	2024
Linaclotide[1]	$ 3,467	$ 4,960	$ 7,396	$ 9,446
Apraglutide	16,965	16,830	36,242	36,105
IW-3300	2,051	3,393	4,327	6,885
CNP-104	—	2,997	75	3,500
Early research and development[2]	890	2,208	2,765	267
Total research and development expenses	$ 23,373	$ 30,388	$ 50,805	$ 56,203

(1) Includes linaclotide in all indications, populations and formulations.
(2) Includes $4.8 million reduction to research and development expense recognized in the first quarter of 2024 in connection with the settlement of a license-related contract liability.

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. For example, based on feedback received from the U.S. FDA in April 2025, a confirmatory Phase III trial is needed to seek approval for apraglutide.

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 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 2024 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 our other products and product candidates, including apraglutide. We are exploring potential strategic alternatives with regard to, but not limited to, our GI and rare disease-focused product candidates, including apraglutide.

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 pertain to a workforce reduction initiative in connection with the VectivBio Acquisition as well as 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.*

Interest Expense and Other Financing Costs. Interest expense consists primarily of cash and non-cash interest costs related to our convertible senior notes 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, as well as significant financing components of payments due from collaboration partners.

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. At 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 at 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, 2025, there were no material changes to our critical accounting policies as reported in our 2024 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,	
	2025	2024	2025	2024
	(in thousands)		(in thousands)	
Revenues:				
Collaborative arrangements revenue	$ 85,239	$ 94,396	$ 126,382	$ 169,273
Total revenues	85,239	94,396	126,382	169,273
Costs and expenses:				
Research and development	23,373	30,388	50,805	56,203
Selling, general and administrative	16,795	36,964	41,055	74,569
Restructuring, net	(250)	2,067	18,309	2,504
Total costs and expenses	39,918	69,419	110,169	133,276
Income from operations	45,321	24,977	16,213	35,997
Other income (expense):				
Interest expense and other financing costs	(8,356)	(7,470)	(16,426)	(14,701)
Interest and investment income	818	1,369	1,687	2,538
Other	39	—	76	—
Other income (expense), net	(7,499)	(6,101)	(14,663)	(12,163)
Income before income taxes	37,822	18,876	1,550	23,834
Income tax expense	(14,223)	(19,736)	(15,337)	(28,856)
Net income (loss)	$ 23,599	$ (860)	$ (13,787)	$ (5,022)

Three and six months ended June 30, 2025 compared to three and six months ended June 30, 2024

Revenues

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2025	2024	$	2025	2024	$
	(in thousands)			(in thousands)		
Revenues:						
Collaborative arrangements revenue	$ 85,239	$ 94,396	$ (9,157)	$ 126,382	$ 169,273	$ (42,891)
Total revenues	$ 85,239	$ 94,396	$ (9,157)	$ 126,382	$ 169,273	$ (42,891)

Collaborative arrangements revenue. The decrease in collaborative arrangements revenue of $9.2 million for the three months ended June 30, 2025 compared to the three months ended June 30, 2024 was primarily related to a $5.7 million decrease in our share of net profits from the sale of LINZESS in the U.S., which was driven by decreased net price, partially offset by increased prescription demand. Additionally, the decrease in collaborative arrangements revenue was driven by an adjustment during the second quarter of 2025 to reduce cumulative collaborative arrangements revenue by $2.9 million 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 decrease in collaborative arrangements revenue of $42.9 million for the six months ended June 30, 2025

compared to the six months ended June 30, 2024 was primarily related to a $38.7 million decrease in our share of net profits from the sale of LINZESS in the U.S. The decrease reflects a change in AbbVie's estimate of gross-to-net rebate reserves effective at the beginning of 2025 and is expected to impact the quarterly phasing of LINZESS U.S. net sales. Additionally, the decrease in collaborative arrangements revenue was driven by an adjustment during the second quarter of 2025 to reduce cumulative collaborative arrangements revenue by $2.9 million 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.

