

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

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934**
For the quarterly period ended September 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: 001-40720

OMNIAB, INC.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

98-1584818

*(I.R.S. Employer
Identification No.)*

5980 Horton Street, Suite 600
Emeryville
CA

(Address of principal executive offices)

94608

(Zip Code)

(510) 250-7800

(Registrant's Telephone Number, Including Area Code)

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

Title of each class	Trading Symbol	Name of Each Exchange on Which Registered
Common stock, \$0.0001 par value per share	OABI	The Nasdaq Global Market
Warrants to purchase common stock	OABIW	The Nasdaq Capital 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 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 October 28, 2025, the registrant had 143,955,400 shares of common stock outstanding.

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Part I – Financial Information

Item 1. Financial Statements

OMNIAB, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands, except share and per share data)

	September 30, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 28,537	\$ 27,598
Short-term investments	30,963	31,836
Accounts receivable, net	3,095	5,272
Prepaid expenses and other current assets	3,754	3,432
Total current assets	66,349	68,138
Intangible assets, net	128,377	138,060
Goodwill	83,979	83,979
Property and equipment, net	13,280	15,492
Operating lease right-of-use assets	16,117	17,789
Restricted cash	560	560
Other long-term assets	1,028	1,540
Total assets	\$ 309,690	\$ 325,558
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,908	\$ 2,297
Accrued expenses and other current liabilities	5,154	6,141
Current contingent liabilities	719	531
Current deferred revenue	1,635	2,337
Current operating lease liabilities	3,861	3,782
Total current liabilities	13,277	15,088
Long-term contingent liabilities	516	953
Deferred income taxes, net	1,166	2,314
Long-term operating lease liabilities	17,208	19,382
Long-term deferred revenue	—	117
Other long-term liabilities	79	86
Total liabilities	32,246	37,940
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 100,000,000 shares authorized at September 30, 2025 and December 31, 2024; no shares issued and outstanding at September 30, 2025 and December 31, 2024	—	—
Common stock, \$0.0001 par value; 1,000,000,000 shares authorized at September 30, 2025 and December 31, 2024; 143,955,400 and 121,599,488 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	14	12
Additional paid-in capital	429,425	388,979
Accumulated other comprehensive income	5	27
Accumulated deficit	(152,000)	(101,400)
Total stockholders' equity	277,444	287,618
Total liabilities and stockholders' equity	\$ 309,690	\$ 325,558

See accompanying notes to unaudited condensed consolidated financial statements.

OMNIAB, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue:				
License and milestone revenue	\$ 616	\$ 1,375	\$ 3,879	\$ 5,216
Service revenue	1,188	2,479	5,027	9,416
xPloration revenue	74	—	724	—
Royalty revenue	361	318	660	955
Total revenue	2,239	4,172	10,290	15,587
Costs and operating expenses:				
Cost of xPloration revenue	29	—	294	—
Research and development	10,379	13,318	33,845	41,804
General and administrative	6,777	7,079	22,376	23,381
Amortization of intangibles	3,228	3,393	9,684	11,348
Other operating expense (income), net	(34)	146	(2,706)	(2,324)
Total costs and operating expenses	20,379	23,936	63,493	74,209
Loss from operations	(18,140)	(19,764)	(53,203)	(58,622)
Other income (expense), net:				
Interest income	462	691	1,435	2,451
Other income (expense), net	(8)	(8)	20	(17)
Total other income (expense), net	454	683	1,455	2,434
Loss before income taxes	(17,686)	(19,081)	(51,748)	(56,188)
Income tax benefit	1,161	2,708	1,148	7,223
Net loss	\$ (16,525)	\$ (16,373)	\$ (50,600)	\$ (48,965)
 Net loss per share, basic and diluted	 \$ (0.14)	 \$ (0.16)	 \$ (0.46)	 \$ (0.48)
 Weighted-average shares outstanding, basic and diluted	 114,726	 102,393	 108,865	 101,538

See accompanying notes to unaudited condensed consolidated financial statements.

OMNIAB, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss	\$ (16,525)	\$ (16,373)	\$ (50,600)	\$ (48,965)
Unrealized net gain (loss) on available-for-sale securities	7	74	(22)	(1)
Comprehensive loss	<u>\$ (16,518)</u>	<u>\$ (16,299)</u>	<u>\$ (50,622)</u>	<u>\$ (48,966)</u>

See accompanying notes to unaudited condensed consolidated financial statements.

OMNIAB, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands, except share data)

	Common Stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stockholders' equity
	Shares	Amount				
Balance at January 1, 2025	121,599,488	\$ 12	\$ 388,979	\$ 27	\$ (101,400)	\$ 287,618
Net loss	—	—	—	—	(18,200)	(18,200)
Share-based compensation	—	—	4,144	—	—	4,144
Issuance of common stock under employee stock compensation plans	535,453	—	44	—	—	44
Unrealized net loss on available-for-sale securities	—	—	—	(19)	—	(19)
ATM facility issuance costs	—	—	(71)	—	—	(71)
Balance at March 31, 2025	122,134,941	\$ 12	\$ 393,096	\$ 8	\$ (119,600)	\$ 273,516
Net loss	—	—	—	—	(15,875)	(15,875)
Share-based compensation	—	—	4,111	—	—	4,111
Issuance of common stock under employee stock compensation plans	566,353	—	297	—	—	297
Unrealized net loss on available-for-sale securities	—	—	—	(10)	—	(10)
ATM facility issuance costs	—	—	25	—	—	25
Balance at June 30, 2025	122,701,294	\$ 12	\$ 397,529	\$ (2)	\$ (135,475)	\$ 262,064
Net loss	—	—	—	—	(16,525)	(16,525)
Share-based compensation	—	—	3,963	—	—	3,963
Unrealized net gain on available-for-sale securities	—	—	—	7	—	7
Issuance of common stock in private placement, net of commissions and issuance costs	21,254,106	2	27,933	—	—	27,935
Balance at September 30, 2025	143,955,400	\$ 14	\$ 429,425	\$ 5	\$ (152,000)	\$ 277,444
Balance at January 1, 2024	116,859,468	\$ 12	\$ 353,890	\$ 50	\$ (39,367)	\$ 314,585
Net loss	—	—	—	—	(18,961)	(18,961)
Share-based compensation	—	—	5,695	—	—	5,695
Issuance of common stock under employee stock compensation plans, net of tax	529,321	—	141	—	—	141
Unrealized net loss on available-for-sale securities	—	—	—	(67)	—	(67)
Balance at March 31, 2024	117,388,789	\$ 12	\$ 359,726	\$ (17)	\$ (58,328)	\$ 301,393
Net loss	—	—	—	—	(13,631)	(13,631)
Share-based compensation	—	—	5,383	—	—	5,383
Issuance of common stock under employee stock compensation plans, net of tax	767,537	—	1,044	—	—	1,044
Unrealized net loss on available-for-sale securities	—	—	—	(8)	—	(8)
Balance at June 30, 2024	118,156,326	\$ 12	\$ 366,153	\$ (25)	\$ (71,959)	\$ 294,181
Net loss	—	—	—	—	(16,373)	(16,373)
Share-based compensation	—	—	5,305	—	—	5,305
Issuance of common stock under employee stock compensation plans, net of tax	36,243	—	106	—	—	106
Issuance of common stock under ATM facility, net of commissions and issuance costs	2,029,978	—	8,435	—	—	8,435
Unrealized net gain on available-for-sale securities	—	—	—	74	—	74
Balance at September 30, 2024	120,222,547	\$ 12	\$ 379,999	\$ 49	\$ (88,332)	\$ 291,728

See accompanying notes to unaudited condensed consolidated financial statements.

OMNIAB, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2025	2024
Operating activities:		
Net loss	\$ (50,600)	\$ (48,965)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	14,047	15,977
Share-based compensation	12,218	16,383
Amortization of discounts on short-term investments, net	(614)	(1,285)
Deferred income taxes, net	(1,148)	(7,223)
Change in estimated fair value of contingent liabilities	201	(2,410)
Gain on sale of ion channel asset	(3,000)	—
Other	153	524
Changes in operating assets and liabilities, net:		
Accounts receivable, net	2,369	1,263
Prepaid expenses and other current assets	(322)	341
Other long-term assets	512	564
Accounts payable, accrued expenses, and other liabilities	(1,491)	(3,186)
Operating lease liabilities	(2,095)	(1,722)
Deferred revenue	(1,011)	(6,053)
Net cash used in operating activities	<u>(30,781)</u>	<u>(35,792)</u>
Investing activities:		
Purchases of short-term investments	(38,578)	(25,669)
Proceeds from the maturity of short-term investments	39,800	63,500
Purchases of property and equipment	(556)	(1,829)
Payment of contingent liabilities	—	(400)
Proceeds from sale of short-term investments	90	1,897
Proceeds from sale of ion channel asset	3,000	—
Net cash provided by investing activities	<u>3,756</u>	<u>37,499</u>
Financing activities:		
Payment of contingent liabilities	(450)	(75)
Proceeds from issuance of common stock from stock plans	341	2,251
Taxes paid related to net share settlement of equity awards	—	(960)
Proceeds from issuance of common stock in private placement, net of commissions	28,199	—
Proceeds from issuance of common stock under ATM facility, net of commissions	—	8,480
Payment of transaction costs	(126)	(525)
Net cash provided by financing activities	<u>27,964</u>	<u>9,171</u>
Net change in cash, cash equivalents and restricted cash	<u>939</u>	<u>10,878</u>
Cash, cash equivalents and restricted cash at beginning of period	<u>28,158</u>	<u>16,918</u>
Cash, cash equivalents and restricted cash at end of period	<u><u>\$ 29,097</u></u>	<u><u>\$ 27,796</u></u>
Supplemental cash flow information:		
Deferred revenue recorded in accounts receivable	\$ 192	\$ 892
Supplemental non-cash investing and financing activities:		
Transaction costs recorded in accounts payable and other current liabilities	198	30

See accompanying notes to unaudited condensed consolidated financial statements.

