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 March 31, 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: 001-38599

Aquestive Therapeutics, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**30 Technology Drive, Warren, NJ 07059**	**82-3827296**
(State or other jurisdiction of Incorporation or organization)	**(908) 941-1900**	(I.R.S. Employer Identification Number)

(Address, Zip Code and Telephone Number of Registrant's Principal Executive Offices)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	**AQST**	Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: **None**

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934.

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

The number of outstanding shares of the registrant's common stock, par value of $0.001 per share (the "Common Stock"), as of the close of business on May 8, 2025 was 99,327,928.

AQUESTIVE THERAPEUTICS, INC.
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GLOSSARY OF TERMS, ABBREVIATIONS AND ACRONYMS

The following terms, abbreviations and acronyms are used to identify frequently used terms and phrases that may be used in this report (dollar amounts in thousands):

TERM	DEFINITION
12.5% Notes	12.5% Senior Secured Notes redeemed on November 1, 2023
13.5% Notes	13.5% Senior Secured Notes
ACAAI	American College of Allergy Asthma and Immunology
ABL facility	Asset-based borrowing facility
ADHD	Attention deficit hyperactivity disorder
Adrenaverse™	Epinephrine prodrug platform currently comprised of Anaphylm™ and AQST-108
ALS	Amyotrophic lateral sclerosis
ANVISA	Brazilian Health Regulatory Agency
API	Active Pharmaceutical Ingredients
Aquestive	Aquestive Therapeutics, Inc.
AQST	Nasdaq ticker symbol for Aquestive Therapeutics, Inc.
ASC	Accounting Standards Codification
Assertio	Assertio Holdings, Inc.
Assertio Agreement	License Agreement between Aquestive and Otter Pharmaceuticals, LLC, a subsidiary of Assertio Holdings, Inc.
ARS	Acute Repetitive Seizures
ASU	Accounting Standards Updates
ATM facility	At-The-Market facility for the purchase of AQST Common Stock, then in effect
CNS	Central Nervous System
CODM	Chief Operating Decision Maker
Common Stock	Common Stock, par value $0.001 per share, of the Company
Common Stock Warrants	Warrants issued with private placement of up to $100,000 aggregate principal of 12.5% Notes originally due 2025
Company	Aquestive Therapeutics, Inc.
DEA	Drug Enforcement Administration
R&D	Research and development
EMA	European Medicines Agency
EOP2	End-of-phase 2
EPS	Earnings per share
ESPP	Employee Stock Purchase Plan
EU	European Union
Exchange Act	Securities Exchange Act of 1934
Existing Warrants	Common Stock Purchase Warrants with the holder of the remaining 5,000,000 warrants
FASB	Financial Accounting Standards Board
FDA	U.S. Food and Drug Administration
First Amendment	First amendment to the Sunovion License Agreement
GAAP	Generally Accepted Accounting Principles
Haisco	Haisco Pharmaceutical Group Co., Ltd.
Haisco Agreement	License, Development and Supply Agreement with Haisco, a Chinese limited company listed on the Shenzhen Stock Exchange
Hypera	Hypera Pharma, CosMed Industria De Cosmeticos E Medicamentos S.A
IND	Investigational New Drug
Indenture Agreement	Agreement governing the 13.5% Senior Secured Notes
Indivior	Indivior Inc. (formerly, Reckitt Benckiser Pharmaceuticals Inc)
Indivior Amendment	Amendment No. 11 to the Indivior License Agreement

Indivior License Agreement	Commercial Exploitation Agreement with Reckitt Benckiser Pharmaceuticals, Inc. (with subsequent amendments collectively)
Lincoln Park	Lincoln Park Capital Fund, LLC
Lincoln Park Purchase Agreement	Purchase Agreement with Lincoln Park Capital Fund, LLC
Marathon	Marathon Asset Management
Monetization Agreement	Purchase and Sale Agreement between Aquestive and Sunovion
MTPA or Mitsubishi	Mitsubishi Tanabe Pharma America, Inc. (formerly, Mitsubishi Tanabe Pharma Holdings America, Inc.)
N/M	Not Meaningful, used in percentage changes
Nasdaq	The Nasdaq Stock Market
NDA	New Drug Application
New Warrants	Warrants to purchase 2,750,000 shares of Common Stock
ODE	Orphan Drug Exclusivity
Offering	$45,000 aggregate principal amount of 13.5% Notes due November 1, 2028.
PD	Pharmacodynamics
Pharmanovia	Atnahs Pharma UK Limited, a company registered in England and Wales
Pharmanovia Agreement	License and Supply Agreement with Atnahs Pharma UK Limited,
Pharmanovia Amendment	Amended License and Supply Agreement with Atnahs Pharma UK Limited as of March 27, 2023
PK	Pharmacokinetic
PTO	United States Patent and Trademark Office
PDUFA	Prescription Drug User Fee Act
Pre-IND	Pre-Investigational New Drug
Royalty Obligations	Liability related to the Royalty Rights Agreements
Royalty Rights Agreements	Royalty Rights Agreements, component of 13.5% Senior Secured Notes
RSU	Restricted Stock Unit
SEC	Securities and Exchange Commission
Securities Purchase Agreements	Securities Purchase Agreements with certain purchasers entered into on June 6, 2022
Sunovion	Sunovion Pharmaceuticals Inc
Sunovion License Agreement	KYNMOBI Commercialization Agreement
Territory	Certain countries of the European Union, the United Kingdom, Switzerland, Norway and the Middle East and North Africa under the Pharmanovia Agreement
TGA	Australian Government Department of Health’s Therapeutics Goods Administration
Underwritten Public Offering	Capital raise of gross proceeds of $77,519, including partial exercise of the underwriters' option for $2,519 on April 22, 2024
Zambon	Zambon S.p.A.
Zevra	Zevra Therapeutics, Inc. (formerly KemPharm, Inc.)

PART I – FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS *(Unaudited)*

AQUESTIVE THERAPEUTICS, INC.
Condensed Balance Sheets
(In thousands, except share and per share amounts)
(Unaudited)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 68,657	$ 71,546
Trade and other receivables, net	10,444	7,344
Inventories	7,198	6,044
Prepaid expenses and other current assets	2,870	3,286
Total current assets	89,169	88,220
Property and equipment, net	3,801	3,799
Right-of-use assets, net	5,049	5,182
Other non-current assets	4,215	4,223
Total assets	$ 102,234	$ 101,424
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	$ 12,280	$ 10,287
Accrued expenses	3,314	5,907
Lease liabilities, current	540	510
Deferred revenue, current	1,048	1,048
Liability related to the sale of future revenue, current	1,000	1,000
Royalty obligations, current	89	87
Loans payable, current	27	26
Total current liabilities	18,298	18,865
Notes payable, net	33,746	32,500
Royalty obligations, net	21,559	20,129
Liability related to the sale of future revenue, net	62,777	62,718
Lease liabilities	4,822	4,968
Deferred revenue, net of current portion	19,744	20,005
Other non-current liabilities	2,218	2,395
Total liabilities	163,164	161,580
Contingencies (Note 20)		
Stockholders' deficit:		
Common stock, $0.001 par value. Authorized 250,000,000 shares; 99,317,153 and 91,413,742 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	99	91
Additional paid-in capital	325,115	302,967
Accumulated deficit	(386,144)	(363,214)
Total stockholders' deficit	(60,930)	(60,156)
Total liabilities and stockholders' deficit	$ 102,234	$ 101,424

See accompanying notes to the condensed financial statements.

AQUESTIVE THERAPEUTICS, INC.
Condensed Statements of Operations and Comprehensive Loss
(In thousands, except share and per share data amounts)
(Unaudited)

	Three Months Ended March 31,	
	2025	**2024**
Revenues	$ 8,720	$ 12,053
Costs and expenses:		
Manufacture and supply	3,652	4,389
Research and development	5,361	5,932
Selling, general and administrative	19,072	10,689
Total costs and expenses	28,085	21,010
Loss from operations	(19,365)	(8,957)
Other income/(expenses):		
Interest expense	(2,782)	(2,784)
Interest expense related to royalty obligations	(1,437)	(1,358)
Interest expense related to the sale of future revenue	(59)	(58)
Interest income and other income, net	713	329
Net loss before income taxes	(22,930)	(12,828)
Net loss	$ (22,930)	$ (12,828)
Comprehensive loss	$ (22,930)	$ (12,828)
Loss per share attributable to common stockholders:		
Basic and diluted (in dollars per share)	$ (0.24)	$ (0.17)
Weighted average common shares outstanding:		
Basic and diluted (in shares)	95,497,056	73,614,710

See accompanying notes to the condensed financial statements.

AQUESTIVE THERAPEUTICS, INC.
Condensed Statements of Changes in Stockholders' Deficit
Three Months Ended March 31, 2025 and March 31, 2024
(In thousands, except share amounts)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance at December 31, 2024	91,413,742	$ 91	$ 302,967	$ (363,214)	$ (60,156)
Common Stock issued under public equity offering-ATM	7,457,627	8	21,992	—	22,000
Costs of common stock issued under public equity offering-ATM	—	—	(729)	—	(729)
Share-based compensation expense	—	—	1,587	—	1,587
Vested restricted stock units, net	445,784	—	(702)	—	(702)
Net loss	—	—	—	(22,930)	(22,930)
Balance at March 31, 2025	99,317,153	$ 99	$ 325,115	$ (386,144)	$ (60,930)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount			
Balance at December 31, 2023	68,533,085	$ 69	$ 212,521	$ (319,077)	$ (106,487)
Common Stock issued under public equity offering-ATM	4,557,220	4	12,381	—	12,385
Costs of common stock issued under public equity offering-ATM	—	—	(410)	—	(410)
Common Stock issued under public equity offering	16,666,667	17	74,983	—	75,000
Costs of common stock issued under public equity offering	—	—	(5,187)	—	(5,187)
Share-based compensation expense	—	—	1,580	—	1,580
Vested restricted stock units, net	490,359	—	(893)	—	(893)
Options exercised, net	231,400	—	539	—	539
Net loss	—	—	—	(12,828)	(12,828)
Balance at March 31, 2024	90,478,731	$ 90	$ 295,514	$ (331,905)	$ (36,301)

See accompanying notes to the condensed financial statements.

AQUESTIVE THERAPEUTICS, INC.
Condensed Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2025	**2024**
Operating activities:		
Net loss	$ (22,930)	$ (12,828)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation, amortization, and impairment	139	207
Share-based compensation	1,587	1,580
Amortization of debt issuance costs and discounts	2,750	2,673
Other, net	46	32
Changes in operating assets and liabilities:		
Trade and other receivables, net	(3,129)	147
Inventories	(1,154)	(965)
Prepaid expenses and other assets	423	(253)
Accounts payable	1,905	1,284
Accrued expenses and other liabilities	(2,776)	(1,873)
Deferred revenue	(261)	(388)
Net cash used for operating activities	(23,400)	(10,384)
Investing activities:		
Capital expenditures	(135)	(29)
Net cash used for investing activities	(135)	(29)
Financing activities:		
Proceeds from common stock issued under public equity offering-ATM, net	21,360	11,974
Proceeds from common stock issued under public equity offering, net	—	70,126
Proceeds from exercise of stock options, net	—	539
Repayment of debt principal including lease liabilities	(6)	(5)
Payments for royalty obligations	(5)	—
Payments for taxes on share-based compensation	(703)	(893)
Net cash provided by financing activities	20,646	81,741
Net (decrease) increase in cash and cash equivalents	(2,889)	71,328
Cash and cash equivalents:		
Cash and cash equivalents at beginning of period	71,546	23,872
Cash and cash equivalents at end of period	$ 68,657	$ 95,200
Supplemental disclosures of cash flow information:		
Cash payments for interest	$ 1,525	$ 1,003
Costs associated with public equity offering in Accounts Payable	$ —	$ 313
Costs associated with public equity offering-ATM in Accounts Payable	$ 89	$ —

See accompanying notes to the condensed financial statements.

AQUESTIVE THERAPEUTICS, INC.
Notes to Condensed Financial Statements
(Unaudited, in thousands, except share and per share information)

Note 1. Company Overview and Basis of Presentation

(A) Company Overview

Aquestive Therapeutics, Inc. is a pharmaceutical company advancing medicines to bring meaningful improvement to patients' lives through innovative science and delivery technologies. The Company is developing pharmaceutical products to deliver complex molecules through alternative administrations to invasive and inconvenient standard of care therapies. The Company is advancing a product pipeline for the treatment of severe allergic reactions, including anaphylaxis, under the Anaphylm™ trade name, and its Adrenaverse™ epinephrine prodrug pipeline platform. The Company has four licensed commercialized products which are marketed by its licensees in the U.S. and around the world. The Company is the exclusive manufacturer of these licensed products. The Company also collaborates with pharmaceutical companies to bring new molecules to market using proprietary, best-in-class technologies, like PharmFilm®, and has proven drug development and commercialization capabilities. The Company's production facilities are located in Portage, Indiana, and its corporate headquarters and primary research laboratory facilities are based in Warren, New Jersey.

(B) Equity Transactions

Equity Offering of Common Stock

The Company established its first ATM facility in September 2019, and since inception to March 31, 2025, the Company has sold 27,315,145 shares of Common Stock under its ATM Facility which has generated net cash proceeds of approximately $81,829, net of commissions and other transactions costs of $3,814. On April 3, 2024, the Company filed a new shelf registration statement on Form S-3, the 2024 Registration Statement, which was declared effective by the SEC on April 23, 2024. Included as part of the 2024 Registration Statement are (i) a base prospectus registering the offer, issuance and sale of up to $250,000 worth of Common Stock, preferred stock, debt securities, warrants, rights and units and (ii) a $100,000 ATM facility prospectus. During the three months ended March 31, 2025, the Company sold 7,457,627 shares of Common Stock pursuant to the ATM prospectus and the Amended Equity Distribution Agreement with Piper Sandler & Co. (successor to Piper Jaffray & Co.), which provided net proceeds of approximately $21,306 after deducting commissions and other transaction costs of $694 of which $89 remains unpaid as of March 31, 2025. For the three months ended March 31, 2024, the Company sold 4,557,220 shares under the ATM facility which provided net proceeds of approximately $12,012 after deducting commissions and other transaction costs of $373. The remaining authorized balance of the ATM facility was $78,000 as of March 31, 2025.

On April 12, 2022, the Company entered into the Lincoln Park Purchase Agreement, which provides that, upon the terms and subject to the conditions and limitations set forth in the Lincoln Park Purchase Agreement, the Company has the right, but not the obligation, to sell to Lincoln Park up to $40,000 worth of shares of Common Stock from time to time over the 36-month term of the Lincoln Park Purchase Agreement. The Lincoln Park Purchase Agreement contains an ownership limitation such that the Company will not issue, and Lincoln Park will not purchase, shares of Common Stock if it would result in Lincoln Park's beneficial ownership exceeding 9.99% of the Company's then outstanding Common Stock. Lincoln Park has covenanted under the Lincoln Park Purchase Agreement not to cause or engage in any manner whatsoever, any direct or indirect short selling or hedging of the Company's Common Stock. The Company did not sell shares in connection with the Lincoln Park Purchase Agreement during the three months ended March 31, 2025 or in 2024. The Lincoln Park Purchase agreement expired on May 1, 2025.

On March 22, 2024, the Company completed the underwritten public offering of 16,666,667 shares of its Common Stock at the public offering price of $4.50 per share. At closing, Aquestive received net proceeds of $70,500 after deducting underwriting discounts of $4,500. In addition to the underwriting discounts related to this offering, the Company incurred professional fees and other costs totaling $687 as of March 31, 2024.

In addition, pursuant to the partial exercise of the underwriters' option, on April 22, 2024, the Company sold an additional 559,801 shares of Common Stock, for additional net proceeds of $2,368, after deducting underwriting discounts of $151. In addition to the underwriting discounts related to the partial exercise of the underwriters' option, the Company incurred professional fees and other costs totaling $207.

(C) Basis of Presentation

The accompanying interim condensed financial statements were prepared in conformity with U.S. GAAP and with Article 10 of Regulation S-X for interim financial reporting. In compliance with those rules, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These condensed financial statements should be read in conjunction with the Company's audited financial statements

and related notes for the fiscal year ended December 31, 2024 included in the Company's Annual Report on Form 10-K filed with the SEC on March 5, 2025 (the "2024 Annual Report on Form 10-K"). As included herein, the Condensed Balance Sheet as of December 31, 2024 is derived from the audited financial statements as of that date. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the results of interim periods have been included. The accompanying condensed financial statements reflect certain reclassifications from previously issued financial statements to conform to the current presentation. The Company has evaluated subsequent events for disclosure through the date of issuance of the accompanying condensed financial statements.

Any reference in the Notes to applicable guidance refers to the authoritative U.S. GAAP as found in the ASC and ASU of FASB.

Note 2. Summary of Significant Accounting Policies

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

Recent Accounting Pronouncements Adopted as of March 31, 2025:

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ASU 2023-07, which requires all public entities, including public entities with a single reportable segment, to provide in interim and annual periods one or more measures of segment profit or loss used by the chief operating decision maker to allocate resources and assess performance. Additionally, the standard requires disclosures of significant segment expenses and other segment items as well as incremental qualitative disclosures. The guidance in this update is effective for fiscal years beginning after December 15, 2023, and interim periods after December 15, 2024. The Company adopted the new disclosure requirements as of December 31, 2024. Refer to Note 4, *Segment Reporting* for the required disclosure.