Costs and Expenses

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2025	2024	$	2025	2024	$
		(in thousands)			(in thousands)	
Costs and expenses:						
Research and development	$ 23,373	$ 30,388	$ (7,015)	$ 50,805	$ 56,203	$ (5,398)
Selling, general and administrative	16,795	36,964	(20,169)	41,055	74,569	(33,514)
Restructuring, net	(250)	2,067	(2,317)	18,309	2,504	15,805
Total costs and expenses	$ 39,918	$ 69,419	$ (29,501)	$ 110,169	$ 133,276	$ (23,107)

Research and development. The decrease in research and development expenses of $7.0 million for the three months ended June 30, 2025 compared to the three months ended June 30, 2024 was primarily related to a $3.7 million decrease in external apraglutide costs, a $2.4 million decrease in costs associated with the COUR Collaboration Agreement, and a $0.8 million decrease in external costs associated with the IW-3300 development program.

The decrease in research and development expenses of $5.4 million for the six months ended June 30, 2025 compared to the six months ended June 30, 2024 was primarily related to a $5.4 million decrease in external apraglutide costs, a $2.4 million decrease in costs associated with the COUR Collaboration Agreement, a $1.8 million decrease in external linaclotide costs, and a $1.2 million decrease in external costs associated with the IW-3300 development program, partially offset by a $4.8 million reduction to research and development expense recognized during the first quarter of 2024 in connection with the settlement of a license-related contract liability.

Selling, general and administrative. Selling, general and administrative expenses decreased by $20.2 million for the three months ended June 30, 2025 compared to the three months ended June 30, 2024, primarily due to a $12.0 million decrease in compensation, benefits, and other employee-related expenses and a $5.0 million decrease in sales and marketing expenses, both resulting from the restructuring initiative during the first quarter of 2025, as well as a decrease of $2.4 million in professional services expenses.

The decrease in selling, general and administrative expenses of $33.5 million for the six months ended June 30, 2025 compared to the six months ended June 30, 2024 was primarily related to a $21.8 million decrease in compensation, benefits, and other employee-related expenses and a $7.5 million decrease in sales and marketing expenses, both resulting from the restructuring initiative during the first quarter of 2025, as well as a decrease of $1.6 million in professional services expenses.

Restructuring expenses. The decrease in restructuring expense of $2.3 million for the three months ended June 30, 2025 compared to the three months ended June 30, 2024 is due to employee severance, benefits and related costs for the VectivBio Acquisition-related workforce reduction. The increase in restructuring expense of $15.8 million for the six months ended June 30, 2025 compared to the six months ended June 30, 2024 is primarily due to the workforce reduction in January 2025 consisting primarily of field-based sales employees. Workforce reduction and restructuring initiatives are more fully described in Note 11, *Workforce Reductions and Restructuring*.

Other Income (Expense), Net

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2025	2024	$	2025	2024	$
		(in thousands)			(in thousands)	
Other income (expense):						
Interest expense and other financing costs	$ (8,356)	$ (7,470)	$ (886)	$ (16,426)	$ (14,701)	$ (1,725)
Interest and investment income	818	1,369	(551)	1,687	2,538	(851)
Other	39	—	39	76	—	76
Total other income (expense), net	$ (7,499)	$ (6,101)	$ (1,398)	$ (14,663)	$ (12,163)	$ (2,500)

*Interest expense and other financing cost*s. Interest expense increased by $0.9 million for the three months ended June 30, 2025 compared to the three months ended June 30, 2024 primarily due to an increase of $1.2 million in interest on the Revolving Credit Facility, resulting from a higher outstanding principal balance throughout the period. This increase was partially offset by a $0.5 million decrease in coupon interest expense associated with the 2024 Convertible Notes, which were fully repaid upon maturity in June 2024.

Interest expense increased by $1.7 million for six months ended June 30, 2025 compared to the six months ended June 30, 2024 primarily due to an increase of $2.4 million in interest on the Revolving Credit Facility, resulting from a higher outstanding principal balance throughout the period. This increase was partially offset by a $1.1 million decrease in coupon interest expense associated with the 2024 Convertible Notes, which were fully repaid upon maturity in June 2024.

Interest and investment income. Interest and investment income decreased by $0.6 million for the three months ended June 30, 2025 compared to the three months ended June 30, 2024 due to a decrease in cash and cash equivalents balances and a decrease in interest rates.

Interest and investment income decreased by $0.9 million for the six months ended June 30, 2025 compared to the six months ended June 30, 2024, primarily due to a decrease in cash and cash equivalents balances and a decrease in interest rates.