OMNIAB, INC.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Organization and Basis of Presentation

Description of Business

OmniAb, Inc. (“OmniAb” or the “Company”, formerly known as Avista Public Acquisition Corp. II (“APAC”)) is a biotechnology company that licenses cutting-edge discovery research technology to the pharmaceutical and biotech industries and academic institutions to enable the discovery of next-generation therapeutics. The Company’s technology platform creates and screens diverse antibody repertoires and is designed to quickly identify optimal antibodies and other target-binding proteins for its partners’ drug development efforts. At the heart of the OmniAb platform is something the Company calls Biological Intelligence™, which powers the immune systems of its proprietary, engineered transgenic animals to create optimized antibody candidates for human therapeutics. The Company primarily derives revenue from license fees for technology access, milestones from partnered programs and service revenue from research programs.

Business Combination

On November 1, 2022 (the “Closing Date”), the Company, Ligand Pharmaceuticals Incorporated, a Delaware corporation (“Ligand”), OmniAb Operations, Inc., a Delaware corporation and wholly-owned subsidiary of Ligand (“Legacy OmniAb”, formerly known as OmniAb, Inc.), and Orwell Merger Sub Inc., a Delaware corporation and a wholly-owned subsidiary of APAC (“Merger Sub”), consummated the transactions contemplated by the Agreement and Plan of Merger (the “Merger Agreement”), dated as of March 23, 2022 (the “Business Combination”).

Basis of Presentation

The Company’s accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. GAAP as included in the Accounting Standards Codification (“ASC”) and Accounting Standards Updates (“ASU”) of the Financial Accounting Standards Board (“FASB”). The financial information for the three and nine months ended September 30, 2025 and 2024, is unaudited but includes all normal and recurring adjustments unless indicated otherwise, which the Company considered necessary for fair presentation of its condensed consolidated statements of operations and comprehensive loss. Certain prior period amounts in the condensed consolidated financial statements have been reclassified to conform to the current period presentation.

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and accounts within the Company have been eliminated.

Liquidity and Capital Resources

The Company expects to continue to incur losses as it invests in research and development activities to improve its technology platform, market and sell its technologies to existing and new partners, add operational, financial and management information systems and personnel to support its operations and incur ongoing costs associated with operating as a public company. The Company’s ability to continue its operations is dependent upon its ability to generate cash flows from operations and potentially obtain additional capital in the future. The Company believes its existing cash, cash equivalents and short-term investments are sufficient to support operations through at least the next 12 months from the date of issuance of these financial statements.

The accompanying condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Emerging Growth Company

OmniAb qualifies as an emerging growth company as defined in Section 2(a) of the Securities Act of 1933, as amended, (“Securities Act”), as modified by the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”).

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration

statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. OmniAb has elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, OmniAb, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of OmniAb's financial statements with another public company, which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period, difficult because of the potential differences in accounting standards used.

2. Summary of Significant Accounting Policies

Significant Accounting Policies

The Company's significant accounting policies are disclosed in its Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC and have not materially changed during the nine months ended September 30, 2025. The Company believes that the disclosures provided here are adequate to make the information presented not misleading when these unaudited condensed consolidated financial statements are read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K.

Use of Estimates

The preparation of these condensed consolidated financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and the accompanying notes. Actual results may differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents consist of cash and highly liquid investments with maturities of three months or less when purchased. Cash and cash equivalents generally consist of bank deposits, money market funds as well as U.S. government and agency securities.

The following table provides a reconciliation of the components of cash, cash equivalents and restricted cash reported in the condensed consolidated balance sheets to the total of the amount presented in the condensed consolidated statements of cash flows:

(in thousands)	September 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 28,537	\$ 27,598
Restricted cash	560	560
Total cash, cash equivalents and restricted cash presented in the condensed consolidated statements of cash flows	<u>\$ 29,097</u>	<u>\$ 28,158</u>

Restricted cash relates to deposits for the Company's property leases. The restriction will lapse when the related leases expire.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed below, the Company believes that the impact of recently issued standards are either not applicable to the Company or will not have a material impact on its consolidated financial statements upon adoption.

The following table provides a brief description of recently issued accounting standards:

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
ASU 2023-09, Income Taxes (Topic 740) - Improvements to Income Tax Disclosures	The amendments in this ASU address investor requests for more transparency about income tax information through improvements to tax disclosures primarily related to the rate reconciliation and income taxes paid information. The ASU also includes certain other amendments to improve the effectiveness of income tax disclosures.	Effective for the Company for annual periods beginning after December 15, 2024, with early adoption permitted.	The ASU will be effective for the Company in the income tax disclosure included in its 2025 Annual Report on Form 10-K and will be applied on a prospective basis. The Company does not expect the adoption of ASU 2023-09 to have a material impact on its consolidated financial statements.
ASU 2024-03, Income Statement (Topic 220) - Expense Disaggregation Disclosures	The amendments in this ASU require a public business entity to provide disaggregated disclosures, in the notes to the financial statements, of certain categories of expenses that are included in expense line items on the face of the income statement.	Effective for the Company for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027.	The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements and disclosures.

3. Fair Value Measurement

The Company measures its financial assets and liabilities at fair value, which is defined as the exit price, or the amount that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses the following three-level valuation hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs to value its financial assets and liabilities:

- Level 1 — Observable inputs such as unadjusted quoted prices in active markets for identical instruments.
- Level 2 — Quoted prices for similar instruments in active markets or inputs that are observable for the asset or liability, either directly or indirectly.
- Level 3 — Significant unobservable inputs based on the Company's assumptions.

Financial Instruments Measured on a Recurring Basis

The following tables provide a summary of the assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2025 and December 31, 2024:

(in thousands)	Fair Value Measurements as of September 30, 2025			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	\$ 20,593	\$ —	\$ —	\$ 20,593
Government securities	3,487	—	—	3,487
Total cash equivalents	<u>\$ 24,080</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 24,080</u>
Short-term investments:				
Government securities	\$ 30,963	\$ —	\$ —	\$ 30,963
Total short-term investments	<u>\$ 30,963</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 30,963</u>
Liabilities:				
Current contingent liabilities	\$ —	\$ —	\$ 719	\$ 719
Long-term contingent liabilities	—	—	516	516
Total contingent liabilities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,235</u>	<u>\$ 1,235</u>

(in thousands)	Fair Value Measurements as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	\$ 17,616	\$ —	\$ —	\$ 17,616
Total cash equivalents	\$ 17,616	\$ —	\$ —	\$ 17,616
Short-term investments:				
Government and agency securities	\$ 30,429	\$ 1,316	\$ —	\$ 31,745
Asset-backed securities	—	91	—	91
Total short-term investments	\$ 30,429	\$ 1,407	\$ —	\$ 31,836
Liabilities:				
Current contingent liabilities	\$ —	\$ —	\$ 531	\$ 531
Long-term contingent liabilities	—	—	953	953
Total contingent liabilities	\$ —	\$ —	\$ 1,484	\$ 1,484

The carrying amounts reported in the Company's condensed consolidated balance sheets for accounts receivable, other assets, accounts payable and accrued expenses and other current liabilities approximate fair value due to their relatively short periods to maturity.

Available-for-Sale Securities

The Company obtains the fair value of its Level 2 available-for-sale securities from third-party pricing services. The pricing services utilize industry standard valuation models whereby all significant inputs, including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, bids, offers, or other market-related data, are observable. The Company validates the prices provided by the third-party pricing services by reviewing their pricing methods and obtaining market values from other pricing sources. The Company did not adjust or override any fair value measurements provided by these pricing services as of December 31, 2024. There were no level 2 available-for-sale securities as of September 30, 2025. The Company has not transferred any investment securities between classification levels.

Contingent Liabilities

Contingent liabilities are measured at fair value each reporting period by using a probability weighted income approach.

A reconciliation of the Level 3 financial instruments as of September 30, 2025 and December 31, 2024 is as follows:

(in thousands)	Icagen ⁽¹⁾	Taurus ⁽²⁾	Total
Balance as of January 1, 2024	\$ 4,106	\$ 400	\$ 4,506
Payments of contingent liabilities	(75)	(400)	(475)
Fair value adjustments to contingent liabilities	(2,547)	—	(2,547)
Balance as of December 31, 2024	\$ 1,484	\$ —	\$ 1,484
Payments of contingent liabilities	(450)	—	(450)
Fair value adjustments to contingent liabilities	201	—	201
Balance as of September 30, 2025	\$ 1,235	\$ —	\$ 1,235

- (1) Changes in the fair values of contingent liabilities in connection with the acquisition of Icagen are recognized in "Other operating expense (income), net" in the condensed consolidated statements of operations and in the operating section of the statements of cash flows. Payments of contingent liabilities are disclosed in the financing section of the statements of cash flows.
- (2) Changes in the fair values of contingent liabilities in connection with the acquisition of Taurus are recognized in "Intangible assets, net" in the condensed consolidated balance sheets. Payments of contingent liabilities are disclosed in the investing section of the statement of cash flows.

Contingent liabilities are classified as Level 3 liabilities as their valuation requires substantial judgment and estimation of factors that are not currently observable in the market. These subjective estimates include but are not limited to assumptions involving the achievement probability of certain developmental and commercialization milestones, discount rates, and projected years of payments. If different assumptions were used for the various inputs to the valuation approaches, the estimated fair value could be materially higher or lower than the fair value determined.