In August 2020, the FASB issued ASU 2020-06, *Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. This Accounting Standards Update was issued to address the complexity in accounting for certain financial instruments with characteristics of liabilities and equity. Among other provisions, the amendments in this ASU significantly change the guidance on the issuer's accounting for convertible instruments and the guidance on the derivative scope exception for contracts in an entity's own equity such that fewer conversion features will require separate recognition, and fewer freestanding instruments, like warrants, will require liability treatment. More specifically, the ASU reduces the number of models that may be used to account for convertible instruments from five to three, amends diluted EPS calculations for convertible instruments, modifies the requirements for a contract that may be settled in an entity's own shares to be classified in equity and requires expanded disclosures intended to increase transparency. The Company adopted the new guidance on January 1, 2024. The adoption of this guidance did not have a material impact on the Company's financial statements.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. This Accounting Standards Update was issued to clarify the guidance in Topic 820, *Fair Value Measurement*, when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security, and to introduce new disclosure requirements for such equity securities. The Company adopted the new guidance on January 1, 2024. The adoption of this guidance did not have a material impact on the Company's financial statements.

Recent Accounting Pronouncements Not Adopted as of March 31, 2025:

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU 2024-03 will require the Company to disclose the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization, as applicable, included in certain expense captions in the Statements of Operations, and Comprehensive Loss as well as qualitatively describe the remaining amounts included in those captions. ASU 2024-03 will also require the Company to disclose both the amount and the Company's definition of selling expenses. These disclosure requirements will be effective for the Company for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact from the adoption of ASU 2024-03 on disclosures to its financial statements.

In December 2023, the FASB issued ASU 2023-09—*Income Taxes (Topic 740)—Improvements to Income Tax Disclosures*. This Accounting Standards Update was issued to enhance the transparency and decision usefulness of income tax

disclosures. The ASU requires that public business entities on an annual basis (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income (or loss) by the applicable statutory income tax rate). It further requires disclosure on an annual basis of the following information about income taxes paid: 1. The amount of income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign taxes 2. The amount of income taxes paid (net of refunds received) disaggregated by individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than 5 percent of total income taxes paid (net of refunds received). Additionally, it requires the following information disclosure: 1. Income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign 2. Income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. The ASU eliminates certain current disclosure requirements. These disclosure requirements will be effective for the Company for fiscal years beginning after December 15, 2025, with early adoption of the amendments permitted. The Company is currently evaluating the impact from the adoption of ASU 2023-09 on disclosures to its financial statements.

Note 3. Risks and Uncertainties

The Company assesses liquidity in terms of its ability to generate cash to fund its operating, investing and financing activities. The Company's cash requirements for the remainder of 2025 and beyond include expenses related to continuing development and clinical evaluation of its products, manufacture and supply costs, costs of regulatory filings, patent prosecution expenses and litigation expenses, expenses related to commercialization of its products, as well as costs to comply with the requirements of being a public company operating in a highly regulated industry. As of March 31, 2025, the Company had $68,657 of cash and cash equivalents.

The Company has experienced a history of net losses. The Company's accumulated deficits totaled $386,144 as of March 31, 2025. The net losses and accumulated deficits were partially offset by gross margins from sales of commercialized licensed and proprietary products, license fees, milestone and royalty payments from commercial licensees and co-development parties. The Company's funding requirements have been met by its cash and cash equivalents, as well as its equity and debt offerings, including the 13.5% Senior Secured Notes as further discussed in Note 14, *Long-Term Debt*, the ATM facility and other equity offerings, including the underwritten public offering as discussed in Note 1, Part B *Equity Transactions.*

While the Company's ability to execute its business objectives and achieve profitability over the longer term cannot be assured, the Company's on-going business, existing cash and cash equivalents, expense management activities, including, but not limited to the ceasing of R&D activities, as well as access to the equity capital markets through its ATM facility, provide near term liquidity for the Company to fund its operating needs for at least the next twelve months as it continues to execute its business strategy.

Note 4. Segment Reporting

Operating segments are defined as components of an entity for which separate discrete financial information is available for evaluation by the CODM in deciding how to allocate resources and in assessing performance. For the three months ended March 31, 2025 and 2024, the Company has identified one operating and reportable segment. The Company defines its operating segment based on internally reported financial information that is regularly reviewed by the CODM to analyze financial performance, make decisions, and allocate resources. The Company's Chief Executive Officer ("CEO") is the CODM. The Company manages its operations as a single segment for purposes of assessing performance and making operating decisions. This segment encompasses the development and advancement of a product pipeline for the treatment of severe allergic reactions, including anaphylaxis, and the Adrenaverse epinephrine prodrug pipeline platform. Additionally, the Company serves as the exclusive manufacturer for its proprietary product, Libervant, and four licensed commercialized products.

The CODM reviews the segment's profit or loss based on net loss reported on the Condensed Statements of Operations and Comprehensive Loss. The CODM also considers forecast-to-actual variances on a monthly basis for expenses deemed significant. Furthermore, the CODM reviews the segment's assets based on total assets reported on the Condensed Balance Sheets. All long-lived assets are held in the United States. While the Company generated $8,720 and $12,053 in revenues for the three months ended March 31, 2025 and 2024, respectively, management expects the Company to continue to incur significant expenses and operating losses for the foreseeable future as it advances product candidates through all stages of development and clinical trials, ultimately seeking regulatory approval. The CODM uses cash forecast models to guide investment decisions and assess entity-wide operating results and performance. Net loss is used to monitor budget and rolling forecasts versus actual results. The CODM views specific categories within research and development expenses, selling expenses, and general and administrative expenses as significant due to their direct correlation with cash burn and profitability.

The following table reconciles reported revenues to net loss under the significant expense principle for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
Revenues	$ 8,720	$ 12,053
Costs and expenses:		
Total Manufacture and Supply Expenses	3,652	4,389
R&D Project expenses:		
Anaphylm project expenses	2,488	3,147
AQST-108 project expenses	195	789
Libervant project expenses	—	17
R&D other expenses:		
Personnel costs[1]	2,132	1,704
Other[2]	546	275
Total Research and Development Expenses	5,361	5,932
Selling expenses:		
Personnel costs[3]	694	932
Other[4]	2,262	140
Total Selling expenses	2,956	1,072
General & Administrative expenses:		
Personnel costs[5]	4,840	4,661
Other[6]	11,276	4,956
Total General and Administrative Expenses	16,116	9,617
Total Selling, General and Administrative Expenses	19,072	10,689
Total costs and expenses	28,085	21,010
Loss from operations	(19,365)	(8,957)
Other expenses	(3,565)	(3,871)
Net loss before income taxes	(22,930)	(12,828)
Net loss	$ (22,930)	$ (12,828)
Comprehensive loss	$ (22,930)	$ (12,828)

1 - R&D Personnel costs include payroll expenses, share-based compensation expenses and severance
2 - Other Research and Development expenses include preclinical, consulting, maintenance, and testing fees
3 - Selling Personnel costs include payroll expenses and severance
4 - Other Selling expenses include commercialization and other related expenses
5 - G&A Personnel costs include payroll expenses, share-based compensation expenses and severance
6 - Other General and Administrative expenses include legal/patent fees, insurance fees, IT expenses, investor relations expenses, regulatory fees, facility and other costs

Note 5. Revenues and Trade Receivables, Net

The Company's revenues include (i) sales of manufactured products pursuant to contracts with commercialization licensees, (ii) license and royalty revenues, (iii) co-development and research fees generally in the form of milestone payments,

and (iv) sales of its proprietary CNS product, Libervant, for patients between two to five years of age while Libervant had U.S. market access. The Company recognizes revenue to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. To achieve this core principle, a five-step model is applied that includes (1) identifying the contract with a customer, (2) identifying the performance obligation in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations, and (5) recognizing when, or as, an entity satisfies a performance obligation.

Performance Obligations - A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the current revenue recognition standard. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. At contract inception, the Company assesses the goods promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a distinct good. When identifying performance obligations, the Company considers all goods or services promised in a contract regardless of whether explicitly stated in the contract or implied by customary business practice. The Company's performance obligations consist mainly of transferring goods and services identified in the contracts, purchase orders, invoices or statements of work.

Manufacture and supply revenue – this revenue is derived from products manufactured exclusively for specific customers according to their strictly-defined specifications, subject only to specified quality control inspections. Accordingly, at the point in time when quality control requirements are satisfied, revenue net of related discounts is recorded.

License and Royalty Revenue – license revenues are determined based on an assessment of whether the license is distinct from any other performance obligations that may be included in the underlying licensing arrangement. If the customer is able to benefit from the license without provision of any other performance obligations by the Company and the license is thereby viewed as a distinct or functional license, the Company then determines whether the customer has acquired a right to use the license or a right to access the license. For functional licenses that do not require further development or other ongoing activities by the Company, the customer is viewed as acquiring the right to use the license as, and when, transferred and revenues are generally recorded at a point in time, subject to contingencies or constraints. For symbolic licenses providing substantial value only in conjunction with other performance obligations to be provided by the Company, revenues are generally recorded over the term of the license agreement. Such other obligations provided by the Company generally include manufactured products, additional development services or other deliverables that are contracted to be provided during the license term. Payments received in excess of amounts ratably or otherwise earned are deferred and recognized over the term of the license or as contingencies or other performance obligations are met.

Royalty revenue is estimated and recognized when sales under supply agreements with commercial licensees are recorded, absent any contractual constraints or collectability uncertainties. Royalties based on sales of licensed products have been recorded in this manner.

Revenue recognition arising from milestone payments is dependent upon the facts and circumstances surrounding the milestone payments. Milestone payments based on a non-sales metric such as a development-based milestone (i.*e*., an NDA filing or obtaining regulatory approval) represent variable consideration and are included in the transaction price subject to any constraints. If the milestone payments relate to future development, the timing of recognition depends upon historical experience and the significance a third party has on the outcome. For milestone payments to be received upon the achievement of a sales threshold, the revenue from the milestone payments is recognized at the later of when the actual sales occur or the performance obligation to which the sales relate to has been satisfied.

Co-development and Research Fees – co-development and research fees are earned through performance of specific tasks, activities or completion of stages of development defined within a contractual development or feasibility study agreement with a customer. The nature of these performance obligations, broadly referred to as milestones or deliverables, are usually dependent on the scope and structure of the project as contracted, as well as the complexity of the product and the specific regulatory approval path necessary for that product. Accordingly, the duration of the Company's research and development projects may range from several months to approximately three years. Although each contractual arrangement is unique, common milestones included in these arrangements include those for the performance of efficacy and other tests, reports of findings, formulation of initial prototypes, production of stability clinical and/or scale-up batches, and stability testing of those batches. Additional milestones may be established and linked to clinical results of the product submission and/or approval of the product by the FDA and the commercial launch of the product.

Proprietary product revenue, net - this net revenue is recognized when product is shipped and title passes to the customer, typically at time of delivery. At the time of sale, estimates for various revenue allowances are recorded based on historical trends and judgmental estimates. For sales of Libervant for patients between two to five years of age, returns allowances and prompt pay discounts are estimated based on contract terms and historical return rates, if available, and these estimates are recorded as a reduction of receivables. Similarly determined estimates are recorded relating to wholesaler service fees, co-pay support redemptions, and other rebates, and these estimates are reflected as a component of accrued liabilities.

Once all related variable considerations are resolved and uncertainties as to collectable amounts are eliminated, estimates are adjusted to actual allowance amounts. Provisions for these estimated amounts are reviewed and adjusted on no less than a quarterly basis.

Contract Assets - in certain situations, customer contractual payment terms provide for invoicing in arrears. Accordingly, some, or all performance obligations may be completely satisfied before the customer may be invoiced under such agreements. In these situations, billing occurs after revenue recognition, which results in a contract asset supported by the estimated value of the completed portion of the performance obligation. These contract assets are reflected as a component of other receivables within Trade and other receivables within the Condensed Balance Sheets. As of March 31, 2025, and December 31, 2024, such contract assets were $718 and $578, respectively, consisting primarily of products and services provided under specific contracts to customers for which earnings processes have been met prior to shipment of goods or full delivery of completed services, as well as estimated receivables from contracts with third parties.

Contract Liabilities - in certain situations, customer contractual payment terms are structured to permit invoicing in advance of delivery of a good or service. In such instances, the customer's cash payment may be received before satisfaction of some, or any, performance obligations that are specified. In these situations, billing occurs in advance of revenue recognition, which results in contract liabilities. These contract liabilities are reflected as deferred revenue within the Condensed Balance Sheets. As remaining performance obligations are satisfied, an appropriate portion of the deferred revenue balance is credited to earnings. As of March 31, 2025 and December 31, 2024, such contract liabilities were $20,792 and $21,053, respectively.

Costs to Obtain Contracts - in certain situations, the Company may incur incremental costs of obtaining a contract with a customer. These costs, if expected to be recovered, are recognized as an asset and reflected as other assets within the Condensed Balance Sheets. The asset is amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. As of March 31, 2025 and December 31, 2024, such costs to obtain contracts were $472 and $480, respectively.

The Company's revenues were comprised of the following:

	Three Months Ended March 31,	
	2025	2024
Manufacture and supply revenue	$ 7,193	$ 10,518
License and royalty revenue	790	1,132
Co-development and research fees	418	403
Proprietary product revenue, net	319	—
Total revenues	$ 8,720	$ 12,053

Disaggregation of Revenue

The following table provides disaggregated net revenue by geographic area:

	Three Months Ended March 31,	
	2025	2024
United States	$ 5,201	$ 10,427
Ex-United States	3,519	1,626
Total revenues	$ 8,720	$ 12,053

For the three months ended March 31, 2025, United States revenues were derived primarily from Indivior (manufacture and supply revenue, and co-development and research fees), and Assertio (manufacture and supply revenue, license and royalty revenue and co-development and research fees). Ex-United States revenues were derived primarily from Indivior (manufacture and supply revenue, license and royalty revenue and co-development and research fees), and Hypera (manufacture and supply revenue, and license and royalty revenue) for revenue markets outside of the United States.

For the three months ended March 31, 2024, United States revenues were derived primarily from Indivior (manufacture and supply revenue, and co-development and research fees), and Assertio (manufacture and supply revenue, license and royalty revenue, and co-development and research fees). Ex-United States revenues were derived primarily from Indivior (manufacture and supply revenue, license and royalty revenue and co-development and research fees), Zambon (manufacture and supply revenue, license and royalty revenue and co-development and research fees), and Pharmanovia (co-development and research fees).

Trade and other receivables, net consist of the following:

	March 31, 2025	December 31, 2024
Trade receivables	$ 8,308	$ 4,919
Contract and other receivables	2,213	2,473
Less: sales-related allowances	(77)	(48)
Trade and other receivables, net	$ 10,444	$ 7,344

Contract and other receivables totaled $2,213 and $2,473 as of March 31, 2025 and December 31, 2024, respectively, consisting primarily of contract assets and other receivables. Contract assets consist of products and services provided under specific contracts to customers for which earnings processes have been met prior to shipment of goods or full delivery of completed services, as well as estimated receivables from contracts with third parties. Other receivables include the current portion related to the Monetization royalty receivable and other receivables. Sales-related allowances as of March 31, 2025 were estimated in relation to revenues recognized for sales of Libervant for patients between two to five years of age.

Allowance for Credit Losses

The Company maintains an allowance for credit losses on accounts receivable, which is recorded as a reduction to accounts receivable. Changes in the allowance are classified as Selling, general and administrative expenses in the Statements of Operations and Comprehensive Loss. The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when it identifies specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status. It also considers customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data. On an ongoing basis, management evaluates the adequacy of these reserves. The allowance for credit losses was $0 as of March 31, 2025 and December 31, 2024.

The following table presents the changes in the allowance for credit losses:

	March 31, 2025	December 31, 2024
Balance at beginning of the period	$ —	$ 14
Allowance reduction	—	(14)
Balance at end of the period	$ —	$ —

Sales-Related Allowances

Revenues from sales of products are recorded net of prompt payment discounts, wholesaler service fees, returns allowances, chargebacks, rebates and co-pay support redemptions. These reserves are based on estimates of the amounts earned or to be claimed on the related sales. These amounts are treated as variable consideration, estimated and recognized as a reduction of the transaction price at the time of the sale. The Company includes these estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized for such transaction will not occur, or when the uncertainty associated with the variable consideration is resolved. The calculation of some of these items requires management to make estimates based on sales data, historical return data, contracts and other related information that may become known in the future. The adequacy of these provisions is reviewed on a quarterly basis.

The following tables provides a summary of activity with respect to sales-related allowances:

	March 31, 2025	December 31, 2024
Balance at beginning of period	$ 48	$ —
Provision	45	71
Payments / credits	(16)	(23)
Balance at end of period	$ 77	$ 48

Accruals for returns allowances and prompt pay discounts are reflected as a direct reduction of trade receivables and accruals for wholesaler service fees, co-pay support redemptions and other rebates are reflected as current liabilities. The accrued balances relative to these provisions included in Trade and other receivables, net and accrued expenses were $77 and $609, respectively, as of March 31, 2025, and $48 and $665, respectively, as of December 31, 2024. See Note 13, *Accrued Expenses*.

Concentration of Major Customers

Customers are considered major customers when net revenue exceeds 10% of total revenue for the period or outstanding receivable balances exceed 10% of total receivables. For the three months ended March 31, 2025, Indivior and Hypera, represented approximately 67% and 17%, of total revenue, respectively. As of March 31, 2025, Indivior and Hypera exceeded the 10% threshold for outstanding receivable balances and represented approximately 56% and 14% of total trade and other receivables, respectively. For the three months ended March 31, 2024, Indivior exceeded the 10% threshold for revenue and represented approximately 84% of total revenue. As of December 31, 2024, Indivior and Hypera exceeded the 10% threshold for outstanding receivable balances and represented 41% and 16% of total trade and other receivables, respectively.

Note 6. Material Agreements

Commercial Exploitation Agreement with Indivior

In August 2008, the Company entered into the Indivior License Agreement (with subsequent amendments) with Reckitt Benckiser Pharmaceuticals, Inc. who was later succeeded to in interest by Indivior. Pursuant to the Indivior License Agreement, the Company agreed to manufacture and supply Indivior's requirements for Suboxone®, a sublingual film formulation, both inside and outside the United States on an exclusive basis.