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

Income taxes. For the three and six months ended June 30, 2025, we recorded income tax expense of $14.2 million and $15.3 million, respectively. For the three and six months ended June 30, 2024, we recorded income tax expense of $19.7 million and $28.9 million, respectively. Due to our ability to utilize our net operating losses to offset federal taxable income and taxable income in most states, the majority of our tax provision will be a non-cash expense until our net operating losses have been fully utilized.

Liquidity and Capital Resources

As of June 30, 2025, we had $92.9 million of cash and cash equivalents. Our cash equivalents include amounts held in money market funds, U.S. Treasury securities 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 financial statements included elsewhere in this Quarterly Report on Form 10-Q.

We may from time to time seek to retire, redeem or repurchase all or part of our outstanding debt through cash purchases and/or exchanges, in open market purchases, privately negotiated transactions, by tender offer or otherwise. Such repurchases, redemptions or exchanges, if any, of our debt will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors, and the amounts involved may be material.

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, 2025, our debt is comprised of $200.0 million aggregate principal amount of convertible notes, due in June 2026, and $385.0 million aggregate principal amount outstanding under our Revolving Credit Facility, which we entered into in May 2023 to partially finance the VectivBio Acquisition. 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 three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)		(in thousands)	
Net cash provided by (used in):				
Operating activities	$ (15,068)	$ 33,465	$ 4,886	$ 78,450
Investing activities	(2)	(58)	(33)	(126)
Financing activities	88	(49,372)	94	(64,927)
Effect of exchange rate changes on cash and cash equivalents	(647)	(51)	(654)	(27)
Net increase (decrease) in cash and cash equivalents	$ (15,629)	$ (16,016)	$ 4,293	$ 13,370

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 cash outflows for the three months ended June 30, 2025 totaled $15.1 million and net cash inflows for the six months ended June 30, 2025 totaled $4.9 million, and were derived primarily from collaboration arrangements revenue related to sales of LINZESS in the U.S. Net cash inflows for the three and six months ended June 30, 2024 totaled $33.5 million and $78.5 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 three and six months ended June 30, 2025 was insignificant and pertained to the purchase of property and equipment. Cash used in investing activities for the three and six months ended June 30, 2024 was insignificant and pertained to the purchase of property and equipment.

Cash Flows from Financing Activities

Cash provided by financing activities for the three and six months ended June 30, 2025 was insignificant and was generated from employee stock purchases.

Cash used in financing activities for the three and six months ended June 30, 2024 totaled $49.4 million and $64.9 million, respectively. Cash used in financing activities during the six months ended June 30, 2024 was comprised primarily of a repayment of $200.0 million aggregate principal on the 2024 Convertible Notes upon maturity in June 2024, partially offset by $125.0 million of net borrowings under the Revolving Credit Facility and $10.8 million of proceeds from stock option exercises and employee stock purchases.

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 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, 2025, 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 short-term and long-term debt obligations, including convertible notes that mature on June 15, 2026, which are disclosed in Note 8, *Debt*, to our 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 2024 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;
- the settlement method used for our outstanding convertible notes; 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 2024 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, 2025 that had a material effect on our condensed consolidated financial statements included in this report.

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

Interest Rate Risk

We are exposed to market risk related to changes in interest rates. We invest our cash in a variety of financial instruments, principally securities issued by the U.S. government and its agencies, including collateralized reverse repurchase agreements, and money market instruments, as well as commercial paper. The goals of our investment policy are preservation of capital, fulfillment of liquidity needs and fiduciary control of cash and investments. We also seek to maximize income from our investments without assuming significant risk.

Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of interest rates, particularly because our investments are in short-term marketable securities. Due to the primarily short-term duration of our investment portfolio and the low risk profile of our investments, an immediate 1% change in interest rates would not have a material effect on the fair market value of our portfolio. Accordingly, we would not expect our operating results or cash flows to be affected to any significant degree by the effect of a sudden change in market interest rates on our investment portfolio.

We do not believe our cash and cash equivalents have significant risk of default or illiquidity. While we believe our cash and cash equivalents do not contain excessive risk, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash and cash equivalents at one or more financial institutions that are in excess of federally insured limits. Given the potential instability of financial institutions, we cannot provide assurance that we will not experience losses on these deposits.

Our 2026 Convertible Notes bear interest at a fixed rate and therefore have minimal exposure to changes in interest rates; however, because these interest rates are fixed, we may be paying a higher interest rate, relative to market, in the future if our credit rating improves or other circumstances change.