4. Short-Term Investments

The Company classified short-term investments as available-for-sale securities, as the sale of such investments may be required prior to maturity to implement management strategies. The following tables summarize short-term investments as of September 30, 2025 and December 31, 2024:

(in thousands)	As of September 30, 2025			
	Unrealized			Estimated Fair Value
	Amortized Cost	Gains	Losses	
Government securities	\$ 30,958	\$ 6	\$ (1)	\$ 30,963
Total short-term investments	\$ 30,958	\$ 6	\$ (1)	\$ 30,963

(in thousands)	As of December 31, 2024			
	Unrealized			Estimated Fair Value
	Amortized Cost	Gains	Losses	
Government and agency securities	\$ 31,719	\$ 30	\$ (3)	\$ 31,746
Asset-backed securities	90	—	—	90
Total short-term investments	\$ 31,809	\$ 30	\$ (3)	\$ 31,836

The Company classified all investments with maturity dates beyond three months at the date of purchase as short-term investments in the condensed consolidated balance sheets based upon its ability and intent to use the investments to satisfy the liquidity needs of current operations. The following table summarizes available-for-sale investments by maturity as of September 30, 2025:

(in thousands)	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ 30,958	\$ 30,963
Due after one year	—	—
Total short-term investments	\$ 30,958	\$ 30,963

The following tables summarize the Company's available-for-sale investments' gross unrealized losses and fair value aggregated by investment category and the length of time that individual securities have been in a continuous loss position, as of September 30, 2025 and December 31, 2024:

(in thousands)	As of September 30, 2025								
	Less than 12 months			More than 12 months			Total		
	Count	Fair Value	Unrealized Losses	Count	Fair Value	Unrealized Losses	Count	Fair Value	Unrealized Losses
Government securities	6	\$ 9,588	\$ (1)	—	\$ —	\$ —	6	\$ 9,588	\$ (1)
	6	\$ 9,588	\$ (1)	—	\$ —	\$ —	6	\$ 9,588	\$ (1)

(in thousands)	As of December 31, 2024								
	Less than 12 months			More than 12 months			Total		
	Count	Fair Value	Unrealized Losses	Count	Fair Value	Unrealized Losses	Count	Fair Value	Unrealized Losses
Government and agency securities	2	\$ 2,930	\$ (3)	—	\$ —	\$ —	2	\$ 2,930	\$ (3)
	2	\$ 2,930	\$ (3)	—	\$ —	\$ —	2	\$ 2,930	\$ (3)

The Company had certain available-for-sale debt securities in an unrealized loss position without an allowance for credit loss as of September 30, 2025. Unrealized losses on these debt securities have not been recognized into income because (1) the issuers have high credit quality, (2) management does not intend to sell and it is likely that management will not be required to sell these securities prior to their anticipated recovery and (3) the decline in fair value is largely due to market conditions and/or changes in interest rates. The issuers continue to make timely interest payments on the securities, and the fair value is expected to recover as the bonds approach maturity.

5. Balance Sheet Account Details

Accounts Receivable, Unbilled Receivables and Deferred Revenue

Unbilled receivables were \$0.3 million and \$2.6 million as of September 30, 2025 and December 31, 2024, respectively. Deferred revenue as of September 30, 2025 is expected to be recognized within the next 12 months. Deferred revenue was \$1.6 million and \$2.5 million as of September 30, 2025 and December 31, 2024, respectively. During the three and nine months ended September 30, 2025, the amount recognized as revenue that was previously deferred at June 30, 2025 and December 31, 2024 was \$0.4 million and \$2.2 million, respectively. During the three and nine months ended September 30, 2024, the amount recognized as revenue that was previously deferred at June 30, 2024 and December 31, 2023 was \$1.4 million and \$6.1 million, respectively.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following as of September 30, 2025 and December 31, 2024:

(in thousands)	September 30, 2025	December 31, 2024
Prepaid expenses	\$ 2,180	\$ 2,295
xPloration related inventory	443	48
Other current assets	1,131	1,089
Total prepaid expenses and other current assets	\$ 3,754	\$ 3,432

Property and Equipment, Net

Property and equipment, net, consisted of the following as of September 30, 2025 and December 31, 2024:

(in thousands)	September 30, 2025	December 31, 2024
Leasehold improvements	\$ 17,745	\$ 17,745
Lab and office equipment	10,218	9,785
Computer hardware and software	864	760
Construction in progress	46	103
Property and equipment, at cost	28,873	28,393
Less accumulated depreciation	(15,593)	(12,901)
Total property and equipment, net	\$ 13,280	\$ 15,492

Depreciation expense, which is included in operating expenses, was \$0.9 million and \$2.7 million during the three and nine months ended September 30, 2025, respectively, and \$1.0 million and \$3.1 million during the three and nine months ended September 30, 2024, respectively.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following as of September 30, 2025 and December 31, 2024:

(in thousands)	September 30, 2025	December 31, 2024
Compensation	\$ 4,632	\$ 5,468
Professional service fees	304	324
Royalties owed to third parties	61	143
Other	157	206
Total accrued expenses and other current liabilities	<u>\$ 5,154</u>	<u>\$ 6,141</u>

6. Goodwill and Intangible Assets, Net

Goodwill and intangible assets, net consisted of the following as of September 30, 2025 and December 31, 2024:

(in thousands)	September 30, 2025	December 31, 2024
Goodwill	\$ 83,979	\$ 83,979
Finite-lived intangible assets		
Completed technology	233,158	233,158
Less: Accumulated amortization	(107,931)	(98,773)
Customer relationships	11,100	11,100
Less: Accumulated amortization	(7,950)	(7,425)
Intangible assets, net	<u>\$ 128,377</u>	<u>\$ 138,060</u>
Total goodwill and other identifiable intangible assets, net	<u>\$ 212,356</u>	<u>\$ 222,039</u>

Goodwill

There were no changes in the carrying amount of goodwill during the three and nine months ended September 30, 2025 and 2024.

Intangible Assets

Amortization of finite-lived intangible assets is computed using the straight-line method over the estimated useful life of the asset of up to 20 years and is reflected within “Amortization of intangibles” in the condensed consolidated statements of operations. Amortization expense of \$3.2 million and \$9.7 million was recognized during the three and nine months ended September 30, 2025 respectively. Amortization expense of \$3.4 million and \$11.3 million was recognized during the three and nine months ended September 30, 2024, respectively.

For each of the three and nine months ended September 30, 2025, there was no impairment of finite-lived intangible assets. During the nine months ended September 30, 2024, the Company determined that certain of its finite-lived intangible assets related to the acquisition of Ab Initio in July 2019 were fully impaired, and recorded a \$1.2 million write-off of the net carrying value, which is recorded as “Amortization of intangibles” in the condensed consolidated statements of operations.

The remaining weighted-average useful life of finite-lived intangible assets is 10.3 years. At September 30, 2025, future amortization expense on intangible assets is estimated to be as follows (in thousands):

Dates	Amount
Remaining three months ended December 31, 2025	\$ 3,228
2026	12,912
2027	12,912
2028	12,912
2029	12,912
Thereafter	73,501
Total future amortization expense	<u>\$ 128,377</u>

Gain on Sale of Ion Channel Asset

On May 7, 2025, the Company entered into an Asset Purchase and Assignment Agreement (the “Asset Purchase Agreement”) with Angelini Pharma S.p.A. (“Angelini”). Under the Asset Purchase Agreement, the Company sold, transferred, assigned and conveyed to Angelini, and Angelini purchased, acquired and accepted from the Company, all of the Company’s rights, title and interest in and to the transferred assets, which include among other things the intellectual property and related know-how (collectively, the “Purchased Assets”) generated in connection with the license agreement, dated December 4, 2018, as amended on June 30, 2021, October 21, 2022, and December 22, 2023, by and between F. Hoffmann-La Roche Ltd (“Roche”) and the Company’s subsidiary Icagen, which allowed the Company to receive potential development and commercial milestones and royalties on net sales of any approved products.

The sale qualified as a sale of a non-financial asset and the carrying value of the Purchased Assets as of May 7, 2025 was zero. Cash proceeds from the sale of \$3.0 million were recorded to other operating income, net during the nine months ended September 30, 2025, and included as a part of income from operations in accordance with ASC 610-20, Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets.

7. Commitments and Contingencies

Lease Commitments

The Company’s corporate headquarters are located in Emeryville, California and its research facilities are located in Emeryville and Dixon, California, Durham, North Carolina and Tucson, Arizona. It leases approximately 70,000 square feet of space under leases expiring from 2026 to 2032.

The below tables provide supplemental cash flow and other information related to operating leases (in thousands, except for lease term and discount rate):

	Nine Months Ended September 30,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:	\$ 2,820	\$ 2,563
Right-of-use assets obtained in exchange for lease obligations:	\$ —	\$ 39

	As of September 30,	
	2025	2024
Weighted average remaining lease term (in years)	6.1	7.1
Weighted average discount rate	4.4 %	4.3 %

In addition to base rent, certain of the Company’s operating leases require variable payments. These variable lease costs include amounts relating to common area maintenance and are expensed when the obligation for those payments is incurred and are recognized as operating expenses in the condensed consolidated statements of operations. The following table summarizes the components of operating lease expense for the three and nine months ended September 30, 2025 and 2024:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating lease cost	799	799	2,397	2,393
Variable lease cost	427	519	1,106	1,337
Total lease costs	1,226	1,318	3,503	3,730

Future minimum lease commitments are as follows as of September 30, 2025 (in thousands):

Dates	Operating Leases
Remaining three months ended December 31, 2025	\$ 962
2026	3,879
2027	3,980
2028	4,107
2029	3,307
Thereafter	7,992
Total lease payments	24,227
Less imputed interest	(3,158)
Present value of lease liabilities	\$ 21,069

Legal Proceedings

From time to time, the Company has been and may be involved in various legal proceedings arising in its ordinary course of business. In the opinion of management, resolution of any pending claims (either individually or in the aggregate) is not expected to have a material adverse impact on the condensed consolidated financial statements, cash flows or financial position and it is not possible to provide an estimated amount of any such loss. However, the outcome of disputes is inherently uncertain. Therefore, although management considers the likelihood of such an outcome to be remote, an unfavorable resolution of one or more matters could materially affect future results of operations or cash flows, or both, in a particular period.

8. Stockholders' Equity

Authorized and Outstanding Capital Stock

The total number of shares of the Company's authorized capital stock is 1,100,000,000. The total amount of authorized capital stock consists of 1,000,000,000 shares of common stock and 100,000,000 shares of preferred stock. As of September 30, 2025, no shares of preferred stock were issued or outstanding.