Under the terms of the Indivior License Agreement, the Company is required to manufacture Suboxone in accordance with current Good Manufacturing Practice standards and according to the specifications and processes set forth in the related quality agreements the Company entered into with Indivior. Additionally, the Company is required to obtain API for the manufacture of Suboxone directly from Indivior. The Indivior License Agreement specifies a minimum annual threshold quantity of Suboxone that the Company is obligated to fill and requires Indivior to provide the Company with a forecast of its requirements at various specified times throughout the year. The Indivior License Agreement provides for payment by Indivior of an agreed upon purchase price per unit until January 1, 2025 and, thereafter, that is subject to annual adjustments based on changes in an agreed upon price index. In addition to the purchase price for the Suboxone supplied, Indivior is required to make certain single digit percentage royalty payments tied to net sales value (as provided for in the Indivior License Agreement) outside of the U.S., subject to annual maximum amounts and limited to the life of the related patents.

The Indivior License Agreement contains customary contractual termination provisions, including with respect to a filing for bankruptcy or corporate dissolution, an invalidation of the intellectual property surrounding Suboxone, and commission of a material breach of the Indivior License Agreement by either party. Additionally, Indivior may terminate the Indivior License Agreement if the FDA or other applicable regulatory authority declares the Company's manufacturing site to no longer be suitable for the manufacture of Suboxone or Suboxone is no longer suitable to be manufactured due to health or safety reasons. The initial term of the Indivior License Agreement was seven years from the commencement date. Thereafter, the Indivior License Agreement automatically renewed for successive one-year periods.

Effective as of March 2, 2023, the Company and Indivior entered into the Indivior Amendment to the Indivior License Agreement. The Indivior Amendment was entered into for the primary purpose of amending the Agreement as follows: (i) extending the term of the Agreement until August 16, 2026 and thereafter providing for automatic renewal terms of successive one-year periods unless Indivior delivers notice to the Company, at least twelve months prior to the expiration of the then current term, of Indivior's intent not to renew, subject to the earlier termination rights of the parties under the Agreement, and providing that the Agreement will not automatically renew for any renewal term beginning after the expiration of the last to expire of the product patents covered under the Indivior License Agreement; and (ii) agreeing to transfer pricing and payment terms for supplied product under the Indivior License Agreement.

License Agreement with Sunovion Pharmaceuticals, Inc.

On April 1, 2016, the Company entered into a license agreement with Cynapsus Therapeutics Inc. (which was later succeeded to in interest by Sunovion), referred to as the Sunovion License Agreement, pursuant to which Sunovion obtained an exclusive, worldwide license (with the right to sub-license) to certain intellectual property, including existing and future patents and patent applications, covering all oral films containing apomorphine for the treatment of off episodes in Parkinson's disease patients. Sunovion used this intellectual property to develop its apomorphine product KYNMOBI, which was approved by the FDA on May 21, 2020. This approval triggered Sunovion's obligation to remit a payment of $4,000, due on the earlier of: (a) the first day of product availability at a pharmacy in the United States; or (b) within six months of FDA approval of the product. This amount was received as of September 30, 2020 and was included in License and royalty revenues for the twelve months ended December 31, 2020.

Effective March 16, 2020, the Company entered into the First Amendment. The First Amendment was entered into for the primary purpose of amending the Sunovion License Agreement as follows: (i) including the United Kingdom and any other country currently in the EU which later withdraws as a member country in the EU for purpose of determining the satisfaction of the condition triggering the obligation to pay the third milestone due under the Sunovion License Agreement, (ii) extending the date after which Sunovion has the right to terminate the Sunovion License Agreement for convenience from December 31,

2024 to March 31, 2028, (iii) modifying the effective inception date of the first minimum annual royalty due from Sunovion to the Company form January 1, 2020 to April 1, 2020, and (iv) modifying the termination provision to reflect the Company's waiver of the right to terminate the Sunovion License Agreement in the event that KYNMOBI was not commercialized by January 1, 2020. This Sunovion License Agreement will continue until terminated by Sunovion in accordance with the termination provisions of the First Amendment. The Sunovion License Agreement continues (on a country-by-country basis) until the expiration of all applicable licensed patents unless earlier terminated under the termination provisions contained therein. Upon termination of the Sunovion License Agreement, all rights to intellectual property granted to Sunovion to develop and commercialize apomorphine-based products will revert to the Company.

On October 23, 2020, the Company amended the Sunovion License Agreement to clarify the parties' agreement with respect to certain provisions in the Sunovion License Agreement, specifically the date after which Sunovion has the right to terminate the Sunovion License Agreement and the rights and obligations of the parties regarding the prosecution and maintenance of the Company's patents covered under the Sunovion License Agreement.

In consideration of the rights granted to Sunovion under the Sunovion License Agreement, the Company received aggregate payments totaling $22,000 to date. In addition to the upfront payment of $5,000, the Company has also earned an aggregate of $17,000 in connection with specified regulatory and development milestones in the United States and Europe (the "Initial Milestone Payments"), all of which have been received to date. With the Monetization Agreement (defined below) entered into on November 3, 2020 relating to KYNMOBI as described in the paragraph below, the Company is no longer entitled to receive any payments under the Sunovion License Agreement.

Purchase and Sale Agreement with an affiliate of Marathon

On November 3, 2020, the Company entered into the Monetization Agreement with Marathon. Under the terms of the Monetization Agreement, the Company sold to Marathon all of its contractual rights to receive royalties and milestone payments due under the Sunovion License Agreement related to Sunovion's apomorphine product, KYNMOBI. In exchange for the sale of these rights, the Company received an upfront payment from Marathon of $40,000 and an additional payment of $10,000 through the achievement of the first milestone. The Company has received an aggregate amount of $50,000 through March 31, 2025 under the Monetization Agreement.

Under the Monetization Agreement, additional contingent payments of up to $75,000 may be due to the Company upon the achievement of worldwide royalty and other commercial targets within a specified timeframe, which could result in total potential proceeds of $125,000. In June 2023, Sunovion announced that it had voluntarily withdrawn KYNMOBI from the U.S. and Canadian markets; therefore, the Company likely will not receive any of the additional contingent payments under the Monetization agreement. See Note 16, *Sale of Future Revenue* for further details on the accounting for the Monetization Agreement.

Agreement to Terminate CLA with Zevra Therapeutics, Inc. (formerly KemPharm)

In March 2012, the Company entered into an agreement with Zevra to terminate a Collaboration and License Agreement entered into by the Company and Zevra in April 2011. Under this termination arrangement, the Company has the right to participate in any and all value that Zevra may derive from the commercialization or any other monetization of KP-415 and KP-484 compounds or their derivatives. Among these monetization transactions are those related to any business combinations involving Zevra and collaborations, royalty arrangements, or other transactions from which Zevra may realize value from these compounds, including the product Azstarys®.

Licensing and Supply Agreement with Haisco for Exservan™ (Riluzole Oral Film) for ALS Treatment in China

The Company entered into the Haisco Agreement with Haisco, a Chinese limited company listed on the Shenzhen Stock Exchange, effective as of March 3, 2022, pursuant to which Aquestive granted Haisco an exclusive license to develop and commercialize Exservan™ (riluzole oral film) for the treatment of ALS in China. Under the terms of the Haisco Agreement, Aquestive was the exclusive sole manufacturer and supplier for Exservan in China. Under the Haisco Agreement, as amended, the Company received a $7,000 upfront cash payment in September 2022 and was entitled to receive regulatory milestone payments and double-digit royalties on net sales of Exservan in China and earn manufacturing revenue upon the sale of Exservan in China. In June 2024, the Haisco Agreement was terminated, and the Company will not receive any contingent payments under the Haisco Agreement.

Licensing and Supply Agreement with Atnahs Pharma UK Limited

The Company entered into the Pharmanovia Agreement, effective as of September 26, 2022, pursuant to which the Company granted Pharmanovia an exclusive license to certain of the Company's intellectual property to develop and commercialize Libervant™ (diazepam) Buccal Film for the treatment of prolonged or acute, convulsive seizures in all ages in the Territory during the term of the Pharmanovia Agreement. Under the Pharmanovia Agreement, Pharmanovia will lead the regulatory and commercialization activities for Libervant in the Territory and the Company will serve as the exclusive sole

manufacturer and supplier of Libervant in the Territory. Pursuant to the Pharmanovia Agreement, the Company received $3,500 upon agreement execution and, upon the occurrence of certain conditions set forth in the Pharmanovia Agreement, will receive additional milestone payments and profit shares, as well as manufacturing fees and royalty fees through the expiration of the Pharmanovia Agreement.

Effective March 27, 2023, the Company amended the Pharmanovia Agreement to expand the scope of territory for the license of Libervant to cover the rest of the world, excluding the U.S., Canada and China. Under the Pharmanovia Amendment, Pharmanovia will be responsible for seeking applicable regulatory approval in the expanded territories, which include Latin America, Africa and Asia Pacific. Pursuant to the terms of the Pharmanovia Amendment, the Company received a non-refundable payment of $2,000 from Pharmanovia in connection with the execution of the Pharmanovia Amendment.

Licensing Agreement with Assertio Holdings, Inc.

Effective as of October 26, 2022, the Company entered into the Assertio Agreement to license Sympazan® (clobazam) oral film for the adjunctive treatment of seizures associated with Lennox-Gastaut syndrome in patients aged two years of age and older. Under the terms of the Assertio Agreement, the Company granted to Assertio an exclusive, worldwide license of its intellectual property for Sympazan to Assertio during the term of the Assertio License Agreement for an upfront payment of $9,000. In addition, Aquestive received a $6,000 milestone payment subsequent to Aquestive's receipt of a notice of allowance from the PTO of the Company's patent application U.S. Serial No. 16/561,573, and payment by the Company of the related allowance fee. The Company received the notice of allowance from the PTO and paid the related allowance fee on October 27, 2022. Further, under the Assertio Agreement, the Company will receive royalties from Assertio for the sale of the product through the expiration of the Assertio Agreement. The Company also entered into a long-term supply agreement with Assertio for Sympazan pursuant to which the Company is the exclusive sole worldwide manufacturer and supplier of the product and will receive manufacturing fees from Assertio for the product through the expiration of such supply agreement.

Licensing Agreement with Mitsubishi Tanabe Pharma America, Inc.

In January 2021, the Company announced that Aquestive granted an exclusive license to MTPA for the commercialization of Exservan in the United States. MTPA is a multinational pharmaceutical company with a focus on patients with ALS. The product was launched by MTPA in June 2021. Under the terms of the MTPA license agreement, Aquestive was the exclusive manufacturer and supplier of Exservan for MTPA in the United States. In June 2024, under the Second Amendment to the License and Supply Agreement, MTPA and the Company mutually agreed to terminate the agreement. As of June 30, 2024 and as part of the termination, the parties were released from any existing or ongoing obligations (except for certain limited non-material post-termination obligations).

Note 7. Financial Instruments – Fair Value Measurements

Certain assets and liabilities are reported on a recurring basis at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 — Observable quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable prices that are based on inputs not quoted on active markets but corroborated by market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity, such as pricing models, discounted cash flow methodologies and similar techniques.

The carrying amounts reported in the Condensed Balance Sheets for Trade and other receivables, prepaid and other current assets, accounts payable and accrued expenses, and deferred revenue approximate their fair values based on the short-term maturity of these assets and liabilities.

The Company granted warrants to certain noteholders in connection with its debt repayment and debt refinancing of the 12.5% Notes during 2020 and 2019, respectively. Those warrants were valued based on Level 3 inputs and their fair value was based primarily on an independent third-party appraisal prepared as of the grant date consistent with generally accepted valuation methods of the Uniform Standards of Professional Appraisal Practice, the American Society of Appraisers and the American Institute of Certified Public Accountants' Accounting and Valuation Guide, Valuation of Privately-Held Company Equity Securities Issued as Compensation. See Note 15*, Warrants* for further information on these warrants.

In June 2022, the Company issued pre-funded warrants to purchase up to 4,000,000 shares of Common Stock and Common Stock Warrants to purchase up to 8,850,000 shares of Common Stock in connection with its Securities Purchase Agreements with certain purchasers. Those warrants were valued based on Level 3 inputs and their fair value was based

primarily on an independent third-party appraisal prepared as of the grant date consistent with generally accepted valuation methods of the Uniform Standards of Professional Appraisal Practice, the American Society of Appraisers and the American Institute of Certified Public Accountants' Accounting and Valuation Guide. See Note 15*, Warrants* for further information on these warrants.

On August 1, 2023, the Company entered into the Letter Agreement with the Exercising Holder of the remaining warrants to purchase 5,000,000 of the shares of Common Stock. Pursuant to the Letter Agreement, the Exercising Holder and the Company agreed that the Exercising Holder would exercise all of its Existing Warrants for shares of Common Stock underlying the Existing Warrants at $0.96 per share of Common Stock, the current exercise price of the Existing Warrants. Under the Letter Agreement, in consideration of the Exercising Holder exercising the Existing Warrants, the Company issued to the Exercising Holder new warrants to purchase up to an aggregate of 2,750,000 shares of new warrants at $2.60 per share. Those warrants were valued based on Level 3 inputs and their fair value was based primarily on an independent third-party appraisal prepared as of the grant date consistent with generally accepted valuation methods of the Uniform Standards of Professional Appraisal Practice, the American Society of Appraisers and the American Institute of Certified Public Accountants' Accounting and Valuation Guide. See Note 15*, Warrants* for further information on these warrants.

On November 1, 2023, in connection with the issuance of the 13.5% Notes, the Company and the Note Holders entered into the Royalty Right Agreements dated as of November 1, 2023, which provides the Note Holders:

a. a tiered royalty between 1.0% and 2.0% of annual worldwide net sales of Anaphylm™ (epinephrine) Sublingual Film for a period of eight years from the first sale of Anaphylm on a global basis, and
b. a tiered royalty between 1.0% to 2.0% of annual worldwide net sales of Libervant® (diazepam) Buccal Film until the earlier of (1) the first sale of Anaphylm and (2) eight years from the first sale of Libervant.

Those Royalty Agreements were valued based on Level 3 inputs and their fair value was based primarily on internal management estimates developed based on third-party data and reflect management's judgements, current market conditions, and forecasts. The initial fair value measurement of the Royalty Right Agreements was determined based on significant unobservable inputs, including the discount rate, estimated probabilities of success, and the estimated amount of future sales of Anaphylm and Libervant. See Note 14, *Long-Term Debt* for further discussion.

Note 8. Inventories

The components of Inventory are as follows:

	March 31, 2025	December 31, 2024
Raw material	$ 2,964	$ 3,266
Packaging material	2,344	2,135
Finished goods	1,890	643
Total inventory	$ 7,198	$ 6,044

Note 9. Property and Equipment, Net

	Useful Lives	March 31, 2025	December 31, 2024
Machinery	3-15 years	$ 20,348	$ 20,317
Furniture and fixtures	3-15 years	769	769
Leasehold improvements	(a)	21,419	21,419
Computer, network equipment and software	3-7 years	2,830	2,685
Construction in progress		2,069	2,110
		47,435	47,300
Less: accumulated depreciation and amortization		(43,634)	(43,501)
Total property and equipment, net		$ 3,801	$ 3,799

(a) Leasehold improvements are amortized over the shorter of the lease term or their estimated useful lives.

Total depreciation, amortization, and impairment related to property and equipment was $139 and $168 for the three months ended March 31, 2025 and 2024, respectively.

Note 10. Right-of-Use Assets and Lease Obligations

The Company leases all realty used at its production and warehouse facilities, corporate headquarters, commercialization operations center and research and laboratory facilities. None of these three leases include the characteristics specified in ASC 842, *Leases*, which require classification as financing leases and, accordingly, these leases are accounted for as operating leases. These leases, as amended, provide remaining terms between 3.0 years and 8.5 years, including renewal options expected to be exercised to extend the lease periods. Commitments under finance leases are not significant, and are included in Property and equipment, net, and Notes Payable, net on the Condensed Balance Sheets.

The Company does not recognize a right-to-use asset and lease liability for short-term leases, which have terms of 12 months or less on its Condensed Balance Sheets. For longer-term lease arrangements that are recognized on the Company's Condensed Balance Sheets, the right-of-use asset and lease liability is initially measured at the commencement date based upon the present value of the lease payments due under the lease. These payments represent the combination of the fixed lease and fixed non-lease components that are due under the arrangement. The costs associated with the Company's short-term leases, as well as variable costs relating to the Company's lease arrangements, are not material to the Company's financial results.

The implicit interest rates of the Company's lease arrangements are generally not readily determinable and as such, the Company applies an incremental borrowing rate, which is established based upon the information available at the lease commencement date, to determine the present value of lease payments due under an arrangement. Measurement of the operating lease liability reflects a range of an estimated discount rate of 14.8% to 15.6% applied to minimum lease payments, including expected renewals, based on the incremental borrowing rate experienced in the Company's collateralized debt refinancing.

The Company's lease costs are recorded in manufacture and supply, research and development and selling, general and administrative expenses in its Condensed Statements of Operations and Comprehensive Loss. For the three months ended March 31, 2025, total operating lease expenses totaled $427, including variable lease expenses such as common area maintenance and operating costs of $93. For the three months ended March 31, 2024, total operating lease expenses totaled $444, including variable lease expenses such as common area maintenance and operating costs of $115.