We are exposed to market risks related to fluctuations in interest rates relating to our secured $550.0 million Revolving Credit Facility. The increase or decrease in annual interest expense resulting from a 10% increase or decrease in the applicable interest rate is $2.7 million.

Equity Price Risk

Our 2026 Convertible Notes include conversion and settlement provisions that are based on the price of our Class A Common Stock at conversion or maturity of the notes. The amount of cash we may be required to pay is determined by the price of our Class A Common Stock. The fair value of our 2026 Convertible Notes is dependent on the price and volatility of our Class A Common Stock and will generally increase or decrease as the market price of our common stock changes.

To minimize the impact of potential dilution to our common stock upon conversion of the notes, we entered into the capped call transactions with respect to the 2026 Convertible Notes.

The 2026 Convertible Notes and the capped call transactions are more fully described in Note 8, *Debt,* in the accompanying notes to our condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Foreign Currency Risk

We are also exposed to risks related to changes in foreign currency exchange rates relating to our foreign operations. The functional currency of our international subsidiaries is the local currency. We are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our subsidiaries' respective functional currencies. We are also exposed to unfavorable fluctuations of the U.S. dollar, which is our reporting currency, against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our condensed consolidated financial statements. We do not currently hedge our foreign currency exchange rate risk. A hypothetical 10% increase or decrease in current foreign exchange rates would have impacted our net loss for the six months ended June 30, 2025 by approximately $4.5 million.

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

Our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, are designed to ensure that information required to be disclosed 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 rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, concluded that those material weaknesses previously identified in "Part II, Item 9A – Controls and Procedures" of our Annual Report on Form 10-K for the year ended December 31, 2024 were still present as of June 30, 2025. Because our efforts to remediate the material weaknesses in our internal control over financial reporting are still underway and we have not had a sufficient period of time to test the operating effectiveness of our internal control over financial reporting, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective as of June 30, 2025.

Notwithstanding the identified material weaknesses, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that the condensed consolidated financial statements fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in this Quarterly Report on Form 10-Q, in conformity with accounting principles generally accepted in the United States.

Management is committed to the remediation of the material weaknesses referenced above and has progressed on the remediation plans described in "Part II, Item 9A – Controls and Procedures" of our Annual Report on Form 10-K for the year ended December 31, 2024. Several actions have been taken through June 30, 2025, including engaging a third-party specialist to assess and strengthen our design and operating effectiveness of our information technology (IT) general controls and IT application controls, implementing system approval and monitoring controls to mitigate segregation of duties risks within certain financial processes, and hiring and engaging incremental personnel with appropriate expertise in accounting, financial reporting and internal controls commensurate with the type, volume and complexity of our operations, among other remediation actions.

The actions that we are taking are subject to ongoing senior management review, as well as oversight of the audit committee of our board of directors. We will not be able to conclude that we have remediated a material weakness until the applicable controls operate for a sufficient period of time and management has concluded, through formal testing, that these controls are operating effectively. We will continue to monitor the design and effectiveness of these and other processes, procedures and controls and make any further changes management deems appropriate.

Changes in Internal Control Over Financial Reporting

Other than the material weakness remediation efforts described above, there have been no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, that occurred during the quarter ended June 30, 2025 that have materially affected, or are 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 2024 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.

Our activities to explore potential strategic alternatives may not result in any transaction or maximize shareholder value.

In April 2025, we announced that, based on discussions with the U.S. FDA, a confirmatory Phase III trial is needed to seek approval of an NDA for apraglutide for patients with SBS-IF who are dependent on PS. While continuing to advance apraglutide, we have engaged Goldman Sachs & Co. LLC to explore strategic alternatives for the company to maximize value for shareholders. Our ability to successfully execute on a strategic alternative is dependent on a number of factors and we may not be able to execute a transaction or other strategic alternative on favorable terms within an advantageous timeframe and recognize significant value for our assets, if at all. Additionally, the negotiation and consummation of a transaction or other strategic alternative may be costly and time-consuming. Even if we reach terms for a transaction or other strategic alternative that are acceptable to us, the outcome is not guaranteed; market volatility, the impact of macroeconomic and geopolitical conditions, regulatory factors, and other challenges, risks, and uncertainties in the process may result in an outcome where no transaction or strategic alternative is consummated. Any executed strategic alternative may not result in anticipated savings or other economic benefits, could result in total costs and expenses that are greater than expected, could make it more difficult to attract and retain qualified personnel and may disrupt our operations, each of which could have a material adverse effect on our business.