Common Stock

Holders of the Company's common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders, including the election of directors, and do not have cumulative voting rights. Subject to preferences that may be applicable to any then outstanding preferred stock, holders of common stock are entitled to receive ratably those dividends, if any, as may be declared by the board of directors out of legally available funds. In the event of the Company's liquidation, dissolution or winding up, the holders of common stock will be entitled to share ratably in the assets legally available for distribution to stockholders after the payment of or provision for all of the Company's debts and other liabilities, subject to the prior rights of any preferred stock then outstanding. Holders of common stock have no preemptive or conversion rights or other subscription rights and there are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of common stock are duly authorized, validly issued, fully paid and nonassessable. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that the Company may designate and issue in the future.

Preferred Stock

Under the terms of the Company's certificate of incorporation, its board of directors has the authority, without further action by the Company's stockholders, to issue up to 100,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the dividend, voting and other rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon, and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

The Company's board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deterring or preventing a change in the Company's control and may adversely affect the market price of the common stock and the voting and other rights of the holders of common stock. The Company has no current plans to issue any shares of preferred stock.

Earnout Shares

Some of the Company's shares of common stock are subject to certain price-based earnout triggers (the "Earnout Shares"). Earnout Shares vest based upon the achievement of certain volume-weighted average trading prices ("VWAP") for shares of the Company for any 20 trading days over a consecutive 30 trading-day period during the five-year period following the Closing Date, with (i) 50% of such Earnout Shares vesting upon achievement of a VWAP of \$12.50 per share of common stock or upon the occurrence of a change of control transaction that will result in the holders of common stock receiving a price per share in excess of \$12.50, and (ii) the remaining 50% of the Earnout Shares vesting upon achievement of a VWAP of \$15.00 per share of common stock or upon the occurrence of a change of control transaction that will result in the holders of common stock receiving a price per share in excess of \$15.00. The Earnout Shares are not transferable until the vesting condition for the applicable tranche of Earnout Shares has been achieved. Prior to vesting, holders of Earnout Shares are entitled to exercise the voting rights carried by such shares and receive any dividends or other distributions in respect of such shares. As of September 30, 2025, 14,999,243 Earnout Shares were issued and outstanding.

Pursuant to the Sponsor Insider Letter Agreement executed concurrently with the Merger Agreement, by and among APAC, Avista Acquisition LP II (the "Sponsor"), Legacy OmniAb and certain insiders of APAC, 1,293,299 shares of OmniAb common stock held by the Sponsor became subject to the same price-based vesting conditions as the Earnout Shares (the "Sponsor Earnout Shares"). The Sponsor Earnout Shares are accounted for as equity-classified equity instruments and recorded in additional paid-in capital as part of the Business Combination. As of September 30, 2025, 1,293,299 Sponsor Earnout Shares were issued and outstanding.

The Earnout Shares and Sponsor Earnout Shares will be automatically forfeited for no consideration if an applicable triggering event has not occurred from the Closing Date to and including the fifth anniversary of the Closing Date.

Public, Private Placement, Forward Purchase and Backstop Warrants

The Company assumed 7,666,667 warrants originally issued in APAC's initial public offering (the "Public Warrants") and 8,233,333 warrants issued in a private placement that closed concurrently with APAC's initial public offering, (the "Private Placement Warrants") in the Business Combination. Additionally, pursuant to the Amended and Restated Forward Purchase Agreement, dated as of March 23, 2022 (the "A&R FPA"), on the Closing Date, the Company issued 1,666,667 warrants in the Forward Purchase (the "Forward Purchase Warrants") and 1,445,489 warrants in the Redemption Backstop (the "Backstop Warrants"). The Public, Private Placement, Forward Purchase and Backstop Warrants entitle the holder to purchase one share of the Company's common stock at an exercise price of \$11.50 per share.

The Public Warrants are publicly traded and are exercisable for cash unless certain conditions occur, such as the failure to have an effective registration statement related to the shares issuable upon exercise or redemption by the Company under certain conditions, at which time the warrants may be cashless exercised at the option of the Company.

The Public Warrants are only exercisable for a whole number of shares of common stock. No fractional shares are to be issued upon exercise of the warrants. The Public Warrants will expire on November 1, 2027 (which is five years after the completion of the Business Combination), at 5:00 p.m., New York City time, or earlier upon redemption or liquidation. The Public Warrants are listed on the Nasdaq Capital Market under the symbol "OABIW".

Additionally, the Company can redeem the outstanding Public Warrants:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and
- if, and only if, the closing price of the common stock equals or exceeds \$18.00 per share (as adjusted for share subdivisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending three trading days before the Company sends the notice of redemption to the warrant holders provided there was an effective registration statement covering the shares of common stock issuable upon exercise of the warrants.

If the Company calls the Public Warrants for redemption as previously described, the Company has the option to require all holders that wish to exercise the Public Warrants to do so on a cashless basis.

The Private Placement Warrants have terms and provisions that are identical to the Public Warrants except that the Private Placement Warrants were not transferable, assignable or salable until 30 days after the completion of the Business Combination. The Private Placement Warrants will be redeemable by the Company in all redemption scenarios and exercisable by the holders on the same basis as the Public Warrants. The Forward Purchase Warrants and the Backstop Warrants have the same terms as the Private Placement Warrants.

The Company evaluated the Public, Private Placement, Forward Purchase and Backstop Warrants under ASC 815-40, *Derivatives and Hedging-Contracts in Entity's Own Equity* ("ASC 815-40"), and concluded they meet the criteria for equity classification as they are considered to be indexed to the Company's own stock. Upon consummation of the Business Combination, the Public, Private Placement, Forward Purchase and Backstop Warrants were recorded in additional paid-in capital.

Equity Compensation Plans

2022 Incentive Award Plan

The Company's board of directors and stockholders adopted the 2022 Incentive Award Plan (the "2022 Plan"), which became effective upon the Closing of the Business Combination. Under the 2022 Plan, the Company may grant cash and equity incentive awards to eligible employees, directors and consultants.

As of September 30, 2025, the aggregate number of shares of our common stock that may be issued under the 2022 Plan is 36,444,156 shares. In addition, the number of shares of our common stock available for issuance under the 2022 Plan will be annually increased on January 1 of each calendar year beginning in 2023 and ending in 2032 by an amount equal to the lesser of (i) a number equal to 5% of the fully-diluted shares on the final day of the immediately preceding calendar year or (ii) such smaller number of shares as is determined by the Company's board of directors.

The 2022 Plan provides for the grant of stock options, including incentive stock options and nonqualified stock options, stock appreciation rights, restricted stock, dividend equivalents, restricted stock units ("RSUs") and other stock or cash-based awards.

OmniAb Prior Plans

In connection with the Business Combination, Legacy OmniAb adopted the OmniAb, Inc. 2022 Ligand Service Provider Assumed Award Plan and the OmniAb, Inc. 2022 OmniAb Service Provider Assumed Award Plan (collectively, the "OmniAb Prior Plans"), which govern the OmniAb equity awards issued upon adjustment of outstanding Ligand equity awards in connection with Ligand's distribution of Legacy OmniAb common stock to Ligand stockholders. All awards under the OmniAb Prior Plans that were outstanding as of the closing of the Business Combination continued to be governed by the terms, conditions and procedures set forth in the OmniAb Prior Plans and any applicable award agreements, as those terms may be equitably adjusted in connection with the Business Combination. The Company assumed the OmniAb Prior Plans in connection with the closing of the Business Combination, and each of the awards thereunder.

At the Market Offering

In December 2023, the Company entered into an Open Market Sale AgreementSM (the "Sales Agreement"), with Jefferies LLC (the "Sales Agent") under which it may, from time to time, sell shares of its common stock having an aggregate offering price of up to \$100.0 million in "at the market" ("ATM") offerings through the Sales Agent. Sales of the shares of common stock, if any, will be made at prevailing market prices at the time of sale, or as otherwise agreed with the Sales Agent. The Sales Agent will receive a commission from the Company of up to 3.0% of the gross proceeds of any shares of common stock sold under the Sales Agreement. Sales of its common stock made pursuant to the Sales Agreement are made under its shelf registration statement on Form S-3 which was filed on December 8, 2023 and declared effective by the SEC on December 18, 2023. The Company is not obligated to sell, and the Sales Agent is not obligated to buy or sell, any shares of common stock under the Sales Agreement. During the year ended December 31, 2024, 2,771,192 shares of common stock in the ATM offering were issued for net proceeds of \$11.4 million, after deducting commissions. No shares of common stock in the ATM offering were issued during the nine months ended September 30, 2025.

PIPE Offering

On August 24, 2025, the Company entered into a securities purchase agreement with the purchasers named therein for the private placement (“August 2025 PIPE”) of 21,254,106 shares of the Company’s common stock at a price of \$1.40 per share or, with respect to any purchaser that was an officer, director, employee or consultant of the Company, \$1.85 per share. The aggregate gross proceeds from the August 2025 PIPE were approximately \$30.0 million, before deducting placement agent fees and offering expenses. The closing of the August 2025 PIPE occurred on August 26, 2025. On September 12, 2025, the Company filed a registration statement on Form S-3 with the SEC registering the resale of the shares of common stock issued in the August 2025 PIPE, which registration statement was declared effective by the SEC on September 19, 2025.

9. Share-Based Compensation

Share-Based Compensation Expense

The Company recognized share-based compensation expense by function as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
General and administrative	\$ 2,404	\$ 2,733	\$ 7,454	\$ 8,266
Research and development	1,559	2,572	4,764	8,117
Total share-based compensation expense	\$ 3,963	\$ 5,305	\$ 12,218	\$ 16,383

The Company recognized share-based compensation expense by award type as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Stock options	\$ 2,877	\$ 3,659	\$ 8,991	\$ 11,162
Restricted stock units	938	1,429	2,776	4,421
Employee share purchase plan	148	63	451	340
Performance restricted stock units	—	154	—	460
Total share-based compensation expense	\$ 3,963	\$ 5,305	\$ 12,218	\$ 16,383

Stock Options

Stock options granted under the 2022 Plan typically vest 1/8 on the six-month anniversary of the date of grant, and 1/48 each month thereafter for 42 months. All option awards generally expire 10 years from the date of grant.