The Company's payments due under its operating leases are as follows:

Remainder of 2025	$ 966
2026	1,318
2027	1,346
2028	1,180
2029 and thereafter	3,915
Total future lease payments	8,725
Less: imputed interest	(3,363)
Total operating lease liabilities	$ 5,362

Note 11. Intangible Assets, Net

The following table provides the components of identifiable intangible assets, all of which are finite lived:

	March 31, 2025	December 31, 2024
Purchased intangible	$ 3,858	$ 3,858
Purchased patent	509	509
	4,367	4,367
Less: accumulated amortization	(4,367)	(4,367)
Intangible assets, net	$ —	$ —

There was no amortization expense incurred during the three months ended March 31, 2025. Amortization expense was $39 for the three months ended March 31, 2024. In June 2024, in connection with a termination of an agreement, the Company recorded an adjustment to the remaining balance of $1,200 of the intangible asset.

Note 12. Other Non-current Assets

The following table provides the components of other non-current assets:

	March 31, 2025	December 31, 2024
Royalty receivable	$ 3,000	$ 3,000
Other	1,215	1,223
Total other non-current assets	$ 4,215	$ 4,223

During the second quarter of 2020, under the Sunovion License Agreement, the Company recognized $8,000 of royalty revenue and corresponding royalty receivable, related to the eight $1,000 annual minimum guaranteed royalty payments that are due to the Company. In connection with the Monetization Agreement, the Company performed an assessment under ASC 860, *Transfer and Servicing* to determine whether the existing receivable was transferred to Marathon and concluded it was not transferred. As of March 31, 2025 and December 31, 2024, Royalty receivable consists of four annual minimum payments due from Sunovion, the last of which is due in March 2028. The current portion of the royalty receivable is included in Trade and other receivables, net. See Note 16, *Sale of Future Revenue* for further details on how this receivable relates to the Monetization Agreement transaction.

Non-current portion of costs to obtain contracts capitalized under ASC 340, *Other Assets and Deferred Costs,* is recorded within Other non-current assets on the Condensed Balance Sheets as of March 31, 2025 and December 31, 2024.

Note 13. Accrued Expenses

Accrued expenses consisted of the following:

	March 31, 2025	December 31, 2024
Accrued compensation	$ 2,189	$ 4,732
Real estate and personal property taxes	417	365
Accrued distribution expenses and sales returns provision	609	665
Interest payable	17	17
Other	82	128
Total accrued expenses	$ 3,314	$ 5,907

The reduction in Accrued compensation is mostly related to payments of accrued bonuses during the three months ended March 31, 2025, partially offset by the current year accrual of bonuses.

Accrued distribution expenses and sales returns provision mostly represent estimated liabilities for wholesaler service fees, co-pay support redemptions and other rebates related to the proprietary product Libervant and returns and other expenses related to the proprietary product Sympazan (prior to outlicensing to Assertio in October 2022).

Note 14. Long-Term Debt

13.5% Senior Secured Notes

On November 1, 2023, the Company entered into an Indenture Agreement with certain institutional investors (the "Note Holders") and issued $45,000 aggregate principal amount of its 13.5% Notes due 2028. The Company received net proceeds of approximately $4,326 from this transaction after the repayment of the 12.5% Notes and deduction of debt discount, and debt issuance costs.

The 13.5% Notes are senior secured obligations of the Company and mature on November 1, 2028. The 13.5% Notes bear interest at a fixed rate of 13.5% per year, payable quarterly commencing on December 30, 2023. On each payment date commencing on June 30, 2026, the Company will pay an installment of principal of the 13.5% Notes pursuant to a fixed amortization schedule, along with the applicable Exit Fee. The Exit Fee totals $2,000.

The Company may, at its option, redeem the 13.5% Notes in full or in part:

a. if such redemption occurs prior to November 1, 2025, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, plus the applicable Exit Fee, plus an Applicable Premium which is the greater of

   i. 1.0% of the principal redeemed; and

ii. the amount, if any, by which the present value of the principal to be redeemed on November 1, 2025, plus all required interest due on such date, computed using a discount rate equal to the Treasury Rate, plus 100 basis points, exceeds the amount of principal to be redeemed; and

b. if such redemption occurs after November 1, 2025, the redemption price is equal to 108.5% of the principal amount plus accrued and unpaid interest, plus the applicable Exit Fee.

If the Company undergoes a change of control, the Note Holders may require the Company to repurchase for cash all or any portion of the 13.5% Notes at a change of control repurchase price equal at 108.5% plus the Exit Fee of the remaining principal, plus accrued interest at the election of the Note Holders.

The Indenture permits the Company, upon the continuing satisfaction of certain conditions, including that the Company has at least $100,000 of net revenues for the most recently completed twelve calendar month period, to enter into an ABL facility not to exceed $10,000. The ABL Facility may be collateralized only by assets of the Company constituting inventory, accounts receivable, and the proceeds thereof.

In connection with the issuance of 13.5% Notes, the Company and the Note Holders entered into the Royalty Right Agreements dated as of November 1, 2023, which provides Note Holders:

a. a tiered royalty between 1.0% and 2.0% of annual worldwide net sales of Anaphylm™ (epinephrine) Sublingual Film for a period of eight years from the first sale of Anaphylm on a global basis, and

b. a tiered royalty between 1.0% to 2.0% of annual worldwide net sales of Libervant® (diazepam) Buccal Film until the earlier of (1) the first sale of Anaphylm and (2) eight years from the first sale of Libervant.

Both the 13.5% Notes and Royalty Right Agreements, represent freestanding instruments which were issued in conjunction with each other. They are classified as debt within the scope of ASC 470, *Debt* and are subsequently measured on an amortized cost basis.

The initial fair value measurement of the Royalty Right Agreements was determined based on significant unobservable inputs, including the discount rate, estimated probabilities of success, and the estimated amount of future sales of Anaphylm and Libervant. These inputs are derived using internal management estimates developed based on third-party data and reflect management's judgements, current market conditions, and forecasts.

The Royalty Right Agreements' fair value is estimated by applying probability-weighted cash flows for future sales, which are then discounted to present value. Changes to fair value of the Royalty Rights Agreements can result from changes to one or a number of the aforementioned inputs. A significant change in unobservable inputs could result in a material increase or decrease to the effective interest rate of the Royalty Right Agreements liability.

The following table summarizes the significant unobservable inputs used in the fair value measurement of the Royalty Right Agreements:

	Valuation Methodology	Significant Unobservable Input	Weighted Average (range, if applicable)
Royalty Right Agreements	Probability weighted income approach	Discount Rate	15%
		Probability of Success	75%
		Projected Years of Payments	2025 - 2034

Management has updated the projected years of payments to 2034 and the effective interest rate by 0.56% as of December 31, 2024. The Company periodically re-assesses the projections and, to the extent the future projections are greater or less than its previous estimates or the estimated timing of such payments is materially different than its previous estimates, the Company will adjust the effective interest calculation. As of March 31, 2025, there were no material changes to the significant unobservable inputs used to recognize the Royalty Right Agreements liability.

Since the Royalty Right Agreements were issued in connection with the 13.5% Notes, the Company allocated the proceeds to the two instruments based on their relative fair values. The Company allocated approximately $13,856 to the Royalty Right Agreements. The Company determined the allocated fair value by calculating the present value of estimated future royalties to be paid to Note Holders over the life of the arrangement.

The excess of future estimated royalty payments of $56,926 over the $13,856 of allocated fair value is recognized as a discount related to the Royalty Right Agreements and is amortized as interest expense using the effective interest method.

The allocated amounts of $13,856 when combined with the Exit Fee of $2,000, original issue discount of $1,125 and debt issuance costs of $3,517, resulted in a debt discount of $20,498. The debt discount is being amortized over the term of 13.5% Notes using the effective interest method.

Amortization expense arising from the discounts related to the 13.5% Notes for the three months ended March 31, 2025 and 2024 was $1,254 and $1,257, respectively. Amortization expense arising from the discounts related to the Royalty Right Agreements for the three months ended March 31, 2025 and 2024 was $1,437 and $1,358, respectively.

Unamortized discounts totaled $11,392 for the 13.5% Notes and $35,269 for the Royalty obligations as of March 31, 2025. Unamortized discounts totaled $12,646 for the 13.5% Notes and $36,706 for the Royalty obligations as of December 31, 2024, respectively.

Long-term notes and unamortized debt discount balances are as follows:

	March 31, 2025	December 31, 2024
Total outstanding notes	$ 45,000	$ 45,000
Unamortized discount, including Exit Fee	(11,392)	(12,646)
Notes payable, long-term	33,608	32,354
Finance lease, long-term	138	146
Notes payable, net	$ 33,746	$ 32,500

	March 31, 2025	December 31, 2024
Royalty obligations	$ 56,917	$ 56,922
Unamortized discount	(35,269)	(36,706)
Current portion of royalty obligation	(89)	(87)
Royalty obligations, net	$ 21,559	$ 20,129

Scheduled principal payments on the 13.5% Notes as of March 31, 2025 are as follows:

2025	—
2026	9,540
2027	14,535
2028	20,925
Total	$ 45,000

Note 15. Warrants

Warrants Issued to 12.5% Senior Secured Noteholders

Warrants that were issued in conjunction with the Initial Notes (the "Initial Warrants") and Additional Notes (the "Additional Warrants") expire on June 30, 2025 and entitled the noteholders to purchase up to 2,143,000 shares of Common Stock and included specified registration rights. Management estimated the fair value of the Initial Warrants to be $6,800 and the Additional Warrants to be $735, each based on an assessment by an independent third-party appraiser. The fair value of the respective warrants was treated as a debt discount, amortizable over the term of the respective warrants, with the unamortized 12.5% Notes portion applied to reduce the aggregate principal amount of the 12.5% Notes. The 12.5% Notes were refinanced with the 13.5% Notes on November 1, 2023. Additionally, since the Initial Warrants and Additional Warrants issued do not provide warrant redemption or put rights within the control of the holders that could require the Company to make a payment of cash or other assets to satisfy the obligations under the warrants, except in the case of a "cash change in control", the fair value attributed to the warrants is presented in Additional Paid-in Capital in the Company's Condensed Balance Sheets. There were no warrants exercised as it relates to the Initial Warrants and the Additional Warrants during the three months ended March 31, 2025 and 2024, respectively.

Warrants to purchase a total of 1,683,784 shares of Common Stock with exercise prices of $4.25 and $5.38 for 1,571,429 warrants and 112,355 warrants, respectively, remain outstanding as of March 31, 2025 and December 31, 2024.

Warrants Issued Under Securities Purchase Agreements

In June 2022, the Company issued pre-funded warrants and Common Stock warrants to certain purchasers in connection with the Securities Purchase Agreements. The pre-funded warrants entitled purchasers to purchase up to 4,000,000 shares of Common Stock and were exercised in full during the year ended December 31, 2022. The Common Stock warrants expire on June 8, 2027 and entitled the purchasers to purchase up to 8,850,000 shares of Common Stock at an exercise price of $0.96 per share. Management estimated the fair value of the pre-funded warrants and Common Stock warrants to be $5,874 based on an assessment by an independent third-party appraiser. The fair value of the pre-funded and Common Stock warrants is treated as equity and presented in Additional Paid-in Capital in the Company's Condensed Balance Sheets. On June 14, 2023, 3,689,452 Common Stock warrants issued pursuant to the Securities Purchase Agreements were exercised with proceeds of approximately $3,542.

On August 1, 2023, the Company entered into the Letter Agreement with the Exercising Holder of 5,000,000 of the remaining Common Stock Warrants. Pursuant to the Letter Agreement, the Exercising Holder and the Company agreed that the Exercising Holder would exercise all of its Existing Warrants for shares of Common Stock underlying the Existing Warrants at $0.96 per share of Common Stock, the current exercise price of the Existing Warrants. Under the Letter Agreement, in consideration of the Exercising Holder exercising the Existing Warrants, the Company issued to the Exercising Holder New Warrants to purchase up to an aggregate of 2,750,000 shares of Common Stock. The New Warrants became exercisable after February 2, 2024, expire on February 2, 2029 and are issuable only for cash, subject to exception if the shares of Common Stock underlying the New Warrants are not registered in accordance with the terms of the Letter Agreement, in which case the New Warrants may also be exercised, in whole or in part, at such time by means of a "cashless exercise". The New Warrants have an exercise price of $2.60 per share. Management estimated the fair value of the warrants to be $4,671 based on an assessment by an independent third-party appraiser. The fair value of the New Warrants is treated as equity and is presented in Additional Paid-in Capital in the Company's Condensed Balance Sheets.

There were no warrants issued or exercised as it relates to the Warrants Issued Under Securities Purchase Agreements during the three months ended March 31, 2025 and 2024.

In addition to the warrants to purchase 2,750,000 shares of Common Stock described above, there remain outstanding warrants to purchase 160,548 shares of Common Stock at an exercise price of $0.96 and warrants to purchase 1,683,784 shares of Common Stock outstanding related to the original issuance of the 12.5% Notes prior to the debt refinancing referenced in Note 14, *Long-Term Debt* with exercise prices of $4.25 and $5.38 for 1,571,429 warrants and 112,355 warrants, respectively.

Note 16. Sale of Future Revenue

On November 3, 2020, the Company entered into the Monetization Agreement with Marathon. Under the terms of the Monetization Agreement, the Company sold all of its contractual rights to receive royalties and milestone payments due under the Sunovion License Agreement related to Sunovion's apomorphine product, KYNMOBI, an apomorphine film therapy for the treatment of off episodes in Parkinson's disease patients, which received approval from the FDA on May 21, 2020. In exchange for the sale of these rights, the Company received an upfront payment of $40,000 and an additional payment of $10,000 through

the achievement of the first milestone. The Company has received an aggregate amount of $50,000 through March 31, 2025 under the Monetization Agreement.

Under the Monetization Agreement, additional contingent payments of up to $75,000 may be due to the Company upon the achievement of worldwide royalty and other commercial targets within a specified timeframe, which could result in total potential proceeds of $125,000.

The Company recorded the upfront proceeds of $40,000 and subsequent first milestone of $10,000, reduced by $2,909 of transaction costs, as a liability related to the sale of future revenue that will be amortized using the effective interest method over the life of the Monetization Agreement. As future contingent payments are received, they will increase the balance of the liability related to the sale of future revenue. Although the Company sold all of its rights to receive royalties and milestones, as a result of ongoing obligations related to the generation of these royalties, the Company will account for these royalties as revenue. Its ongoing obligations include the maintenance and defense of the intellectual property and to provide assistance to Marathon in executing a new license agreement for KYNMOBI in the event Sunovion terminates the Sunovion License Agreement in one or more jurisdictions of the licensed territory under the Sunovion License Agreement. The accounting liabilities, as adjusted over time, resulting from this transaction and any non-cash interest expenses associated with those liabilities do not and will not represent any obligation to pay or any potential future use of cash.

During the second quarter of 2020, under the Sunovion License Agreement, the Company recognized $8,000 of royalty revenue and corresponding royalty receivable, related to the $1,000 annual minimum guaranteed royalty that is due. In connection with the Monetization Agreement, the Company performed an assessment under ASC 860, *Transfer and Servicing* to determine whether the existing receivable was transferred to Marathon and concluded that the receivable was not transferred.

As royalties are remitted to Marathon from Sunovion, the collection of the royalty receivable and balance of the liability related to the sale of future revenue will be effectively repaid over the life of the agreement. In order to determine the amortization of the liability related to the sale of future revenue, the Company is required to estimate the total amount of future royalty and milestone payments to Marathon over the life of the Monetization Agreement and contingent milestone payments from Marathon to the Company. The sum of future royalty payments less the $50,000 in proceeds received and future contingent payments has been recorded as interest expense over the life of the Monetization Agreement. At execution, the estimate of this total interest expense resulted in an effective annual interest rate of approximately 24.9%. This estimate contained significant assumptions that impact both the amount recorded at execution and the interest expense that will be recognized over the life of the Monetization Agreement. The Company assesses the estimated royalty and milestone payments to Marathon from Sunovion and contingent milestone payments from Marathon to the Company. To the extent the amount or timing of such payments is materially different from the original estimates, an adjustment will be recorded prospectively to increase or decrease interest expense. There are a number of factors that could materially affect the amount and timing of royalty and milestone payments to Marathon from Sunovion and, correspondingly, the amount of interest expense recorded by the Company, most of which are not under the Company's control. Such factors include, but are not limited to, changing standards of care, the initiation of competing products, manufacturing or other delays, generic competition, intellectual property matters, adverse events that result in government health authority imposed restrictions on the use of products, significant changes in foreign exchange rates as the royalties remitted to Marathon are made in U.S. dollars (USD) while a portion of the underlying sales of KYNMOBI will be made in currencies other than USD, and other events or circumstances that are not currently foreseen. Changes to any of these factors could result in increases or decreases to both royalty revenue and interest expense related to the sale of future revenue.

In June 2023, Sunovion announced that it had voluntarily withdrawn KYNMOBI from the U.S. and Canadian markets. Therefore, the Company likely will not receive any of the additional contingent payments under the Monetization agreement. Further, the Company discontinued recording interest expense related to the sale of future revenue during the fourth quarter of 2022.

The following table shows the activity of the liability related to the sale of future revenue:

	March 31, 2025	December 31, 2024
Liability related to the sale of future revenue, net at beginning of the period	$ 63,718	$ 64,490
Royalties related to the sale of future revenue	—	(1,008)
Amortization of issuance costs	59	236
Liability related to the sale of future revenue, net at end of the period (includes current portion of $1,000 and $1,000, respectively)	$ 63,777	$ 63,718

Note 17. Net Loss Per Share

Basic net loss per share is calculated by dividing net loss by the weighted-average number of common shares.

Diluted EPS is adjusted by the effect of dilutive securities, including options and awards under the Company's equity compensation plans, warrants and ESPP. As a result of the Company's net loss incurred for the three months ended March 31, 2025 and 2024, all potentially dilutive instruments outstanding would have anti-dilutive effects on per-share calculations. Therefore, basic and diluted net loss per share are the same for the three months ended March 31, 2025 and 2024 as reflected below.