The market price of our shares of our Class A Common Stock may reflect a market assumption that a strategic alternative will occur, and a failure to complete a strategic alternative could result in negative investor perceptions and could cause a decline in the market price of our shares of our Class A Common Stock, which could adversely affect our ability to access the equity and financial markets, as well as our ability to explore and enter into different strategic alternatives. There can be no certainty that any strategic alternative will be completed, be on attractive terms, enhance stockholder value or deliver the anticipated benefits, and successful integration or execution of the strategic alternatives will be subject to additional risks. In addition, potential strategic alternatives that require stockholder approval may not be approved by our stockholders.

If we fail to regain compliance with the continued listing requirements of Nasdaq, our Class A Common Stock will be delisted and our ability to access the capital markets could be negatively impacted.

On May 28, 2025, we received a deficiency letter from the Listing Qualifications Department of the Nasdaq Stock Market, or Nasdaq, notifying us that, for the last 30 consecutive business days, the bid price for our Class A Common Stock had closed below the minimum $1.00 per share requirement for continued inclusion on the Nasdaq Global Select Market, referred to as the Minimum Bid Price Requirement. In accordance with Nasdaq Listing Rules, we have an initial period of 180 calendar days, or until November 24, 2025, to regain compliance with the Minimum Bid Price Requirement. If at any time before November 24, 2025 the bid price for our Class A Common Stock closes at $1.00 or more per share for a minimum of 10 consecutive business days, the Nasdaq Listing Qualifications Department staff will provide written notification to us that we have regained compliance with the Minimum Bid Price Requirement, unless the staff exercises its discretion to extend this 10-day period pursuant to the Nasdaq Listing Rules.

If we do not regain compliance with the Minimum Bid Price Requirement by the required date, the Nasdaq Listing Qualifications Department staff will provide us written notification that our Class A Common Stock will be delisted. At that time, we may appeal the staff's delisting determination to a Nasdaq Listing Qualifications Panel. However, there can be no assurance that, even if we appeal the staff's delisting determination to the Nasdaq Listing Qualifications Panel, such appeal would be successful.

We intend to monitor the closing bid price of our Class A Common Stock and may, if appropriate, consider available options to regain compliance with the Minimum Bid Price Requirement. However, there can be no assurance that we will be able to regain compliance with the Minimum Bid Price Requirement.

Any potential delisting of our Class A Common Stock from the Nasdaq Global Select Market would likely result in decreased liquidity and increased volatility for our Class A Common Stock and would also make it more difficult for our stockholders to sell our Class A Common Stock in the public market and would adversely affect our ability to raise capital on terms acceptable to us, or at all. Delisting from Nasdaq could also have other negative results, including, without limitation, the potential loss of confidence by investors, customers and employees and fewer business development opportunities.

Item 5. ***Other Information***

During the quarter ended June 30, 2025, the following 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, for the purchase or sale of our securities, the material terms of which are set forth in the table below.

Name (Title)	**Action Taken (Date of Action)**	**Type of Trading Arrangement**	**Nature of Trading Arrangement**	**Duration of Trading Arrangement[(1)]**	**Aggregate Number of Securities**
Ronald Silver (Corporate Controller)	Adoption (June 16, 2025)	Rule 10b5-1 trading arrangement	Sale	January 15, 2027	Indeterminable[(2)]

(1) The dates in this column represent the scheduled expiration date of each director or officer's Rule 10b5-1 trading arrangement. Each Rule 10b5-1 trading arrangement may terminate earlier than the date provided should all transactions contemplated thereunder occur prior to such date.

(2) Mr. Silver's Rule 10b5-1 trading arrangement provides for the sale of an indeterminable number of shares of Class A Common Stock that Mr. Silver may purchase under the Company's employee stock purchase plan.

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.
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.

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 11, 2025

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

Date: August 11, 2025

By: /s/ RONALD SILVER
Ronald Silver
Senior Vice President, Corporate Controller
(Principal 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 11, 2025

/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, Gregory Martini, 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 11, 2025

/s/ GREGORY MARTINI
Gregory Martini
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, 2025 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 11, 2025

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, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory Martini, 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/ GREGORY MARTINI
Gregory Martini
Chief Financial Officer

August 11, 2025

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.