The Company uses the Black-Scholes option-pricing model to estimate the fair value of stock options granted. The model assumptions include expected volatility, expected term, dividend yield, and the risk-free interest rate.

- **Expected volatility:** Due to the Company’s limited trading history for its common stock, the Company lacks sufficient historical data to support its expected stock price volatility. As such, the Company utilized a weighted approach by blending its own limited historical data with the volatilities of publicly traded biotechnology peers. The Company will continue to apply this approach until it has enough historical data to solely support its expected volatility.
- **Expected term:** The expected term represents the period of time that options are expected to be outstanding. Because the Company has limited historical exercise behavior, it determines the expected life assumption using the simplified method which is an average of the contractual term of the option and its vesting period.
- **Dividend yield:** The Company bases the expected dividend yield assumption on the fact that it has never paid cash dividends and has no present intention to pay cash dividends and, therefore, used an expected dividend yield of zero.
- **Risk-free interest rate:** The risk-free interest rate is based upon U.S. Treasury securities with remaining terms similar to the expected term of the share-based awards.

The fair value of each option issued was estimated on the grant date using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025 ⁽¹⁾	2024	2025	2024
Risk-free interest rate	—%	4.1%	4.4%	4.3%
Expected volatility	—%	55.7%	52.7%	54.4%
Expected term (years)	0.0	6.0	6.0	6.0
Dividend yield	—%	—%	—%	—%

(1) There were no options granted during the three months ended September 30, 2025.

The following table summarizes stock option activity under the Company's equity award plans:

	Shares	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands) ⁽¹⁾
Outstanding at January 1, 2025	16,880,628	\$ 6.40		
Granted	4,141,388	\$ 3.42		
Exercised	(11,983)	\$ 3.69		
Cancelled/Expired	(2,172,136)	\$ 6.78		
Outstanding at September 30, 2025	18,837,897	\$ 5.71	7.4	\$ 20
Exercisable at September 30, 2025	10,605,986	\$ 6.83	6.6	\$ —

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying options and the estimated fair value of the common stock for in the money options as of September 30, 2025.

As of September 30, 2025, unrecognized share-based compensation expense related to OmniAb options was \$17.7 million, which is expected to be recognized over a remaining weighted-average period of approximately 1.19 years. As of September 30, 2025, unrecognized share-based compensation expense related to Ligand options was negligible.

The aggregate intrinsic value of OmniAb options exercised by OmniAb service providers during the nine months ended September 30, 2025 was negligible. Cash received from OmniAb options exercised by OmniAb service providers during the nine months ended September 30, 2025 was negligible.

There were no OmniAb options exercised by Ligand employees during the nine months ended September 30, 2025.

Restricted Stock Units

RSUs generally represent the right to receive a certain number of shares of common stock subject to certain vesting conditions and other restrictions. RSUs generally vest over three years. The fair value of RSUs is determined by the closing market price on the grant date.

The following table summarizes RSU activity during the nine months ended September 30, 2025 under the Company's equity awards plans:

	Shares	Weighted-Average Grant Date Fair Value
Unvested balance at January 1, 2025	1,761,208	\$ 5.23
Granted	1,129,201	\$ 3.31
Vested	(665,316)	\$ 6.05
Forfeited	(294,773)	\$ 4.79
Unvested balance at September 30, 2025	1,930,320	\$ 3.89

As of September 30, 2025, unrecognized stock-based compensation expense related to OmniAb RSUs was \$5.0 million, which is expected to be recognized over a remaining weighted-average period of approximately 1.31 years.

The aggregate intrinsic value of OmniAb RSUs vested for OmniAb service providers during the nine months ended September 30, 2025 was \$2.0 million.

Performance Restricted Stock Units

Performance restricted stock units (“PRSUs”) generally represent the right to receive a certain number of shares of common stock based on the achievement of certain corporate performance or market goals and continued employment during the vesting period.

The Company’s PRSUs contain a market condition dependent upon the Company’s relative and absolute total stockholder return over a three-year period, with a payout range of 0% to 200% of the target shares granted. Share-based compensation expense for these PRSUs is measured using the Monte-Carlo valuation model and is not adjusted for the achievement, or lack thereof, of the market conditions.

During the nine months ended September 30, 2025, the PRSUs were achieved at a 158% achievement level.

The following table summarizes the PRSU activity during the nine months ended September 30, 2025, under the Company’s equity awards plans:

	Shares	Weighted-Average Grant Date Fair Value
Unvested balance at January 1, 2025	94,749	\$ 16.11
Granted	—	\$ —
Vested	(149,882)	\$ 16.11
Change in units based on performance achievement	55,133	\$ 16.11
Forfeited	—	\$ —
Unvested balance at September 30, 2025	—	\$ —

As of September 30, 2025, there is no unrecognized share-based compensation expense related to the PRSUs.

Employee Stock Purchase Plan

Under the Company’s 2022 Employee Stock Purchase Plan (the “ESPP”), eligible employees are entitled to purchase shares of common stock at a discount with accumulated payroll deductions. The ESPP provides for a series of overlapping 24-month offering periods comprising four six-month purchase periods. The purchase price for shares of common stock purchased under the ESPP is equal to 85% of the lesser of the fair market value of the Company’s common stock on (i) the first trading day of the applicable offering period or (ii) the last trading day of each six month purchase period in the applicable offering period.

As of September 30, 2025, the aggregate number of shares of the Company’s common stock that may be issued pursuant to rights granted under the ESPP equals 3,768,385 shares of the Company’s common stock. In addition, on the first day of each calendar year beginning on January 1, 2023 and ending on (and including) January 1, 2032, the number of shares available for issuance under the ESPP will be increased by a number of shares equal to the lesser of (i) 1% of the fully diluted shares outstanding on the final day of the immediately preceding calendar year, and (ii) such smaller number of shares as determined by the Company’s board of directors.

As of September 30, 2025, there was \$0.6 million of unrecognized share-based compensation expense associated with the ESPP, which is expected to be recognized over a remaining weighted-average period of 1.13 years.

During the nine months ended September 30, 2025, there were 274,625 shares issued pursuant to the ESPP.

10. Income Taxes

The Company's effective tax rate may vary from the U.S. federal statutory tax rate due to the valuation allowance placed on deferred tax assets, change in the mix of earnings in various state jurisdictions with different statutory rates, benefits related to tax credits, and the tax impact of non-deductible expenses, stock award activities and other permanent differences between income before income taxes and taxable income. The Company's effective tax rate for the three and nine months ended September 30, 2025 was 6.6% and 2.2%, respectively. The variance from the U.S. federal statutory tax rate of 21.0% for each of the three and nine months ended September 30, 2025 was primarily due to the valuation allowance established on federal and state attributes and the tax impact of stock award activities that was partially offset with the benefit related to research and development tax credits. The Company's effective tax rate for each of the three and nine months ended September 30, 2024 was 14.2% and 12.9%, respectively. The variance from the U.S. federal statutory tax rate of 21.0% for each of the three and nine months ended September 30, 2024 was primarily due to the valuation allowance established on federal and state attributes and the tax impact of stock award activities that was partially offset with the benefit related to research and development tax credits.

The Company considered the realizability of the deferred tax assets and recorded a valuation allowance as necessary for the amount of deferred tax assets which are not more likely than not to be realized as of September 30, 2025.

11. Net Loss Per Share

Loss Per Share

Basic loss per share is calculated by dividing net loss by the weighted-average number of common shares outstanding during the period. Diluted loss per share is computed based on the sum of the weighted average number of common shares and dilutive common shares outstanding during the period. As described in Note 8 – Stockholders' Equity, Earnout Shares issued in connection with the Business Combination are subject to vesting based on the VWAP of common shares during the earnout period. The Earnout Shares are excluded from the calculation of basic and diluted weighted-average number of common shares outstanding until vested.

The following table outlines the basic and diluted net loss per share for the three and nine months ended September 30, 2025 and 2024:

(in thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss	\$ (16,525)	\$ (16,373)	\$ (50,600)	\$ (48,965)
Weighted-average shares outstanding, basic and diluted	114,726	102,393	108,865	101,538
Net loss per share, basic and diluted	\$ (0.14)	\$ (0.16)	\$ (0.46)	\$ (0.48)

The following table outlines common share equivalents which were excluded from the computation of diluted net loss per share, as the effect of their inclusion would be anti-dilutive or the share equivalents were contingently issuable as of each period presented:

	September 30,	
	2025	2024
Options to purchase common stock issued and outstanding ⁽¹⁾	23,047,055	22,132,077
Earnout shares	16,292,542	16,292,542
Private placement warrants	8,233,333	8,233,333
Public warrants	7,666,667	7,666,667
Restricted stock units issued and outstanding	1,930,320	2,165,251
Forward purchase warrants	1,666,667	1,666,667
Backstop warrants	1,445,489	1,445,489
Shares expected to be purchased under employee stock purchase plan	948,967	687,882
Total anti-dilutive shares	61,231,040	60,289,908

(1) Outstanding stock options include awards outstanding to employees of Ligand.

12. Segment Information

The Company operates under one reportable business segment, providing discovery research technology to enable the discovery of next-generation therapeutics. The determination of a single reportable business segment is consistent with the consolidated financial information regularly provided to the Company's chief operating decision maker ("CODM"). The Company's CODM is its Chief Executive Officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance.

In addition to the significant expense categories included within the consolidated statements of operations, certain other disaggregated amounts that comprise research and development expenses and general and administrative expenses are reviewed by the CODM. These expenses consist of (1) personnel related expenses, including salaries, benefits and share-based compensation, (2) external expenses, including third-party costs for goods and services such as lab supplies and contract research, and (3) facility and other overhead expenses, including depreciation and occupancy costs.