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net loss	$ (22,930)	$ (12,828)
Denominator:		
Weighted-average number of common shares – basic and diluted	95,497,056	73,614,710
Loss per common share – basic and diluted	$ (0.24)	$ (0.17)

(a) For the three months ended March 31, 2025 and 2024, outstanding stock options of 6,977,367 and 6,169,489 to purchase shares of Common Stock, respectively, were anti-dilutive.

(b) For the three months ended March 31, 2025 and 2024, outstanding restricted stock units of 5,167,351 and 3,918,451 to purchase shares of Common Stock, respectively, were anti-dilutive.

(c) For the three months ended March 31, 2025 and 2024, outstanding warrants of 4,594,332 and 4,624,977 to purchase shares of Common Stock, respectively, were anti-dilutive.

Note 18. Share-Based Compensation

The Company recognized share-based compensation in its Condensed Statements of Operations and Comprehensive Loss during the three month periods ended March 31, 2025 and 2024 as follows:

	Three Months Ended March 31,	
	2025	2024
Manufacture and supply	$ 100	$ 70
Research and development	330	170
Selling, general and administrative	1,157	1,340
Total share-based compensation expenses	$ 1,587	$ 1,580
Share-based compensation from:		
Restricted stock units	$ 1,102	$ 933
Stock options	485	647
Total share-based compensation expenses	$ 1,587	$ 1,580

Share-Based Compensation Equity Awards

The following tables provide information about the Company's restricted stock unit and stock option activity during the three month period ended March 31, 2025:

Restricted Stock Units

The following tables summarize the Company's awards of service-based and market conditions vesting-based restricted stock units for the three month period ended March 31, 2025:

Restricted Stock Unit Awards (RSUs) - Service-based:	**Number of Units**	**Weighted Average Grant Date Fair Value**
	(in thousands)	
Unvested as of December 31, 2024	2,610	$ 3.38
Granted	1,435	$ 2.65
Vested	(713)	$ 3.07
Forfeited	(31)	$ 3.99
Unvested as of March 31, 2025	3,301	$ 3.13
Expected to vest as of March 31, 2025	3,030	$ 3.11

As of March 31, 2025, $8,369 of total unrecognized compensation expenses related to unvested service-based restricted stock units are expected to be recognized over a remaining weighted average period of 2.14 years. The service-based restricted stock units granted to employees are subject to a three-year graduated vesting schedule and are not subject to performance-based criteria other than continued employment.

Restricted Stock Unit Awards (RSUs) - Market conditions vesting-based:	**Number of Units**	**Weighted Average Grant Date Fair Value**
	(in thousands)	
Unvested as of December 31, 2024	1,082	$ 2.40
Granted	784	2.82
Vested	—	—
Forfeited	—	—
Unvested as of March 31, 2025	1,866	$ 2.57
Expected to vest as of March 31, 2025	1,698	$ 2.56

As of March 31, 2025, $2,798 of unrecognized compensation expense related to unvested market condition vesting- based restricted stock units are expected to be recognized over a remaining weighted average period of 1.87 years.

The 2023 market conditions vesting-based restricted stock units vest based on a Performance Price measured as the 30-day average of the closing prices of the Company's common stock as reported on the Nasdaq Stock Market immediately prior to and including the last calendar day of the three-year performance period (which ends on the third anniversary of the grant date). To the extent the Performance Price is less than $1.75, the Vesting Percentage will be zero. To the extent the Performance Price is $1.75, the Vesting Percentage will be 50%. To the extent the Performance Price is $1.76 or greater, but less than $2.50, the Vesting Percentage will be a prorated amount between 50.01% and 99.99%, based on straight-line interpolation. To the extent the Performance Price is $2.50, the Vesting Percentage will be 100%. To the extent the Performance Price is $2.51 or greater, but less than $3.25, the Vesting Percentage will be a prorated amount between 100.01% and 149.99%, based on straight-line interpolation. To the extent the Performance Price is $3.25 or greater, the Vesting Percentage will be 150%. In no event will the Vesting Percentage exceed 150%.

The 2025 market conditions vesting-based restricted stock units were measured over a three-year performance period. The performance period is split into two pricing periods. The first pricing period commences on the grant date and ends on the calendar day immediately proceeding the second anniversary of the grant date. The second pricing period commences on the second anniversary of the grant date and ends on the third anniversary of the grant date, The performance price for the first pricing period is calculated based on the 30-day average price observed for the last 30 days of the first pricing period. The performance price for the second pricing period is calculated based on the highest 30-day average for any 30-day period

throughout the second pricing period. To the extent the Performance Price is less than $6.00, the Vesting Percentage will be zero. To the extent the Performance Price is $6.00, the Vesting Percentage will be 50%. To the extent the Performance Price is $6.01 or greater, but less than $7.00, the Vesting Percentage will be a prorated amount between 50.01% and 99.99%, based on straight-line interpolation. To the extent the Performance Price is $7.00, the Vesting Percentage will be 100%. To the extent the Performance Price is $7.01 or greater, but less than $8.00, the Vesting Percentage will be a prorated amount between 100.01% and 149.99%, based on straight-line interpolation. To the extent the Performance Price is $8.00 or greater, the Vesting Percentage will be 150%. In no event will the Vesting Percentage exceed 150%.

The Company's estimates of the fair value of the 2025 market conditions vesting-based awards at their grant or valuation dates were based on a Monte Carlo simulation and considered various variables and the following assumptions:

	Three Months Ended March 31, 2025
Expected dividend yield	0%
Expected volatility	91.5%
Risk-free interest rate	3.9%
Stock price at grant date	$2.65

2022 Inducement Equity Incentive Plan

In accordance with Nasdaq Listing Rule 5635(c)(4), the Company adopted the 2022 Equity Inducement Plan approved by the Compensation Committee of the Board of Directors of the Company effective as of July 29, 2022.

Stock Option Awards:	**Number of Options**	**Weighted Average Exercise Price**
	(in thousands)	
Outstanding as of December 31, 2024	6,301	$ 5.68
Granted	738	2.65
Exercised	—	—
Forfeited/Expired	(62)	5.56
Outstanding as of March 31, 2025	6,977	$ 5.36
Expected to vest as of March 31, 2025	6,849	$ 5.40
Exercisable as of March 31, 2025	5,238	$ 6.04

The fair values of stock options granted were estimated using the Black-Scholes pricing model based on the following assumptions:

	Three Months Ended March 31, 2025
Expected dividend yield	—%
Expected volatility	100%
Expected term (years)	6.1
Risk-free interest rate	4.2%

The weighted average grant date fair value of stock options granted during the three months ended March 31, 2025 was $2.15. During the three months ended March 31, 2025, stock options were granted with a weighted average exercise price of $2.65 and accordingly, given the Company's share price of $2.90 at March 31, 2025, the intrinsic value provided by certain shares granted during this period was de minimis.

As of March 31, 2025, $3,849 of unrecognized compensation expense related to non-vested stock options is expected to be recognized over a remaining weighted average period of 1.97 years.

Note 19. Income Taxes

The Company has accounted for income taxes under the asset and liability method, which requires deferred tax assets and liabilities to be recognized for the estimated future tax consequences attributable to differences between financial statement carrying amounts and respective tax bases of existing assets and liabilities, as well as net operating loss carryforwards and

research and development credits. Valuation allowances are provided if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

The Company's tax provision for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items. For the three months ended March 31, 2025, the effective income tax rate was 0%, and the Company recorded no income tax expense from its pretax losses of $22,930. For the three months ended March 31, 2024, the effective income tax rate was 0%, and the Company recorded no income tax expense from its pretax losses of $12,828.

The primary factors impacting the effective tax rate for three months ended March 31, 2025 is the anticipated full year pre-tax book loss and a full valuation allowance against any associated net deferred tax assets.

Note 20. Contingencies

From time to time, the Company has been and may again become involved in legal proceedings arising in the course of its business, including product liability, intellectual property, securities, civil tort, and commercial litigation, and environmental or other regulatory matters.

Kentucky Litigation - Humana

Humana Inc. v. Indivior Inc, Indivior Solutions Inc., Indivior PLC, Reckitt Benckiser Group plc, Reckitt Benckiser Healthcare (UK) Ltd., and Aquestive Therapeutics, Inc.

On August 20, 2021, Humana filed a complaint in state court in Kentucky, alleging conspiracy to violate the RICO Act, fraud under state law, unfair and deceptive trade practices under state law, insurance fraud, and unjust enrichment against the Company relating to Indivior's launch of Suboxone Sublingual Film in 2010. The Humana action was stayed pending related litigation, and the stay was lifted on October 30, 2023. The parties to this case reached a settlement in November 2024, the terms of which are confidential. Aquestive had no obligation, cost or liability in the settlement as all were assumed by Indivior.

California Litigation

Neurelis, Inc. v. Aquestive Therapeutics, Inc.

On December 5, 2019, Neurelis, Inc. ("Neurelis") filed a lawsuit against the Company in the Superior Court of California, County of San Diego alleging the following three causes of action: (1) Unfair Competition under California Business and Professional Code § 17200 ("UCL"); (2) Defamation; and (3) Malicious Prosecution. Neurelis filed a First Amended Complaint on December 9, 2019, alleging the same three causes of action. The Company filed a Motion to Strike Neurelis's Complaint under California's anti-SLAPP ("strategic lawsuit against public participation") statute on January 31, 2020, which Neurelis opposed. On August 6, 2020, the Court issued an order granting in part and denying in part the Company's anti-SLAPP motion. The parties cross-appealed the ruling to the California Court of Appeal. The appeals court held oral argument on the appeal on October 14, 2021, and issued its ruling on November 17, 2021. Under the ruling, the court struck the entirety of the malicious prosecution claim and struck portions of the UCL and defamation claims. On April 12, 2022, Neurelis filed a Second Amended Complaint in response to the Court of Appeal's decision. The Second Amended Complaint also added a cause of action for Trade Libel. On May 3, 2022, the Company filed a "demurrer" challenge to the sufficiency of the allegations of the Second Amended Complaint. Oral argument on the Company's motion for attorney fees related to the anti-SLAPP motion and on the Second Amended Complaint and demurer challenge was held on June 17, 2022. The Court entered an order granting the Company's motion for attorney fees, awarding $156 and ordering Neurelis to pay the fees within 60 days of June 17, 2022. The Court denied the Company's demurrer and the parties proceeded with discovery on the claims in the Second Amended Complaint. The plaintiff filed a motion to file a third amended complaint, which the Court granted on November 17, 2023. The Third Amended Complaint alleges additional facts but includes the same claims as the Second Amended Complaint. Hearings on motions for summary judgement are scheduled for May 16, 2025. The trial in this matter is scheduled for July 18, 2025. The Company is not able to determine or predict the ultimate outcome of this proceeding or provide a reasonable estimate or range of estimates of the possible outcome or loss, if any, in this matter.

Neurelis FDA Lawsuit

Neurelis v. Califf, *et al*., U.S. District court for the District of Columbia

In May 2024, Neurelis filed a complaint in the U.S. District Court for the District of Columbia against the U.S. Food and Drug Administration, the U.S. Department of Health and Human Services, and certain government officials. The complaint in this matter alleges that the defendants violated the Administrative Procedure Act by approving the Company's NDA for Libervant for ARS patients aged between two and five years, and asked the Court to vacate that approval and enjoin the defendants from approving Libervant for this pediatric patient population until January 10, 2027, the scheduled date for the expiration of the U.S. orphan drug market exclusivity granted by the FDA to the Valtoco nasal spray product of Neurelis. The Company intervened in this litigation to defend the approval of Libervant for this ARS pediatric patient population and, on June

25, 2024, the Court entered a scheduling order governing further proceedings in the case. Pursuant to that order, Neurelis filed a motion for summary judgment on August 19, 2024; the Company and the federal defendants each filed their own cross-motions for summary judgment and opposed Neurelis's motion for summary judgment on September 18, 2024. Neurelis filed its combined reply brief in support of its motion for summary judgment and in opposition to the defendants' cross-motions on October 9, 2024, and the Company and the federal defendants filed their closing briefs on October 30, 2024. Following the FDA's award of ODE to Libervant for ARS patients between two and five years of age, Neurelis filed a motion for preliminary injunction requesting an expedited order to vacate FDA's approval and enjoining the sale of Libervant. On February 14, 2025, the Court ruled in favor of Neurelis, granting its summary judgment motion, and against the FDA's and the Company's cross-motions for summary judgment. In an accompanying opinion, the Court directed the FDA to vacate the approval of Libervant. Because the Court entered a final appealable judgment in favor of Neurelis, Neurelis' motion for an expedited preliminary injunction was denied as moot by the Court. On February 18, 2025, the Company filed an appeal of the District Court's decision with the U.S. Circuit Court of Appeals for the District of Columbia (the "DC Appellate Court") and, on the same day, filed an emergency motion with the District Court to stay its order pending a decision on the appeal with the DC Appellate Court. The District Court denied the motion for a stay. On March 27, 2025, the DC Appellate Court denied the Company's emergency motion for stay. The FDA filed an appeal of the District Court's decision to the DC Appellate Court and the Company withdrew its appeal. As a result of the District Court's ruling, the FDA converted the approval of Libervant to a "tentative approval" and the Company has ceased marketing activities in the United States. The Company is communicating with the FDA on a path forward for approval of Libervant for ARS patients aged between two and five years but the Company has not yet received any decision from the FDA on market access for these Libervant pediatric patients. No dates have been set for arguments on the appeal proceedings at the DC Appellate Court. The Company is not able to determine or predict the ultimate outcome of these proceedings or provide a reasonable estimate or range of estimates of the possible outcome or loss, if any, in this matter or whether the FDA will grant U.S. market access to Libervant for ARS patients aged between two and five years in advance of the ODE expiration period.

Suboxone Product Liability Litigation

The Company was named as a defendant in a multitude of product liability lawsuits, along with Indivior and several other named defendants, in which the individual plaintiffs in those cases allege that their use of Suboxone® Sublingual Film, a prescription drug product for opioid use disorder, caused them dental injuries. On February 2, 2024, this litigation became a Multidistrict Litigation ("MDL") consolidated in the U.S District Court for the Northern District of Ohio. One case alleging the same allegations as contained in the MDL has been filed in a state court in the State of New Jersey. The parties to the MDL have agreed to a tolling of unfiled claimants in several states. Indivior has agreed to defend the Company in these litigation matters. Discovery is underway and no trial date has been set in the MDL matter. The Company's motion to dismiss the MDL matter was granted as to all claims by plaintiffs except design defect claims. The Company is not able to determine or predict the ultimate outcome of this litigation or provide a reasonable estimate or range of estimates of the possible outcome or loss, if any, in this matter.

The Company was named as a defendant in three proposed class action lawsuits filed in Canada, along with Indivior and several other named defendants, in which the individual plaintiffs in those cases allege that their use of Suboxone® products caused them dental injuries. Two of these cases have been filed in British Columbia, and the plaintiffs in those cases are seeking assignment of a case management judge. The anticipated next step in British Columbia will involve applications by the plaintiffs to determine which of the two cases will proceed towards a certification hearing and which will be stayed. The third case has been filed in Quebec and is proceeding towards an authorization hearing, the date of which has not yet been set. The authorization and certification hearings will determine whether the Courts will allow the cases to proceed as class actions. Pre-discovery and case management proceedings are underway and no trial date has yet been set. Given the early stages of these proceedings, the Company is not able to determine or predict the ultimate outcome of this litigation or provide a reasonable estimate or range of estimates of the possible outcome or loss, if any, in this litigation.

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

You should read this section in conjunction with our condensed interim financial statements and related notes included in Part I Item 1 of this Quarterly Report on Form 10-Q and our audited financial statements and related notes thereto and management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2024 and 2023 included in our 2024 Annual Report on Form 10-K. All dollar amounts are stated in thousands except for share data.

Forward-Looking Statements

This Quarterly Report on Form 10-Q and certain other communications made by us include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "anticipate," "plan," "expect," "estimate," "intend," "may," "will," or the negative of those terms, and similar expressions are intended to identify forward-looking statements.

These forward-looking statements include, but are not limited to, statements regarding the advancement and related timing of our product candidate Anaphylm™ (epinephrine) Sublingual Film through clinical development and approval by the FDA, including the acceptance of the NDA for Anaphylm with the FDA, and the following launch of Anaphylm, if approved by the FDA; the results of the Company's clinical studies for Anaphylm and the ability of such results to support submission of the NDA for approval of Anaphylm to the FDA; Anaphylm's potential to be the first and only oral administration of epinephrine and to be accepted as an alternative to existing standards of care, if approved by the FDA; the expected growth of the U.S. epinephrine market including in value and the opportunity such growth presents to the Company should Anaphylm be approved by the FDA; the advancement, growth and related timing of our Adrenaverse™ pipeline epinephrine prodrug product candidates, including AQST-108 (epinephrine) Topical Gel, through clinical development and FDA regulatory approval process, including design and timing of clinical studies including those necessary to support the targeted indication of alopecia areata for AQST-108 and the following launch of AQST-108, if approved by the FDA; the potential sale or outlicensing of Anaphylm, Libervant or other product candidates; the advancement and related timing of our product candidate Libervant® (diazepam) Buccal Film for the indicated epilepsy patient population aged between 6 and 11 years through clinical development and FDA regulatory approval and the following launch of Libervant for this patient population if approved by the FDA; the approval for U.S. market access of Libervant and overcoming the orphan drug market exclusivity of an FDA approved nasal spray product of another company extending to January 2027; the commercial opportunity of Libervant, Anaphylm, AQST-108 and our other product candidates, including potential revenues (including projected peak annual sales) generated from commercialization of these products, should these product candidates be approved by the FDA; the focus on continuing to manufacture Suboxone®, Emylif®, Sympazan®, Ondif® and other licensed products; the potential growth of our patent portfolio including the extension of patent protection for Anaphylm should the pending patents be approved by the U.S. Patent and Trademark Office (PTO); the potential benefits our products and product candidates could bring to patients; the achievement of clinical and commercial milestones, product orders and fulfillment; our cash requirements, cash funding and cash burn; short-term and longer term liquidity and the ability to fund our business operations; our growth and future financial and operating results and financial position, including with respect to our 2025 financial outlook; and business strategies, market opportunities, and other statements that are not historical facts.