The following table outlines information about segment revenues, significant segment expenses, and segment net loss for the three months ended September 30, 2025 and 2024:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 2,239	\$ 4,172	\$ 10,290	\$ 15,587
Cost of xPloration revenue	29	—	294	—
Research and development expenses				
Personnel related expenses	5,552	6,756	17,918	\$ 21,470
External expenses	2,733	4,205	9,705	13,492
Facility and other overhead expenses	2,094	2,357	6,222	6,842
Total research and development expenses	10,379	13,318	33,845	41,804
General and administrative expenses				
Personnel related expenses	5,074	5,231	16,119	16,474
External expenses	1,505	1,700	5,590	6,140
Facility and other overhead expenses	198	148	667	767
Total general and administrative expenses	6,777	7,079	22,376	23,381
Amortization of intangibles	3,228	3,393	9,684	11,348
Other operating expense (income), net	(34)	146	(2,706)	(2,324)
Total other income, net	454	683	1,455	2,434
Income tax benefit	1,161	2,708	1,148	7,223
Net loss	\$ (16,525)	\$ (16,373)	\$ (50,600)	\$ (48,965)

All long-term assets are maintained in, and all net losses are attributable to, the United States of America.

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

The following discussion and analysis and the unaudited interim financial statements included in this Quarterly Report on Form 10-Q should be read in conjunction with the financial statements and notes thereto for the year ended December 31, 2024 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in the Annual Report on Form 10-K for the year ended December 31, 2024 (the "2024 Annual Report").

Forward-Looking Statements

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our future results of operations and financial position, our expected cash runway, our business strategy, our expectations regarding the application of, and the rate and degree of market acceptance of, our OmniAb[®] technology platform and other technologies, our expectations regarding the addressable markets for our technologies, including the growth rate of the markets in which we operate, the potential for and timing of receipt of milestones and royalties under our license agreements with partners, our research and development plans, the potential for our partnered or internal programs to progress in their development, the anticipated timing of the initiation and completion of preclinical studies and clinical trials by our partners, the timing and likelihood of regulatory filings and product approvals by our partners, the potential for and timing and geographic markets of any commercial product launches by our partners and potential for commercial success, our ability to enter into any new, or maintain existing, strategic partnerships or collaborative relationships, our ability to obtain and maintain intellectual property protection for our platform, products and technologies, the timing and likelihood of success, plans and objectives of management for future operations, and future results of anticipated business development and product development efforts, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

These forward-looking statements speak only as of the date of this Quarterly Report and are subject to a number of risks, uncertainties and assumptions, including, without limitation, the risk factors described in Part II, Item 1A, "Risk Factors" of this Quarterly Report. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. All forward-looking statements are qualified in their entirety by this cautionary statement, which is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Overview

OmniAb licenses cutting-edge discovery research technology to pharmaceutical and biotech companies and academic institutions to enable the discovery of next-generation therapeutics. Our technology platform creates and screens diverse antibody repertoires and is designed to quickly identify optimal antibodies and other target-binding proteins for our partners' drug development efforts. At the heart of the OmniAb platform is what we call Biological Intelligence[™], which powers the immune systems of our proprietary, engineered transgenic animals to create optimized antibody candidates for human therapeutics.

We believe the OmniAb animals comprise the most diverse host systems available in the industry. Our suite of technologies and methods, including computational antigen design and immunization methods, paired with high-throughput single B cell phenotypic screening and mining of next-generation sequencing datasets with custom algorithms, are used to identify fully human antibodies with exceptional performance and developability characteristics. We provide our partners both integrated end-to-end capabilities and highly customizable offerings, which address critical industry challenges and provide optimized discovery solutions.

As of September 30, 2025, we had 104 active partners with 399 active programs using the OmniAb technology platform, including 28 OmniAb-derived antibodies in clinical development by our partners, one under regulatory review, and three approved products developed and commercialized by our partners.

Our proprietary technologies are joined with and leverage a suite of *in silico*, artificial intelligence and machine learning tools for therapeutic discovery and optimization that are woven throughout our various technologies and capabilities. Additionally, an established core competency focused on ion channels and transporters further differentiates OmniAb's technology and creates opportunities in many important and emerging target classes. OmniAb technologies are designed to be leveraged for the discovery of a variety of next-generation antibody-based therapeutic modalities, including bi- and multi-specific biologics, antibody-drug conjugates, CAR-T therapies, targeted radiotherapeutics, and many others.

The OmniAb suite of technologies spans from Biological Intelligence-powered repertoire generation to cutting-edge antibody discovery and optimization offering an increasingly efficient and customizable end-to-end solution for the growing discovery needs of the global pharmaceutical industry.

We partner with pharmaceutical and biotechnology companies and leading academic institutions that vary in size, clinical stage, geography and therapeutic focus. Our partners gain access to wide repertoires of antibodies and state-of-the-art screening technologies designed to enable efficient discovery of next-generation novel therapeutics and deliver high-quality therapeutic antibody candidates for a wide range of diseases. Our partners can select a biological target to treat a disease and define the antibody properties needed for therapeutic development or use certain of our technologies directly in their own laboratories.

Our license agreements with pharmaceutical and biotechnology partners generally include: (i) upfront or, in some instances, annual payments for technology access; (ii) payments for performance of research services; (iii) downstream payments in the form of preclinical, intellectual property, clinical, regulatory, and commercial milestones; and (iv) royalties on net sales of our partners' products, if any. License agreements with academic institutions are typically structured with revenue sharing. We succeed when our partners are successful, and our agreements are structured to align economic and scientific interests. Our license agreements typically include reporting requirements, which provide us updates from our partners on the status of their programs. In addition, we track our active partnered programs by reviewing our partners' public announcements and maintaining close communications with our partners to the extent possible. In some instances, a partner may not publicly announce milestones, in which case, we would be generally dependent on our partner to track, report and disclose to us milestones at the time of achievement. Our license agreements typically grant a perpetual license to our technology and are typically terminable by our partners without penalty with specified notice. However, all milestone payments and royalties survive termination and continue with respect to any OmniAb-derived antibodies. The royalty term is generally the longer of 10 years from the first commercial sale or through the last expiration in any jurisdiction of the patents covering such OmniAb-derived antibody. Importantly, our royalty term is typically linked to the patents that our partners file related to the antibody discovered using our technology, which both lengthens and diversifies the royalty streams we receive. Our typical royalty rates for antibody discovery contracts are currently in the low- to mid-single digits and can vary depending on other economic terms in the agreement. Although our license agreements with pharmaceutical and biotechnology partners typically include technology access fees, milestone payments and royalties, each agreement is negotiated separately and as a result, the financial terms and contractual provisions vary from agreement to agreement. By providing a full suite of antibody discovery technologies with streamlined economics, we believe we offer an attractive option to industry stakeholders.

We believe the long-term value of our business will be driven by royalties given that such payments are based on global sales of potential future partner programs, which generally provide for larger and recurring payments as compared to technology access, research and milestone payments. We believe our revenue will be materially driven by milestones in the shorter term, and by royalties in the longer term, from our partnered programs. However, there is significant uncertainty in timing and likelihood of reaching marketing authorization in drug discovery and development, and we cannot be certain when, if at all, royalty payments will be a material portion of our revenue. Furthermore, we do not control the progression, clinical development, regulatory strategy or eventual commercialization of programs discovered using our platform, and as a result, we are dependent on our partners' efforts and decisions with respect to such programs.

Key Business Metrics

We regularly review the following key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. We believe that the following metrics are important to understanding our current business. These metrics are highly dependent on information provided by our partners and may change or may be substituted for additional or different metrics as our business continues to grow.

Metric	Active Partners	Active Programs	Active Clinical Programs and Approved Products	Approved Products
December 31, 2024	91	363	32	3
Additions	17	69	2	—
Terminations	(4)	(33)	(2)	—
September 30, 2025	104	399	32	3

Active partners represents the number of partners that have rights to an active program or have executed a license agreement in advance of initiating an active program. A partner is removed from the metric when the partner informs us they are terminating their license or they are no longer in business. We view this metric as an indication of the competitiveness of our platform and our current level of market penetration. The metric also relates to our opportunities to secure additional active programs.

Active programs represents a program for which research work has commenced or where an antigen is introduced into our animals and remains so as long as the program is actively being developed or commercialized. This number includes active clinical programs and approved products separately disclosed in the table above. We view this metric as an indication of the usage of our technology and the potential for mid- and long-term milestone and royalty payments.

Active clinical programs and approved products represents the number of unique programs for which an Investigational New Drug Application (“IND”) or equivalent under other regulatory regimes has been filed based on an OmniAb-derived antibody and which are in clinical development by our partners. We continue to count programs as active as long as they are actively being developed, under regulatory review or commercialized. Where the date of such application is not known to us, we use the official start date from clinical trial registries for the purpose of calculating this metric. This number includes approved products separately disclosed in the table above. We view this metric as an indication of our near- and mid-term potential revenue from milestone fees and potential royalty payments in the long term.

Approved products represents an OmniAb-derived antibody for which our partner has received marketing approval. We view this metric as an indication of our near- and mid-term potential revenue from royalty payments.

Our business metrics are subject to risk and uncertainties related to our dependence on our partners providing timely and accurate information, which impacts our ability to objectively and accurately characterize the current level of activity for each program. In addition, changes in our key business metrics do not directly correlate to current revenues. For more information, see the section in our 2024 Annual Report titled “Risk Factors - *Our management uses certain key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions, and such metrics may not accurately reflect all of the aspects of our business needed to make such evaluations and decisions, in particular as our business continues to grow.*”

Results of Operations

Comparison of the Three and Nine Months Ended September 30, 2025 and 2024

Revenue

(Dollars in thousands)	Three Months Ended September 30,		Change	% Change
	2025	2024		
License and milestone revenue	\$ 616	\$ 1,375	\$ (759)	(55)%
Service revenue	1,188	2,479	(1,291)	(52)%
xPloration revenue	74	—	74	100 %
Royalty revenue	361	318	43	14 %
Total revenue	<u>\$ 2,239</u>	<u>\$ 4,172</u>	<u>\$ (1,933)</u>	<u>(46)%</u>

- License and milestone revenue fluctuates depending on the timing of new license agreements with partners and partners' achievement of milestones. Because of these factors, license and milestone revenue could fluctuate significantly from period to period. License and milestone revenue decreased primarily due to a \$1.0 million decline in milestone revenue, partially offset by a \$0.3 million increase in license revenue.
- Service revenue declined primarily as a result of the completion of certain small molecule ion channel programs in the first half of 2025.