These forward-looking statements are based on our current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Such risks and uncertainties include, but are not limited to, risks associated with our development work, including any delays or changes to the timing, cost and success of our product development activities and clinical trials and plans, including those relating to Anaphylm (including for pediatric patients), AQST-108, and our other product candidates; risk of delays in advancement of the regulatory approval process through the FDA of our product candidates, including the filing and acceptance of the respective NDAs, for Anaphylm, AQST-108, Libervant for patients aged between 6 and 11 and other product candidates, or failure to receive FDA approval at all of any of these product candidates; risk of whether the Company's clinical data is sufficient for approval of our product candidates, including with respect to our PK/PD comparability submission for FDA approval of Anaphylm; risks associated our ability to address the FDA's comments on our future clinical trials and other concerns identified in the FDA Type C meeting minutes for Anaphylm, including the risk that the FDA may require additional clinical studies for approval of Anaphylm; risks associated with the success of any competing products, including generics; risk that we may not overcome the seven year orphan drug market exclusivity granted by the FDA for the approved nasal spray product of another company in the U.S. in order for Libervant to be granted U.S. market access for patients prior to expiration of the orphan drug market exclusivity period of the nasal spray product, which is due to occur in January 2027, or for other reasons; risks and uncertainties inherent in commercializing a new product (including technology risks, financial risks, market risks and implementation risks and regulatory limitations); risk of development of a sales and marketing capability for commercialization of our product candidates, including Anaphylm and AQST-108; risks associated with the potential impact on the value of the Company of the sale or outlicensing of our product and product candidates, including Libervant and Anaphylm and other product candidates; risk of insufficient capital and cash resources, including insufficient access to available debt and equity financing, including under our ATM facility, and revenues from operations, to satisfy all of our short-term and longer-term liquidity and cash requirements and other cash needs, at the times and in the amounts needed, including to commence principal payments on our 13.5% Notes in 2026 and to fund future clinical development and commercial activities for our

product candidates, including Anaphylm, AQST-108 and Libervant for patients aged between 6 and 11, should these product candidates be approved by the FDA, and for Libervant upon expiration of the orphan drug marketing exclusivity period of the nasal spray product; risk that our manufacturing capabilities will be insufficient to support demand for Libervant should Libervant receive U.S. market access, and for demand for our licensed products in the U.S. and abroad; risk of eroding market share for Suboxone® as a sunsetting product, which accounts for a substantial part of our current operating revenue; risk of default of our debt instruments; risks related to the outsourcing of certain sales, marketing and other operational and staff functions to third parties; risks associated with the rate and degree of market acceptance in the U.S. and abroad of Libervant for epilepsy patients if approved for U.S. market access and after the expiration of the orphan drug market exclusivity period in January 2027; risk of the rate and degree of market acceptance in the U.S. and abroad of Anaphylm, AQST-108 and our other product candidates, should these product candidates be approved by the FDA, and for our licensed products in the U.S. and abroad; risk associated with the size and growth of our product markets; risk associated with our compliance with all FDA and other governmental and customer requirements for our manufacturing facilities; risks associated with intellectual property rights and infringement claims relating to our products; risk that our patent applications for our product candidates, including for Anaphylm, will not be timely issued, or issued at all, by the PTO; risk of unexpected patent developments; risk of legislation and regulatory actions and changes in laws or regulations affecting our business including relating to our products and product candidates and product pricing, reimbursement or access therefor; risk of loss of significant customers; risks related to claims and legal proceedings against us including patent infringement, securities, business torts, investigative, product safety or efficacy and antitrust litigation matters; risk of product recalls and withdrawals; risks related to any disruptions in our information technology networks and systems, including the impact of cybersecurity attacks; risk of increased cybersecurity attacks and data accessibility disruptions due to remote working arrangements; risk of adverse developments affecting the financial services industry; risks related to inflation and changing interest rates; risks related to the impact of pandemic diseases on our business; risks and uncertainties related to general economic, political (including the Ukraine and Israel wars and other acts of war and terrorism), business, industry, regulatory, financial and market conditions and other unusual items, including a potential recession; risks related to uncertainty about U.S. government initiatives and their impact on our business, including imposition of tariffs and other trade restrictions; and other uncertainties affecting us including those described in the "Risk Factors" section and in other sections included in this Quarterly Report on Form 10-Q. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these statements. These factors include the matters discussed and referenced in the risk factors of the Company's 2024 Annual Report on Form 10-K and our other Quarterly Reports on Form 10-Q and in our Current Reports on Form 8-K and our other filings with the SEC. Given these uncertainties, you should not place undue reliance on these forward-looking statements, which speak only as the date made. All subsequent forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. We assume no obligation to update forward-looking statements, or outlook or guidance after the date of this Quarterly Report on Form 10-Q, whether as a result of new information, future events or otherwise, except as may be required by applicable law. Readers should not rely on the forward-looking statements included in this Quarterly Report on Form 10-Q as representing our views as of any date after the date of the filing of this Quarterly Report on Form 10-Q.

Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to "Aquestive," the "Company," "we," "us," and "our" refer to Aquestive Therapeutics, Inc.

Overview

Aquestive is a pharmaceutical company advancing medicines to bring meaningful improvement to patients' lives through innovative science and delivery technologies. We are developing pharmaceutical products to deliver complex molecules through administrations that are alternatives to invasive and inconvenient standard of care therapies. We are advancing a product pipeline for the treatment of severe allergic reactions, including anaphylaxis, under the "Anaphylm™" trade name, and our Adrenaverse™ epinephrine prodrug pipeline platform. We have four licensed commercialized products which are marketed by our licensees in the U.S. and around the world. We are the exclusive manufacturer of these licensed products. Aquestive also collaborates with pharmaceutical companies to bring new molecules to market using proprietary, best-in-class technologies, like PharmFilm, and has proven drug development and commercialization capabilities. Our production facilities are located in Portage, Indiana, and our corporate headquarters and primary research laboratory facilities are based in Warren, New Jersey.

We manufacture licensed products at our facilities and anticipate that our current manufacturing capacity is sufficient for commercial quantities of our licensed products, proprietary product and product candidates currently in development. Our facilities have been inspected by the FDA, TGA, and DEA, and are subject to inspection by all applicable health agencies, including ANVISA and EMA. Not all collaborative or licensed products of the Company that may be commercially launched in the future will necessarily be manufactured by us.

Complex Molecule Portfolio

We have developed a proprietary pipeline of complex molecule-based product candidates as alternatives to invasively administered standard of care therapeutics addressing large market opportunities. The active programs in our complex molecule pipeline portfolio are:

- **Anaphylm™** (epinephrine) Sublingual Film – the first and only non-device based, orally delivered epinephrine product candidate in development that has shown clinical results comparable to auto-injectors (such as EpiPen® and Auvi-Q®) for the emergency treatment of allergic reactions, including anaphylaxis. Epinephrine is the standard of care in the treatment of anaphylaxis and is typically administered via intramuscular injection (IM), including manual auto-injectors such as EpiPen and Auvi-Q, which require patients or their caregivers to inject epinephrine into the patient's thigh during an emergency allergic reaction. As a result of this route of administration, many patients and their caregivers are reluctant to use injectable products. In August 2024, a nasal spray device was approved by the FDA for the treatment of severe allergic reactions, including anaphylaxis. However, Anaphylm would, if approved by the FDA, allow a patient to simply place a dissolvable strip, approximately the size and weight of a postage stamp, under the tongue, providing an appropriate medication where it is needed and when it is needed.

  The FDA conditionally accepted the proprietary name Anaphylm™ (pronounced "ana-film") as the proposed brand name for Anaphylm. Final approval of the Anaphylm proprietary name is conditioned on FDA approval of Anaphylm, if any.

  On February 24, 2022, following a Phase 1 clinical study conducted by the Company outside of the U.S., the FDA cleared our IND for Anaphylm, allowing for clinical investigation of Anaphylm in the U.S. The FDA confirmed that the 505(b)(2) regulatory approval pathway is acceptable for the development of Anaphylm. The FDA granted Fast Track designation of Anaphylm in March 2022.

  Throughout 2022 and 2023, we reported positive topline data from several clinical studies evaluating multiple oral film formulations and dosage strengths of Anaphylm in healthy adult subjects, including cross over studies comparing the PK and PD of epinephrine delivered via Anaphylm compared to current standards of care, EpiPen and IM injectors. These studies demonstrated that treatment with Anaphylm was well tolerated, with no serious adverse events, significant medical events, or treatment-related severe adverse events reported. The data from these clinical studies formed the basis for the EOP2 meeting with the FDA in December of 2022, which provided clarity as to the FDA's expectations regarding key clinical program areas for design of revised dosing instructions expected for use in our pivotal clinical trial.

  In the fourth quarter of 2023, we received comments from the FDA on the protocol for our pivotal clinical study for Anaphylm, which comments indicated that our proposed endpoints, sample size, and statistical analysis for the proposed pivotal clinical study were reasonable and provided clarity on PK sustainability with repeat-dose requirements. We incorporated the FDA's feedback into the pivotal clinical study design, which study commenced in in the fourth quarter of 2023.

  In January 2024, we completed a Type C meeting with the FDA in which the FDA found that we had adequately addressed the FDA's previous concerns noted in the EOP2 meeting, including addressing (1) the impact of any product hold time, (2) the potential for emesis (vomiting), and (3) the impact of potential mouth conditions such as angioedema (swelling), by removing product hold time from the administration instructions and providing additional information on how to characterize emesis in our NDA submission with the FDA. Regarding mouth conditions, the FDA recommended administering Anaphylm after oral exposure to a known allergen and assessing PK performance thereunder. This study replaced our previously planned angioedema study. In those comments, the FDA did not outline any new clinical development requirements for the Anaphylm program. The FDA reserved judgement on the sufficiency of the Anaphylm clinical development program until completion of ongoing and planned studies, the results of which were presented at a pre-NDA interaction with the FDA on November 22, 2024.

  In March 2024, we released topline data from our pivotal clinical study for Anaphylm. The two-part, Phase 3, single-center, open-label, randomized study was designed to compare the PK and PD of single and repeat doses of Anaphylm versus single and repeat doses of the IM injection and epinephrine autoinjectors (EpiPen® and Auvi-Q®) in healthy adult subjects. The results of this study demonstrated that the primary endpoint, epinephrine PK biocomparability of the single administration of Anaphylm to the single administration of Adrenalin (epinephrine IM injection) and epinephrine autoinjectors in healthy adult subjects was met. The study also met its secondary endpoints, which included evaluating the PK sustainability of Anaphylm following repeat administration, as well as its safety and tolerability of Anaphylm following single and repeat administrations versus epinephrine IM injection and epinephrine autoinjectors.

In June 2024, we reported positive topline PK data from the Company's temperature / pH study of Anaphylm. The single-dose, five-period, randomized crossover study was designed to compare the PK and PD of Anaphylm just after consuming normal water at different temperatures (hot, cold, and room temperature) as well as water of different pHs (acidic- lemon water, and basic- baking soda water). The most consumed beverages, such as soda, milk, coffee, and juice, have acidity between lemon water and normal water. The primary PK parameters were the maximum amount of epinephrine measured in plasma (Cmax) and exposure, or the area under the curve (AUC), at predefined time points after dosing, in 30 healthy adult subjects. Topline PK and PD data from the study showed no statistically significant difference in PK and PD results between the different groups based on temperature and pH variability in the mouth.

In July 2024, we reported positive topline data from the self-administration PK study of Anaphylm. The single-dose, three-period, randomized crossover study was designed to compare the PK and PD of Anaphylm self-administered, Anaphylm healthcare provider (HCP)-administered, and Adrenalin IM injection HCP- administered. The primary PK parameters were the Cmax and the AUC exposures, at predefined time points after dosing in 36 healthy adult subjects. The median time to maximum concentration (Tmax) was 15 minutes for both the Anaphylm self-administered and HCP-administered arms, while the median Tmax for the Adrenalin IM injection HCP-administered arm was 50 minutes post-administration. Also, there was no statistical difference between the Anaphylm self-administered and HCP- administered arms of the study based on a comparison of epinephrine exposures across the first 60 minutes post-administration. Topline PD data from the study showed no difference in the median increase in systolic blood pressure, diastolic blood pressure, and heart rate whether Anaphylm was self-administered or HCP-administered.

In October 2024, we reported positive topline data from an oral allergy syndrome challenge study (now referred to as the "OASIS" study), meeting both primary and secondary endpoints. The two-part study demonstrated that Anaphylm's PK and PD profile during allergen-induced oral physiological changes was consistent with its profile without an allergen challenge. In addition, following allergen exposure where 94% of subjects exhibited moderate to severe symptoms per the predefined oral severity score, rapid symptom resolution was observed beginning as early as 2 minutes post-administration. The median time to complete symptom resolution was 12 minutes compared to 74 minutes at screening baseline, with 50% of all symptoms across all subjects resolving by 5 minutes. The mean time of symptom resolution for edema, which affected approximately 25% of subjects, was 5 minutes after Anaphylm administration. The PK profile remained consistent, with median Tmax maintained at 12 minutes and comparable Cmax values between allergen-exposed and non-exposed cohorts. The safety profile was favorable, with all adverse events classified as mild to moderate and resolving without medical intervention.

Also in October 2024, at the ACAAI 2024 Annual Meeting in Boston, we presented results from a subsequent analysis of our pivotal study data demonstrating Anaphylm's consistent PK and PD profile regardless of variable placement or intraoral movement. The analysis showed that 87.5% of subjects maintained consistent film placement during disintegration. In the 12.5% of subjects where movement was noted, there were no significant differences in Cmax and Tmax. These findings further demonstrate that initial placement or subsequent movement of the sublingual film had no impact on epinephrine PK or PD comparability to epinephrine autoinjectors.

On November 22, 2024, we received positive pre-NDA written response feedback from the FDA prior to our planned NDA submission in the first quarter of 2025. The FDA did not indicate in those responses that any additional adult clinical trials would be necessary for submitting the NDA for Anaphylm. In addition, the FDA agreed with our planned NDA content and format for the submission, planned safety evaluation, and planned pediatric trial. The FDA also provided further guidance on additional data views to be included in the planned NDA submission and continued to emphasize its focus on PK sustainability for a single dose. In addition, the FDA requested minor modifications to the pediatric trial protocol which requested modifications were incorporated in the final pediatric trial protocol. Finally, the FDA noted that due to the new route of administration and the data supporting this route of administration, an advisory committee meeting may be necessary prior to FDA approval and we are preparing for this potential request from the FDA.

We completed the NDA submission to the FDA in the first quarter of 2025. The pediatric study in subjects from the ages of 7 to 17 (weight greater than or equal to 30 kgs) was completed with positive topline data reported on April 1, 2025. A total of thirty-two patients completed the study. The PK results were consistent with previous adult studies. Anaphylm was shown to be safe and well-tolerated with no serious adverse events reported. We are planning on initiating a product launch of Anaphylm, if approved by the FDA, in the first quarter of 2026. This anticipated timing is based on acceptance of the NDA submission by the FDA in the second quarter of 2025.

- **AQST-108** (epinephrine) Topical Gel – Our product candidate, AQST-108 is composed of the prodrug dipivefrin which is enzymatically cleaved into epinephrine after administration. AQST-108, is a topically delivered adrenergic agonist prodrug, which we believe has the potential to support the re-establishment of immune privilege in the hair follicle and we are pursuing its development for the treatment of alopecia areata, which is an autoimmune disease leading to hair loss on the scalp, face and, in more severe cases, other body areas. We completed the first human

clinical trial for AQST-108. The two-part trial was designed to assess the safety and local tolerability of AQST-108. Part 1 was designed as a single ascending dose escalation study to assess the safety and PK of five different dose levels. The 1.0% dose of AQST-108 was chosen based on the down selection from the highest dose to move into the Part 2 study of the development program. In Part 2, three formulations based on excipient variations were evaluated in twelve healthy subjects. In Parts 1 and 2, no serious adverse events or topical adverse events were observed. In Part 2, the calculated percentage of AQST-108 observed in the skin remained consistent across all studied formulations and zero post-dose AQST-108 concentrations in plasma were observed. We received pre-IND FDA feedback in the fourth quarter of 2024 to align on the Phase 2a clinical trial design. We are continuing pre-clinical development studies in advance of plans to open an IND in the fourth quarter of 2025 and initiate the Phase 2a clinical trial in the first half of 2026.

Proprietary CNS Product

We believe the application of our proprietary PharmFilm® technology is particularly valuable and relevant to patients suffering from certain CNS disorders to meet patients' unmet medical needs and to solve patients' therapeutic problems. Our most advanced asset within our proprietary CNS portfolio, focused in epilepsy, is as follows:

- **Libervant®** – a buccally, or inside of the cheek, administered soluble film formulation of diazepam, Libervant was developed as an alternative to device-dependent rescue therapies currently available to patients with refractory epilepsy, which are a rectal gel and nasal sprays.

  On April 26, 2024, the FDA approved Libervant for U.S. market access for the acute treatment of intermittent, stereotypic episodes of frequent seizure activity (*i.e.*, seizure clusters, ARS) that are distinct from a patient's usual seizure pattern in patients with epilepsy between two to five years of age. Libervant is the first and only orally administered rescue product for the treatment of seizure cluster in patients between ages two to five. The only other current FDA approved products for these ARS patients between two to five years of age is a diazepam rectal gel and a diazepam nasal spray. In October 2024, Libervant 5mg, 7.5mg, 10mg, 12.5mg and 15 mg for ARS patients between two and five years of age became available through multiple retail distribution channels. In the fourth quarter of 2024 the FDA granted seven years of ODE to Libervant® (diazepam) Buccal Film for ARS patients between two to five years of age. Libervant was originally granted Orphan Drug Designation on November 10, 2016.