(Dollars in thousands)	Nine Months Ended September 30,		Change	% Change
	2025	2024		
License and milestone revenue	\$ 3,879	\$ 5,216	\$ (1,337)	(26)%
Service revenue	5,027	9,416	(4,389)	(47)%
xPloration revenue	724	—	724	100 %
Royalty revenue	660	955	(295)	(31)%
Total revenue	<u>\$ 10,290</u>	<u>\$ 15,587</u>	<u>\$ (5,297)</u>	<u>(34)%</u>

- License and milestone revenue decreased primarily due to a \$1.8 million decline in milestone revenue, partially offset by a \$0.5 million increase in license revenue.
- Service revenue declined primarily as a result of the completion or discontinuation of certain small molecule ion channel programs and the acceleration of revenue in the prior year period as a result of one of the discontinued programs.
- xPloration revenue increased primarily as a result of the sale of an instrument and related consumables.
- Royalty revenue declined primarily due to lower net sales from partners' product sales in China.

Costs and Operating Expenses

(Dollars in thousands)	Three Months Ended September 30,		Change	% Change
	2025	2024		
Cost of xPloration revenue	\$ 29	\$ —	\$ 29	100 %
Research and development	10,379	13,318	(2,939)	(22)%
General and administrative	6,777	7,079	(302)	(4)%
Amortization of intangibles	3,228	3,393	(165)	(5)%
Other operating expense (income), net	(34)	146	(180)	(123)%
Total costs and operating expenses	<u>\$ 20,379</u>	<u>\$ 23,936</u>	<u>\$ (3,557)</u>	<u>(15)%</u>

- **Research and development expenses** consist of (1) personnel related expenses, including salaries, benefits and share-based compensation, (2) external expenses, including third-party costs for goods and services such as lab supplies and contract research, and (3) facility and other overhead expenses, including depreciation and occupancy costs. Research

and development expenses decreased primarily due to lower personnel expenses related to lower share-based compensation expense and headcount, and lower external expenses associated with ion channel programs.

(Dollars in thousands)	Three Months Ended September 30,		Change	% Change
	2025	2024		
Personnel related expenses	5,552	6,756	\$ (1,204)	(18)%
External expenses	2,733	4,205	(1,472)	(35)%
Facility and other overhead expenses	2,094	2,357	(263)	(11)%
Total research and development expenses	\$ 10,379	\$ 13,318	\$ (2,939)	(22)%

- **General and administrative expenses** declined primarily due to lower legal fees and share-based compensation expense.
- **Amortization of intangibles** declined primarily due to the write-off of the net carrying value of \$2.7 million of certain small molecule ion channel intangible assets in the prior year period.
- **Other operating expense (income), net** during the three months ended September 30, 2025 and 2024 primarily includes the contingent liability adjustments associated with certain ion channel programs.

(Dollars in thousands)	Nine Months Ended September 30,		Change	% Change
	2025	2024		
Cost of xPloration revenue	\$ 294	\$ —	\$ 294	100 %
Research and development	33,845	41,804	(7,959)	(19)%
General and administrative	22,376	23,381	(1,005)	(4)%
Amortization of intangibles	9,684	11,348	(1,664)	(15)%
Other operating expense (income), net	(2,706)	(2,324)	(382)	16 %
Total costs and operating expenses	\$ 63,493	\$ 74,209	\$ (10,716)	(14)%

- **Cost of xPloration revenue** consists of contract manufacturing costs, material parts costs and associated freight, shipping and handling costs, royalty costs, and other direct costs related to xPloration revenue recognized in the period. During the nine months ended September 30, 2025, cost of xPloration revenue increased due to direct costs associated with the sale of xPloration revenue recognized during the period.
- **Research and development expenses** decreased primarily due to lower personnel expenses related to lower share-based compensation expense and headcount, and lower external expenses associated with ion channel programs and lower contract research costs.

(Dollars in thousands)	Nine Months Ended September 30,		Change	% Change
	2025	2024		
Personnel related expenses	17,918	21,470	\$ (3,552)	(17)%
External expenses	9,705	13,492	(3,787)	(28)%
Facility and other overhead expenses	6,222	6,842	(620)	(9)%
Total research and development expenses	\$ 33,845	\$ 41,804	\$ (7,959)	(19)%

- **General and administrative expenses** decreased primarily due to lower legal fees and share-based compensation expense.
- **Amortization of intangibles** declined primarily due to the write-off of the net carrying value of our finite-lived intangible assets related to the acquisition of Ab Initio of \$1.2 million and the write-off of the net carrying value of \$2.7 million of certain small molecule ion channel intangible assets in the prior year period.
- **Other operating income, net** during the nine months ended September 30, 2025 includes a gain of \$3.0 million from the sale in May 2025 of a small molecule Kv7.2 program to Angelini and a \$0.9 million reduction in contingent liabilities attributed to changes in certain ion channel programs, which were partially offset by the \$1.0 million contingent liability adjustment associated with the Angelini program. Other operating income, net during the nine months ended September 30, 2024 primarily consists of a \$2.4 million reduction in contingent liabilities attributed to changes in ion channel programs.

Other Income (Expense), net

Other income (expense), net during the three and nine months ended September 30, 2025 and 2024 primarily related to interest earned on short-term investments. The decline in interest income was related to lower short-term investment balances as well as declines in interest rates.

Income Tax Benefit

(Dollars in thousands)	Three Months Ended September 30,		Change	% Change
	2025	2024		
Loss before income taxes	\$ (17,686)	\$ (19,081)	\$ 1,395	(7)%
Income tax benefit	1,161	2,708	(1,547)	(57)%
Net loss	<u>\$ (16,525)</u>	<u>\$ (16,373)</u>	<u>\$ (152)</u>	1 %
Effective tax rate	(6.6)%	(14.2)%		

(Dollars in thousands)	Nine Months Ended September 30,		Change	% Change
	2025	2024		
Loss before income taxes	\$ (51,748)	\$ (56,188)	\$ 4,440	(8)%
Income tax benefit	1,148	7,223	(6,075)	(84)%
Net loss	<u>\$ (50,600)</u>	<u>\$ (48,965)</u>	<u>\$ (1,635)</u>	3 %
Effective tax rate	(2.2)%	(12.9)%		

Our effective tax rate is affected by recurring items, such as the U.S. federal and state statutory tax rates and the relative amounts of income we earn in those jurisdictions. The tax rate is also affected by discrete items that may occur in any given year but are not consistent from year to year.

Our effective tax rate for each of the three and nine months ended September 30, 2025 and 2024 differed from the federal statutory tax rate of 21.0% primarily due to the valuation allowance established on federal and state attributes and the tax impact of stock award activities that was partially offset with the benefit related to research and development tax credits.

Liquidity and Capital Resources

As of September 30, 2025, our cash, cash equivalents and short-term investments were \$59.5 million. We believe our existing cash, cash equivalents and short-term investments are sufficient to support operations through at least the next 12 months from the date of issuance of these financial statements.

If our anticipated cash flows from operations and current cash are insufficient to satisfy our liquidity requirements because of increased expenditures or lower demand for our technology platform, or the realization of other risks, we may be required to raise additional capital through issuances of public or private equity or debt financing or other capital sources. Such additional financing may not be available on terms acceptable to us or at all. In any event, we may consider raising additional capital in the future to expand our business, to pursue strategic investments or acquisitions, to take advantage of favorable market conditions or financing opportunities or for other reasons. Our future capital requirements will depend on many factors, including, but not limited to:

- our ability to achieve revenue growth, which is dependent on the ability of our partners to successfully develop and commercialize therapies based on antibodies discovered using our platform;
- the costs of expanding our operations, including our business development and marketing efforts;
- our rate of progress in selling access to our platform and marketing activities associated therewith;
- our rate of progress in, and cost of research and development activities associated with, our platform technologies and our internal developed programs to the extent we pursue any such programs;
- the effect of competing technological and market developments;
- the impact of pandemic or epidemic diseases on global social, political and economic conditions;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patents and other intellectual property and proprietary rights; and
- the costs associated with any technologies that we may in-license or acquire.

On August 26, 2025, we completed a private placement (“August 2025 PIPE”) of 21,254,106 shares of our common stock at a price of \$1.40 per share or, with respect to any purchaser that was an officer, director, employee or consultant of the Company, \$1.85 per share. The aggregate gross proceeds from the August 2025 PIPE were approximately \$30.0 million, before deducting placement agent fees and offering expenses. On September 12, 2025, we filed a registration statement on Form S-3 with the SEC registering the resale of the shares of common stock issued in the August 2025 PIPE, which registration statement was declared effective by the SEC on September 19, 2025.

In December 2023, we entered into an Open Market Sale AgreementSM (the “Sales Agreement”), with Jefferies LLC (the “Sales Agent”) under which we may, from time to time, sell shares of our common stock having an aggregate offering price of up to \$100.0 million in an “at the market” (“ATM”) offerings program through the Sales Agent. Sales of the shares of common stock, if any, will be made at prevailing market prices at the time of sale, or as otherwise agreed with the Sales Agent. The Sales Agent will receive a commission from us of up to 3.0% of the gross proceeds of any shares of common stock sold under the Sales Agreement. Sales of our common stock made pursuant to the Sales Agreement are made under our shelf registration statement on Form S-3 which was filed on December 8, 2023 and declared effective by the SEC on December 18, 2023. We are not obligated to sell, and the Sales Agent is not obligated to buy or sell, any shares of common stock under the Sales Agreement. As of September 30, 2025, \$88.3 million remains available under the Sales Agreement for future sales of our common stock.