  On February 14, 2025, in a lawsuit brought by Neurelis, Inc. ("Neurelis") against the FDA (Neurelis, Inc. v. Califf, for which the Company joined as a Defendant Intervenor) challenging the FDA's approval of Libervant for ARS patients aged between two and five years, the U.S. District for the District of Columbia issued a final appealable order entering a judgment in favor of Neurelis's motion for summary judgement and vacating the FDA's approval of Libervant. The District Court's ruling was not based on grounds of safety or efficacy of Libervant, but rather on the grounds that the law granting ODE to the FDA approved nasal spray Valtoco for patients aged six years and older should be interpreted to extend to children aged two to five years, despite that Valtoco was not approved by the FDA to treat these younger patients at the time the FDA approved Libervant for this pediatric age group. The FDA is appealing this ruling. As a result of the District Court ruling, the FDA converted the approval of Libervant for patients aged between two and five years to a "tentative approval" and Aquestive has ceased marketing activities for Libervant in the United States.

  On February 24, 2025, Aquestive filed a request with the FDA that the FDA also confirms approval of Libervant for ARS patients aged between two and five years on the FDA regulatory grounds of clinical superiority over the other currently existing FDA approved ARS drugs. FDA's orphan drug regulations define a "clinically superior" drug as "a drug shown to provide a significant therapeutic advantage over and above that provided by an approved orphan drug (that is otherwise the same drug)" in one of three ways: the basis of greater efficacy or safety, or providing a major contribution to patient care. The FDA has taken this request under advisement and has not yet provided a response to the Company.

  Prior to the FDA approval of Libervant for ARS patients between two to five years, the FDA granted tentative approval in August 2022 for Libervant for the same indication in patients with epilepsy 12 years of age and older, finding that Libervant had met all required quality, safety, and efficacy standards for approval. However, due to the existing FDA regulatory grant of ODE for Valtoco for use in ARS patients 6 years of age and older, the FDA determined that Libervant was not yet eligible for marketing in the United States for this patient population of 12 years of age and older. We expect to file for FDA approval for use of Libervant for these ARS patients aged between 6 and 11 years prior to the expiration of the ODE for Valtoco. However, as a result of the ODE granted by the FDA to Valtoco and the District Court's ruling, the FDA cannot give final approval for U.S. market access for Libervant for any age group until the expiration of the ODE or a determination by the FDA of inapplicability of the ODE for Libervant, unless the District Court's ruling vacating the FDA approval of Libervant for ARS patients aged between two and five years is overturned on appeal. In the event that the District Court's ruling is reversed without further right of appeal, and the tentative approval of Libervant for ARS patients aged between two and five is converted to a final

approval by the FDA, the Company would only be able to market Libervant for ARS patients aged between two and five years and would continue to be restricted from market access of Libervant for older ARS patients until the expiration of the ODE for Valtoco. However, overcoming the orphan drug marketing exclusivity determination is difficult to establish, with limited precedent, and there can be no assurance that the FDA will agree with our position seeking to overcome such market exclusivity and approve Libervant for U.S. market access for any age group earlier than January 2027, the scheduled date for expiration of ODE for Valtoco. See "*Licensed Commercial Products, Product Candidates and Other Products – Libervant*" for a discussion of the licensing arrangement for Libervant.

Licensed Commercial Products, Product Candidates and Other Products

Our portfolio also includes other products and product candidates that we have licensed, or will seek to license, or for which we have licensed our intellectual property for commercialization. In the three months ended March 31, 2025 and 2024, our licensed product portfolio generated $8,720 and $12,053 in revenue to Aquestive, respectively. Those products include:

- **Suboxone®** – a sublingual film formulation of buprenorphine and naloxone, respectively an opioid agonist and antagonist, that is marketed in the United States and internationally for the treatment of opioid dependence. Suboxone was launched by our licensee, Indivior, in 2010. Suboxone is the most prescribed branded product in its category and was the first sublingual film product for the treatment of opioid dependence. We are the sole and exclusive supplier and manufacturer of Suboxone and have produced over 2.8 billion doses of Suboxone since its launch in 2010. As of March 31, 2025, Suboxone branded products retain approximately 27% film market share as generic film-based products have penetrated this market. We have filed patent infringement lawsuits against certain companies relating to generic film-based products for buprenorphine-naloxone. More details regarding these lawsuits are described in the accompanying condensed financial statements, Note 20, *Contingencies*, contained herein.

- **Emylif®** – an oral film formulation of riluzole, has been developed by Aquestive for the treatment of ALS. We believe that Emylif can bring meaningful assistance to patients who are diagnosed with ALS and face difficulties swallowing traditional forms of medication. This product was originally approved and marketed in the U.S. under the name Exservan. Exservan was approved by the FDA on November 22, 2019. We submitted a request for voluntary withdrawal of the NDA as the product is no longer marketed in the U.S. and the NDA was officially withdrawn on February 14, 2025.

  During the fourth quarter of 2019, we announced the grant of a license to Zambon for the development and commercialization of Exservan in the EU for the treatment of ALS which it markets as Emylif®. Zambon is a multinational pharmaceutical company with a focus on the CNS therapeutic area. Under the terms of the license agreement with Zambon, an upfront payment was paid to Aquestive for the development and commercialization rights of Emylif in the EU, and Aquestive will be paid development and sales milestone payments and low double-digit royalties on net sales of the product in the EU. Zambon is responsible for the regulatory approval and marketing of Emylif in the countries where Zambon seeks to market the product and Aquestive is responsible for the development and manufacture of the product. During the second quarter of 2023, Aquestive received a $0.5 million milestone payment in connection with the first commercial sale in the first country in the licensed territory for Emylif pursuant to the terms of the license agreement with Zambon.

  In January 2021, we announced that we granted an exclusive license to MTPA for the commercialization in the United States of Exservan. MTPA is a multinational pharmaceutical company with a focus on patients with ALS. The product was launched by MTPA in June 2021. Under the terms of the MTPA license agreement, Aquestive was the exclusive manufacturer and supplier of Exservan for MTPA in the United States. In June 2024, the Company and MTPA mutually agreed to terminate the MTPA Licensing Agreement.

  In March 2022, we announced the grant of an exclusive license to Haisco for Haisco to develop and commercialize Exservan for the treatment of ALS in China. Haisco is a China-based public pharmaceutical company. Haisco lead the regulatory and commercialization activities for Exservan in China. Aquestive was the exclusive sole manufacturer and supplier for Exservan in China. Under the terms of the license agreement with Haisco, as amended, Aquestive received a $7.0 million upfront payment in September 2022, and was to receive regulatory milestone payments, double-digit royalties on net sales of Exservan in China, and earn manufacturing revenue upon the sale of Exservan in China. In June 2024, Aquestive and Haisco mutually agreed to terminate the Haisco Agreement.

- **Ondif®** – an oral soluble film formulation of ondansetron, a 5-HT antagonist, was developed for the treatment of nausea and vomiting associated with chemotherapy and post-operative recovery. Ondansetron is available as branded and generic products as intravenous injections, intramuscular injections, orally dissolving tablets, oral solution tablets, and film. We licensed commercial rights for this product to Hypera in Brazil (which Hypera markets as Ondif). Hypera received approval to market Ondif in Brazil from ANVISA on February 21, 2022. Aquestive manufactures and supplies Ondif to Hypera. This product was originally approved and marketed in the U.S. under the name Zuplenz®.

We submitted a request for voluntary withdrawal of the NDA for Zuplenz, as the product is no longer marketed in the U.S. In November 2024, the request for FDA withdrawal of the NDA for Zuplenz was completed.

- **Libervant® -** We entered into the Pharmanovia Agreement with Pharmanovia, effective as of September 26, 2022, pursuant to which we granted Pharmanovia an exclusive license to certain of our intellectual property to develop and commercialize Libervant for the treatment of prolonged or acute, convulsive seizures in all ages in certain countries of the Territory, as defined in the Pharmanovia Agreement, during the term of the Pharmanovia Agreement. Under the Pharmanovia Agreement, Pharmanovia will lead the regulatory and commercialization activities for Libervant in the Territory and Aquestive will serve as the exclusive sole manufacturer and supplier of Libervant in the Territory. We received $3.5 million upon agreement execution. Effective March 27, 2023, we amended the Pharmanovia Agreement to expand the scope of the licensed territory for Libervant to cover the rest of the world, excluding the U.S., Canada and China. Pharmanovia will be responsible for seeking appropriate regulatory approval in the expanded territories. Pursuant to the terms of the Pharmanovia Amendment, we received a non-refundable payment of $2.0 million from Pharmanovia on execution of the Pharmanovia Amendment.
- **Sympazan®** – an oral soluble film formulation of clobazam used for the treatment of seizures associated with a rare, intractable form of epilepsy known as Lennox-Gastaut syndrome, or LGS, in patients aged two years of age or older, was approved by the FDA on November 1, 2018. We commercially launched Sympazan in December 2018. On October 26, 2022, we entered into a License Agreement with Otter Pharmaceuticals, LLC, a subsidiary of Assertio Holdings, Inc., pursuant to which we granted an exclusive, worldwide license of its intellectual property for Sympazan to Assertio during the term of that agreement for an upfront payment of $9.0 million. Additionally, we subsequently received from Assertio a $6.0 million milestone payment upon its receipt of a notice of allowance from the United States Patent and Trademark Office of its patent application U.S. Serial No. 16/561,573, and payment of the related allowance fee. Aquestive is the exclusive sole manufacturer and supplier of Sympazan for Assertio and will receive manufacturing fees from Assertio for the product through the expiration of such License Agreement.
- **KYNMOBI®**– a sublingual film formulation of apomorphine, which is a dopamine agonist, was developed to treat episodic off-periods in Parkinson's disease. We licensed our intellectual property to Cynapsus Therapeutics, Inc., a company that was acquired by Sunovion for the commercialization of KYNMOBI under the Sunovion License Agreement. KYNMOBI was approved by the FDA on May 21, 2020 and commercially launched by Sunovion in September 2020. On November 3, 2020, we entered into the Monetization Agreement. Under the terms of the Monetization Agreement, we sold all of our contractual rights to receive royalties and milestone payments due under the Sunovion License Agreement related to Sunovion's apomorphine product, KYNMOBI. In June 2023, Sunovion announced that it had voluntarily withdrawn KYNMOBI from the U.S. and Canadian markets.
- **Azstarys®** – an FDA-approved, once-daily product for the treatment of ADHD in patients age 6 years or older. AZSTARYS consists of serdexmethylphenidate, a prodrug of d-methylphenidate (d-MPH), co-formulated with immediate release d-MPH. In March 2012, we entered into an agreement with Zevra (formerly KemPharm, Inc.) to terminate a Collaboration and License Agreement entered into by the Company and Zevra in April 2011. Under this termination arrangement, we have the right to participate in any and all value that Zevra may derive from the commercialization or any other monetization of KP-415 and KP-484 compounds or their derivatives. Among these monetization transactions are those related to any business combinations involving Zevra and collaborations, royalty arrangements, or other transactions from which Zevra may realize value from these compounds, including the product Azstarys. On March 2, 2021, Zevra announced FDA approval of Azstarys for the treatment of ADHD. Pursuant to the terms of the March 2012 agreement with Zevra, we began to receive milestone and royalty revenues for Azstarys.

Critical Accounting Policies and Use of Estimates

There have been no material changes to our critical accounting policies and use of estimates as previously disclosed in our 2024 Annual Report on Form 10-K.

JOBS Act and Smaller Reporting Company

We remain a "smaller reporting company", meaning we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a "smaller reporting company" which allows us to take advantage of many of the same exemptions from disclosure requirements including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and certain reduced financial disclosures in our periodic reports. In addition, we are eligible to remain a smaller reporting company, for so long as we have a public float (based on our Common Stock equity) of less than $250 million measured as of the last business day of our most recently completed second fiscal quarter or a public float (based on our Common Stock equity) of less than $700 million as of such date and annual revenues of less than $100 million during the most recently completed fiscal year. We cannot predict if investors will find our Common Stock less attractive because we may rely on these exemptions. If some investors find our Common Stock less attractive as a

result of these disclosure exemptions, there may be a less active trading market for our Common Stock and our stock price may be more volatile.

Financial Operations Overview

Revenues

Our revenues to date have been earned from our manufactured products made to order for licensees, as well as revenue from our self-developed, self-commercialized proprietary product, Libervant. Revenues are also earned from our product development services provided under contracts with customers, and from the licensing of our intellectual property. We generate revenues in four primary categories: manufacture and supply revenue, license and royalty revenue, co-development and research fees, and proprietary product revenue, net.

Manufacture and Supply Revenue

We manufacture based on receipt of purchase orders from our licensees, and our licensees have an obligation to accept these orders once quality assurance validates the quality of the manufactured product with agreed upon technical specifications. In most cases, our licensees are responsible for all other aspects of commercialization of these products, and we have no role, either direct or indirect, in our customers' commercialization activities, including those related to marketing, pricing, sales, payor access and regulatory operations.

We expect future manufacture and supply revenue from licensed products to be based on volume demand for existing licensed products, and for manufacturing and supply rights under license and supply agreements for existing or new agreements for successful product development collaborations.

License and Royalty Revenue

We realize revenue from licenses of our intellectual property. For licenses that do not require further development or other ongoing activities by us, our licensee has acquired the right to use the licensed intellectual property for self-development of their product candidate, for manufacturing, commercialization or other specified purposes, upon the effective transfer of those rights, and related revenues are generally recorded at a point in time, subject to contingencies or constraints, if any. For licenses that may provide substantial value only in conjunction with other performance obligations to be provided by us, such as development services or the manufacture of specific products, revenues are generally recorded over the term of the license agreement. We also earn royalties based on our licensees' sales of products that use our intellectual property that are marketed and sold in the countries where we have patented technology rights.

Co-development and Research Fees

Co-development and research fees are earned through performance of specific tasks, activities or completion of stages of development defined within a contractual development or feasibility study agreement with a customer. The nature of these performance obligations, broadly referred to as milestones or deliverables, are usually dependent on the scope and structure of the project as contracted, as well as the complexity of the product and the specific regulatory approval path necessary for that product. Accordingly, the duration of our research and development projects may range from several months to as long as three years. Although each contractual arrangement is unique, common milestones contained in these arrangements include those for the performance of efficacy and other tests, reports of findings, formulation of initial prototypes, production of stability clinical and/or scale-up batches, and stability testing of those batches. Additional milestones may be established and linked to clinical results of the product submission and/or approval of the product by the FDA and the commercial launch of the product.

Proprietary product revenue, net

This net revenue is recognized when product is shipped and title passes to the customer, typically at time of delivery. At the time of sale, estimates for various revenue allowances are recorded based on historical trends and judgmental estimates. For sales of Libervant for patients between two to five years of age, returns allowances and prompt pay discounts are estimated based on contract terms and historical return rates, if available, and these estimates are recorded as a reduction of receivables. Similarly determined estimates are recorded relating to wholesaler service fees, co-pay support redemptions, and other rebates, and these estimates are reflected as a component of accrued liabilities. Once all related variable considerations are resolved and uncertainties as to collectable amounts are eliminated, estimates are adjusted to actual allowance amounts. Provisions for these estimated amounts are reviewed and adjusted on no less than a quarterly basis.

Costs and Expenses

Our costs and expenses are primarily the result of the following activities: generation of manufacture and supply revenues; development of our pipeline of proprietary product candidates; and selling, general and administrative expenses, including pre-launch and post-launch commercialization efforts, intellectual property procurement, protection, prosecution and litigation expenses, corporate management functions, medical and clinical affairs administration; public company costs, share-

based compensation expenses and interest on our corporate borrowings. We primarily record our costs and expenses in the following categories:

Manufacture and Supply Costs and Expenses

Manufacture and supply costs and expenses are primarily incurred from the manufacture of our commercialized licensed pharmaceutical products, including raw materials, direct labor and overhead costs principally in our Portage, Indiana facilities. Our material costs include the costs of raw materials used in the production of our proprietary dissolving film and primary packaging materials. Direct labor costs consist of payroll costs (including taxes and benefits) of employees engaged in production activities. Overhead costs principally consist of indirect payroll, facilities rent, utilities and depreciation for leasehold improvements and production machinery and equipment. These costs can increase, or decrease, based on the costs of materials, purchased at market pricing, and the amount of direct labor required to produce a product, along with the allocation of fixed overhead, which is dependent on production volume.

Our manufacture and supply costs and expenses are impacted by our customers' supply requirements. Costs of production reflect the costs of raw materials that are purchased at market prices and production efficiency (measured by the cost of a salable unit). These costs can increase or decrease based on the amount of direct labor and materials required to produce a product and the allocation of fixed overhead, which is dependent on the levels of production.

In addition to our proprietary products coming online, we may add licensee products which may need additional resources to manufacture. If such growth should occur for higher volume product opportunities such as Suboxone and Ondif, we would incur increased costs associated with hiring additional personnel to support the increased manufacturing and supply costs arising from higher manufactured volumes from proprietary and licensed products.

Research and Development Expenses

Since our inception, we have focused significant resources on our research and development activities. Research and development expenses primarily consist of:

- employee-related expenses, including compensation, benefits, share-based compensation and travel expense;
- external research and development expenses incurred under arrangements with third parties, such as CROs, investigational sites and consultants;
- the cost of acquiring, developing and manufacturing clinical study materials; and
- costs associated with preclinical and clinical activities and regulatory operations.

We expect our research and development expenses to continue to be significant over the next several years as we continue to develop existing product candidates such as Anaphylm, AQST-108 and others, and as we identify and develop or acquire additional product candidates and technologies. We may hire or engage additional skilled colleagues or third parties to perform these activities, conduct clinical trials and ultimately seek regulatory approvals for any product candidate that successfully completes those clinical trials.