Additionally, we may receive up to \$218.6 million from the exercise of our warrants, assuming the exercise in full of all the warrants for cash, but not from the sale of the shares of our common stock issuable upon such exercise. As of the date of this report, our warrants are “out of the money,” which means that the trading price of the shares of our common stock underlying our warrants is below the \$11.50 exercise price of the warrants. For so long as the warrants remain out of the money, we do not expect warrant holders to exercise their warrants. Therefore, any cash proceeds that we may receive in relation to the exercise of such securities will be dependent on the trading price of our common stock.

We anticipate that our principal uses of cash in the future will be primarily to fund our operations, working capital needs, capital expenditures and other general corporate purposes.

Cash Flow Summary

(in thousands)	Nine Months Ended September 30,		Change
	2025	2024	
Net cash provided by (used in):			
Operating activities	\$ (30,781)	\$ (35,792)	\$ 5,011
Investing activities	3,756	37,499	(33,743)
Financing activities	\$ 27,964	\$ 9,171	\$ 18,793

Cash from Operating Activities:

During the nine months ended September 30, 2025, cash used in operating activities of \$30.8 million primarily reflected our net loss of \$50.6 million and changes in our operating assets and liabilities in the amount of \$2.0 million, partially offset by net non-cash charges of \$21.9 million which primarily included \$12.2 million in share-based compensation, \$14.0 million in depreciation and amortization, a gain on sale of an ion channel asset of \$3.0 million and a change in our deferred income taxes of \$1.1 million.

During the nine months ended September 30, 2024, cash used in operating activities of \$35.8 million primarily reflected our net loss of \$49.0 million, changes in our operating assets and liabilities in the amount of \$8.8 million, partially offset by net non-cash charges of \$22.0 million which primarily included \$16.4 million in share-based compensation, \$16.0 million in depreciation and amortization, a change in our deferred income taxes of \$7.2 million, a change in the estimated fair value of contingent liabilities of \$2.4 million, and the amortization of discounts on short-term investments of \$1.3 million.

Cash from Investing Activities:

During the nine months ended September 30, 2025, cash provided by investing activities of \$3.8 million primarily consisted of \$39.8 million of proceeds from the maturity of short-term investments and \$3.0 million of proceeds from the sale of an ion channel asset, partially offset by \$38.6 million of cash used to purchase short-term investments.

During the nine months ended September 30, 2024, cash provided by investing activities of \$37.5 million primarily consisted of \$63.5 million of proceeds from the maturity of short-term investments and \$1.9 million from the sale of short-term investments, partially offset by \$25.7 million of cash used to purchase short-term investments and \$1.8 million of cash used to purchase property and equipment.

Cash from Financing Activities:

During the nine months ended September 30, 2025, cash provided by financing activities was \$28.0 million, which primarily consisted of net proceeds from the issuance of our common stock in the August 2025 PIPE.

During the nine months ended September 30, 2024, cash provided by financing activities was \$9.2 million, which primarily consisted of \$2.3 million of proceeds from the issuance of common stock from stock plans and \$8.5 million of proceeds from the issuance of common stock under the ATM facility, net of commissions, partially offset by \$1.0 million of taxes paid related to the net share settlement of equity awards and \$0.5 million of transaction costs.

Critical Accounting Policies and Estimates

There have been no material changes to our critical accounting policies and estimates during the nine months ended September 30, 2025, as compared to the critical accounting policies and estimates disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the 2024 Annual Report.

Recent Accounting Pronouncements

For the summary of recent accounting pronouncements, see Note 2 – Summary of Significant Accounting Policies to our financial statements included in this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

As of September 30, 2025, there were no material changes to our market risks from the discussion provided in Item 7A of our 2024 Annual Report.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic and current reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2025, the end of the period covered by this Quarterly Report. Based upon such evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of such date.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II – Other Information

Item 1. Legal Proceedings

For information that updates the disclosures set forth under Part I, Item 3, “Legal Proceedings” in our 2024 Annual Report, refer to Note 7 – Commitments and Contingencies to the condensed consolidated financial statements contained in Part I, Item 1, of this report.

From time to time, we may be subject to legal proceedings. We are not currently a party to or aware of any proceedings that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or results of operations. However, regardless of outcome, litigation can have an adverse impact on our business because of defense and settlement costs, diversion of management resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

Item 1A. Risk Factors

The risk factors described in our 2024 Annual Report are not the only risks we face. Factors we currently do not know, factors that we currently consider immaterial or factors that are not specific to us, such as general economic conditions, may also materially adversely affect our business or our consolidated operating results, financial condition or cash flows. We do not believe that there have been any material changes to the risk factors disclosed in Part I, Item 1A of our 2024 Annual Report, except for the following:

Recent government healthcare reform and other legislative measures could adversely affect our business and results of operations.

As further discussed in the risk factor titled “*Healthcare reform efforts aimed at lowering the price of biopharmaceutical products may impact our ability to maintain sufficient profits*” in Part I, Item 1A of our 2024 Annual Report, in both the United States and certain foreign jurisdictions, there have been a number of legislative and regulatory changes to the health care system that could impact our partners’ ability to sell their products profitably.

In particular, the One Big Beautiful Bill Act, which was enacted in July 2025, imposes significant reductions in the funding of the Medicaid program. Such reductions are expected to decrease the number of persons enrolled in Medicaid and reduce the services covered by Medicaid, which could adversely affect our partners’ sales of their products and any other product candidates that they may commercialize.

Further, the current administration is pursuing a two-fold strategy to reduce drug costs in the United States. While it is unclear whether and how the proposals will be implemented, the policies are likely to have a negative impact on the pharmaceutical industry and on our partners’ ability to receive adequate revenues for any product candidate that they commercialize. On the one hand, there have been threats to impose significant tariffs on pharmaceutical manufacturers that do not adopt pricing policies such as most favored nation pricing, which would tie the price for drugs in the United States to the lowest price in a group of other countries. In response, multiple manufacturers have reportedly entered into confidential pricing agreements with the federal government. On the other hand, the current administration is pursuing traditional regulatory pathways to impose drug pricing policies, although proposed regulations have not yet been published. Even regulatory proposals or executive actions that are ultimately deemed unlawful could negatively impact the U.S. pharmaceutical sector and our business.

At the same time, some U.S. states have enacted legislation creating so-called prescription drug affordability boards, and to date one state has used its prescription drug affordability board to impose an upper payment limit. Other states are seeking to implement general, across the board price caps for pharmaceuticals, or are seeking to regulate drug distribution. Changing reimbursement and pricing actions in various states have negatively affected, and may continue to negatively affect, pharmaceutical products. State legislative measures could limit the price or payment for certain drugs or could complicate the distribution of drugs.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements

From time to time, our officers (as defined in Rule 16a-1(f) of the Exchange Act) and directors may enter into Rule 10b5-1 or non-Rule 10b5-1 trading arrangements (as each such term is defined in Item 408 of Regulation S-K). During the three months ended September 30, 2025, none of our officers or directors adopted, modified, or terminated any such trading arrangements.

Item 6. Exhibits

Exhibit Number	Description of Exhibit	Incorporated by Reference			Exhibit Number	Filed Herewith
		Form	File Number	Date of Filing		
2.1+	Agreement and Plan of Merger, dated March 23, 2022, by and among Avista Public Acquisition Corp. II, Orwell Merger Sub Inc., Ligand Pharmaceuticals Incorporated and OmniAb, Inc.	S-4	333-264525	September 27, 2022	2.1	
2.2+	Separation and Distribution Agreement, dated March 23, 2022, by and among Avista Public Acquisition Corp. II, Ligand Pharmaceuticals Incorporated and OmniAb, Inc.	S-4	333-264525	September 27, 2022	2.2	
3.1	Certificate of Incorporation of the Registrant	10-K	001-40720	March 30, 2023	3.1	
3.2	Bylaws of the Registrant	8-K	001-40720	November 7, 2022	3.2	
4.1	Warrant Agreement, dated August 9, 2021, between Avista Public Acquisition Corp. II and Continental Stock Transfer & Trust Company, as warrant agent	8-K	001-40720	August 12, 2021	4.1	
4.2	Assignment, Assumption and Amendment Agreement, dated November 1, 2022, by and among OmniAb, Inc., Continental Stock Transfer & Trust Company and Computershare Trust Company, N.A.	8-K	001-40720	November 7, 2022	4.2	
4.3	Specimen Warrant Certificate	S-1/A	333-257177	July 28, 2021	4.3	
4.4	Specimen Common Stock Certificate of OmniAb, Inc.	S-4	333-264525	September 27, 2022	4.5	
10.1	Securities Purchase Agreement, dated August 24, 2025, by and between OmniAb, Inc. and each of the purchasers party thereto	8-K	001-40720	August 25, 2025	10.1	
31.1	Certification of Chief Executive Officer, as required by Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Chief Financial Officer, as required by Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					X

+ Certain schedules and annexes have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or annex will be furnished as a supplement to the SEC upon request.

* This certification is deemed not filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

SIGNATURES

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

Date: November 4, 2025

By: /s/ Kurt Gustafson

Kurt Gustafson

Executive Vice President, Finance and Chief Financial Officer

(Principal Financial and Accounting Officer)

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

I, Matthew W. Foehr, certify that:

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

Date: November 4, 2025

By: /s/ Matthew W. Foehr

Name: Matthew W. Foehr

Title: President and Chief Executive Officer
(principal executive officer)

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

I, Kurt A. Gustafson, certify that:

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

Date: November 4, 2025

By: /s/ Kurt A. Gustafson

Name: Kurt A. Gustafson

Title: Executive Vice President, Finance and
Chief Financial Officer
(principal financial officer)

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

In connection with the Quarterly Report of OmniAb, Inc. (the “Company”) on Form 10-Q for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 4, 2025

By: /s/ Matthew W. Foehr

Name: Matthew W. Foehr

Title: President and Chief Executive Officer
(principal executive officer)

**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 OmniAb, Inc. (the “Company”) on Form 10-Q for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 4, 2025

By: /s/ Kurt A. Gustafson

Name: Kurt A. Gustafson

Title: Executive Vice President, Finance and
Chief Financial Officer
(principal financial officer)