Selling, General and Administrative Expenses

Selling, General and Administrative expenses consist primarily of salaries, benefits, share-based compensation, other related costs for executive, finance, and operational personnel. Other costs include facility and related costs not otherwise included in research and development expenses such as: professional fees for patent-related and other legal expenses, regulatory fees, consulting, tax and accounting services; insurance; market research; advisory board and key opinion leaders; depreciation; and general corporate expenses, inclusive of IT systems related costs. In addition, these expenses also include warehousing, distribution, selling and business development, and other costs.

Our general and administrative costs include costs related to accounting, audit, legal regulatory, and tax-related services required to maintain compliance with exchange listing and SEC regulations, director and officer insurance costs, and investor and public relations costs. We continue to incur significant costs in seeking to protect our intellectual property rights, including significant litigation costs in connection with seeking to enforce our rights concerning third parties' at-risk launch of generic products.

We will continue to manage business costs to prepare for a potential future decline in Suboxone revenue and other external factors affecting our business. We continue to focus on our core business and regulatory and pre-commercial launch activities for Anaphylm.

Interest Expense

Interest expense consists of interest costs on the outstanding balances of our 13.5% Notes at a fixed rate of 13.5%, payable quarterly, as well as amortization of issuance costs and debt discounts. The issuance of 13.5% Notes is discussed in

Note 14, *Long-Term Debt*, to our Condensed Financial Statements. See *Liquidity and Capital Resources* below for further detail on our 13.5% Notes.

Interest Expense related to Royalty Obligations

In connection with the issuance of the 13.5% Notes, we entered into the Royalty Rights Agreements with each of the Note Holders granting the Note Holders a tiered royalty between 1.0% and 2.0% of annual worldwide net sales of Anaphylm (epinephrine) Sublingual Film for a period of eight years from the first sale of Anaphylm on a global basis. The Note Holders are also entitled to a tiered royalty between 1.0% to 2.0% of annual worldwide net sales of Libervant (diazepam) Buccal Film until the earlier of (1) the first sale of Anaphylm and (2) eight years from the first sale of Libervant. These royalty agreements are classified as debt, and the value of the $45,000 13.5% Notes has been allocated between debt and the Royalty Obligations based on their relative fair market values. The excess of future estimated royalty payments of $56,828 over the $13,758 of the allocated fair value is recognized as a discount related to the Royalty Right Agreements and is amortized as interest expense using the effective interest method. The 13.5% Notes are discussed in Note 14, *Long-Term Debt* to our Condensed Financial Statements.

Interest Expense related to the Sale of Future Revenue

On November 3, 2020, we entered into the Monetization Agreement with Marathon. Under the terms of the Monetization Agreement, we sold to Marathon all of our contractual rights to receive royalties and milestone payments due under the Sunovion License Agreement related to Sunovion's apomorphine product, KYNMOBI, an apomorphine film therapy for the treatment of off episodes in Parkinson's disease patients, which received approval from the FDA on May 21, 2020. In exchange for the sale of these rights, we received an upfront payment from Marathon of $40,000 and an additional payment of $10,000 through the achievement of the first milestone. We have received an aggregate amount of $50,000 through March 31, 2025 under the Monetization Agreement.

Under the Monetization Agreement, additional contingent payments of up to $75,000 may be due to us upon the achievement of worldwide royalty and other commercial targets within a specified timeframe, which could result in total potential proceeds of $125,000. In June 2023, Sunovion announced that it has voluntarily withdrawn KYNMOBI from the U.S. and Canadian markets, therefore, we likely will not receive any of the additional contingent payments under the Monetization agreement. We discontinued recording interest expense related to the sale of future revenue under the Monetization agreement in the fourth quarter of 2022.

During the second quarter of 2020, under the Sunovion License Agreement, we recognized $8,000 of royalty revenue and corresponding royalty receivable, related to the $1,000 annual minimum guaranteed royalty that is due in each of the subsequent eight years. In connection with the Monetization Agreement, we performed an assessment under ASC 860, *Transfer and Servicing* to determine whether the existing receivable was transferred to Marathon and concluded that the receivable was not transferred. See Note 16, *Sale of Future Revenue,* to our Condensed Financial Statements for further detail.

Interest Income and other income, net

Interest income and other income, net consists of earnings derived from an interest-bearing account, investments in money market Treasury mutual funds and other miscellaneous income and expense items. The interest-bearing account and money market Treasury mutual funds have no minimum amounts to be maintained in the accounts nor any fixed length of period for which interest and dividends are earned.

Results of Operations

Comparison of the Three Months Ended March 31, 2025 and 2024

Revenues:

The following table sets forth our revenue data for the periods indicated.

	Three Months Ended March 31,		Change	
(In thousands, except %)	**2025**	**2024**	**$**	**%**
Manufacture and supply revenue	$ 7,193	$ 10,518	$ (3,325)	(32 %)
License and royalty revenue	790	1,132	(342)	(30) %
Co-development and research fees	418	403	15	4 %
Proprietary product revenue, net	319	—	319	N/M
Total revenues	$ 8,720	$ 12,053	$ (3,333)	(28) %

For the three months ended March 31, 2025, total revenues decreased 28%, or $3,333 compared to the same period in the prior year primarily due to decreases in manufacture and supply revenue and license and royalty revenue , partially offset by increases in proprietary product revenue, net.

Manufacture and supply revenue decreased approximately 32%, or $3,325 for the three months ended March 31, 2025 compared to the same period in the prior year. This decrease was primarily due to a $4,463 decrease in Suboxone revenues, partially offset by a $1,471 increase in Ondif revenues due to timing of orders.

License and royalty revenue decreased 30%, or $342 for the three months ended March 31, 2025 compared to the same period in the prior year. This decrease was primarily due to lower Aztarys royalty revenues and lower license revenues associated with the termination of a licensing and supply agreement in the prior year.

Co-development and research fees for the three months ended March 31, 2025 remained relatively consistent compared to the same period in the prior year.

Proprietary product revenue, net increased by $319 for the three months ended March 31, 2025 compared to the same period in the prior year.

Expenses, Interest Income and Other Income:

The following table sets forth our expenses and income for the periods indicated.

	Three Months Ended March 31,		Change	
(In thousands, except %)	**2025**	**2024**	**$**	**%**
Manufacture and supply	$ 3,652	$ 4,389	$ (737)	(17 %)
Research and development	5,361	5,932	(571)	(10) %
Selling, general and administrative	19,072	10,689	8,383	78 %
Interest expense	2,782	2,784	(2)	— %
Interest expense related to royalty obligations	1,437	1,358	79	6 %
Interest expense related to the sale of future revenue	59	58	1	2 %
Interest income and other income, net	(713)	(329)	(384)	117 %

Manufacture and supply costs and expenses decreased 17% or $737 for the three months ended March 31, 2025 compared to the same period in the prior year. The decrease was largely due to lower volume of strips sold and changes in product mix.

Research and development expenses decreased 10% or $571 for the three months ended March 31, 2025 compared to the same period in the prior year. The decrease in Research and development expenses is primarily due to lower clinical trial costs associated with the continued advancement of the Anaphylm program, partially offset by increases in product research and preclinical expenses, higher personnel costs and higher share-based compensation. The tables below provide a breakdown of the major costs included in total Research and development expenses and project costs by type of expense for each of the main clinical development projects in which we are engaged for each period presented:

(In thousands)	Three Months Ended March 31, 2025	2024	Change $	Change %
Clinical Trials	$ 2,101	$ 3,578	$ (1,477)	(41) %
Development and Manufacturing	16	134	(118)	(88 %)
Product Research Expenses	566	241	325	135 %
Total Project Expenses	2,683	3,953	(1,270)	(32) %
Preclinical	256	83	173	208 %
R&D personnel costs	1,802	1,534	268	17 %
Consulting and outside services	76	5	71	N/M
Share-based compensation	330	170	160	94 %
Depreciation/amortization	15	20	(5)	(25 %)
All other R&D	199	167	32	19 %
Total	$ 5,361	$ 5,932	$ (571)	(10 %)

The details of the project expenses are as follows:

	Three Months Ended March 31,											
	2025	2024		2025	2024		2025	2024		2025	2024	
	Total		% inc / dec	Anaphylm		% inc / dec	AQST-108		% inc / dec	Libervant		% inc / dec
Clinical Trials	$ 2,101	$ 3,578	(41 %)	$ 1,922	$ 2,975	(35) %	$ 179	$ 586	(69)%	$ —	$ 17	N/M
Development and Manufacturing	16	134	(88 %)	—	119	N/M	16	15	7%	—	—	N/M
Product Research Expenses	566	241	135 %	566	53	968 %	—	188	N/M	—	—	N/M
Total Project Expenses	$ 2,683	$ 3,953	(32 %)	$ 2,488	$ 3,147	(21 %)	$ 195	$ 789	(75)%	$ —	$ 17	N/M

Total project expenses for Anaphylm decreased 21%, or $659 over the comparable period in 2024. Anaphylm clinical trial expenses and development and manufacturing expenses decreased $1,053 and $119, respectively, over the comparable period in 2024, partially offset by increases in product research expenses of $513. During the three months ended March 31, 2025 and 2024, clinical trial expenses for Anaphylm of $1,922 and $2,975, respectively, were primarily due to clinical trial costs associated with the continued advancement of the Anaphylm program. Product research expenses for Anaphylm increased by $513, primarily related to expenses incurred for the preparation of the NDA filing. Total project expenses for AQST-108 decreased 75%, or $594, over the comparable period in 2024. AQST-108 clinical trial expenses and product research expenses decreased $407 and $188, respectively over the comparable period in 2024 due the clinical study and feasibility work for AQST-108 performed in the prior year period.

R&D personnel costs increased by 17%, or $268 over the comparable period in 2024, due to additional headcount. R&D share-based compensation increased by $160, or 94% primarily related to the effect of RSU grants to R&D personnel. All other R&D expenses include rent, utilities, maintenance and other expenses and fees.

Selling, general and administrative expenses increased 78% or $8,383 for the three months ended March 31, 2025 as compared to the same period in the prior year. The increase primarily represents regulatory fees related to the Anaphylm PDUFA fee of approximately $4,310, higher legal fees of $2,250, higher commercial spending of approximately $2,130, higher regulatory and licensing fees of approximately $505 related to the regulatory fee for Libervant, higher personnel costs of approximately $440, and higher share-based compensation expenses of $310, partially offset by decreases in severance costs of approximately 1,100 and lower insurance expenses of $240.

Interest expense was $2,782 and $2,784 for the three months ended March 31, 2025 and 2024, respectively. These amounts represent interest incurred on the outstanding 13.5% Notes, and amortization of the debt discount and capitalized debt issuance costs.

Interest expense related to amortization of the discount on the royalty obligations was $1,437 and $1,358 for the three months ended March 31, 2025 and 2024, respectively. These amounts are due to the accounting associated with the royalty obligations as part of the 13.5% Notes issuance.

Interest expense related to the sale of future revenue was $59 and $58 for the three months ended March 31, 2025 and March 31, 2024, respectively, and represents amortization of the issuance costs. These amounts are due to the accounting associated with the sale of future revenue related to KYNMOBI royalties sold to Marathon on November 3, 2020 and do not represent or imply a monetary obligation or cash outflow at any time during the life of the transaction. In June 2023, Sunovion announced that it had voluntarily withdrawn KYNMOBI from the U.S. and Canadian markets. Therefore, the Company likely will not receive any of the additional contingent payments under the Monetization agreement. As a result, the Company discontinued recording interest expense related to the sale of future revenue in the fourth quarter of 2022. See Note 16, *Sale of Future Revenue* to our Condensed Financial Statements for details.

Interest income and other income, net was $713 and $329 for the three months ended March 31, 2025 and 2024, respectively. The increase primarily represents higher investment income due to higher cash balances over a greater number of days invested in interest-bearing and dividend-earning money market accounts compared to the prior year period.

Liquidity and Capital Resources

Sources of Liquidity

We had $68,657 in cash and cash equivalents as of March 31, 2025. While our ability to execute our business objectives and achieve profitability over the longer term cannot be assured, our on-going business, existing cash and cash equivalents, expense management activities, potential asset sales or product outlicensing as well as access to the equity capital markets, including through the ATM facility, provide near term liquidity for us to fund our operating needs for at least the next twelve months as we continue to execute our business strategy.

We established our first ATM facility in September 2019, and since inception to March 31, 2025, we have sold 27,315,145 shares of Common Stock which has generated net cash proceeds of approximately $81,829, net of commissions and other transactions costs of $3,814. On April 3, 2024, we filed a new shelf registration statement on Form S-3 to register the offer and sale of up to $250,000 worth of shares of Common Stock, preferred stock, debt securities, warrants, rights and units ("Registration Statement No. 333-278498" or the "2024 Registration Statement"), that was declared effective by the SEC on April 23, 2024. Included as part of the 2024 Registration Statement was a $100,000 ATM facility, prospectus covering the offering, issuance and sale of Common Stock pursuant to the Amended Equity Distribution Agreement with Piper Sandler & Co.

During the three months ended March 31, 2025, the Company sold 7,457,627 shares of Common Stock under the ATM facility which provided net proceeds of approximately $21,306 after deducting commissions and other transaction costs of $694 of which $89 remains unpaid as of March 31, 2025. During the three months ended March 31, 2024, we sold 4,557,220 shares of Common Stock under the ATM facility which provided net proceeds of approximately $12,012 after deducting commissions and other transaction costs of $373.

On April 12, 2022, we entered into the Lincoln Park Purchase Agreement, which provides that, upon the terms and subject to the conditions and limitations under the Lincoln Park Purchase Agreement, we have the right, but not the obligation, to sell to Lincoln Park up to $40,000 worth of shares of our Common Stock from time to time over the 36-month term of the Lincoln Park Purchase Agreement. The Lincoln Park Purchase Agreement contains an ownership limitation such that we will not issue, and Lincoln Park will not purchase, shares of Common Stock if it would result in their beneficial ownership exceeding 9.99%. Lincoln Park has covenanted under the Lincoln Park Purchase Agreement not to cause or engage in any manner whatsoever, any direct or indirect short selling or hedging of our Common Stock. We did not sell shares in connection with the Lincoln Park Purchase Agreement during the three months ended March 31, 2025 or in 2024. The Lincoln Park Purchase agreement expired on May 1, 2025.

On June 6, 2022, we entered into the Securities Purchase Agreements with certain purchasers. The Securities Purchase Agreements provide for the sale and issuance by us of an aggregate of: (i) 4,850,000 shares of Common Stock, (ii) pre-funded warrants to purchase up to 4,000,000 shares of Common Stock and (iii) Common Stock warrants to purchase up to 8,850,000 shares of Common Stock. The pre-funded warrants were fully exercised in 2022. In June 2023, 3,689,452 Common Stock warrants issued pursuant to the Securities Purchase Agreements were exercised with proceeds of approximately $3,542.

In August 2023, we entered into the Letter Agreement with the Exercising Holder of 5,000,000 of the remaining Common Stock Warrants. Pursuant to the Letter Agreement, the Exercising Holder and Aquestive agreed that the Exercising Holder would exercise all of its Existing Warrants at the then current exercise price of the Existing Warrants. The Exercising Holder subsequently exercised the Existing Warrants, with Aquestive receiving gross proceeds of $4,800. We also issued to the Exercising Holder New Warrants to purchase up to an aggregate of 2,750,000 shares of Common Stock. The New Warrants are exercisable after February 2, 2024, expire on February 2, 2029 and are exercisable only for cash, unless the shares of Common

Stock underlying the New Warrants are not registered in accordance with the terms of the Letter Agreement, in which case the New Warrants may also be exercised by means of a "cashless exercise". The New Warrants have an exercise price of $2.60 per share.

On November 1, 2023, we issued $45,000 aggregate principal amount of its 13.5% Notes due November 1, 2028. A portion of the net proceeds from that offering was used to repay all of the outstanding 12.5% Notes and to pay expenses relating to that offering, with the balance of the proceeds to be used for general corporate purposes. Interest on the 13.5% Notes accrues at a rate of 13.5% per annum and is payable quarterly in arrears on March 30, June 30, September 30 and December 30 of each year commencing on December 30, 2023. The 13.5% Notes are interest-only until June 30, 2026, whereupon on such date and each payment date thereafter we will also pay an installment of principal of the 13.5% Notes pursuant to a fixed amortization schedule, along with a portion of an Exit Fee determined as of the applicable date of prepayment, payment, acceleration, repurchase or redemption, as the case may be.

On March 22, 2024, we completed the underwritten public offering of 16,666,667 shares of its Common Stock at the public offering price of $4.50 per share. At closing, we received net proceeds of $70,500 after deducting underwriting discounts of $4,500. In addition to the underwriting discounts related to this offering, we incurred professional fees and other costs totaling $687 as of March 31, 2024.

Further, pursuant to the partial exercise of the underwriters' option, on April 22, 2024, we sold an additional 559,801 shares of Common Stock resulting in net proceeds of $2,368, after deducting underwriting discounts of $151. In addition to the underwriting discounts related to the partial exercise of the underwriters' option, we incurred professional fees and other costs totaling $207.

Three Months Ended March 31, 2025 and 2024

	Three Months Ended March 31,	
(in thousands)	**2025**	**2024**
Net cash used for operating activities	$ (23,400)	$ (10,384)
Net cash used for investing activities	(135)	(29)
Net cash provided by financing activities	20,646	81,741
Net (decrease) increase in cash and cash equivalents	$ (2,889)	$ 71,328

Net cash used for operating activities

Net cash used for operating activities for the three months ended March 31, 2025 increased by $13,016 compared to the same period in the prior year. The increase in cash used for operating activities was primarily related to the change in net loss of $10,102, increases in trade and other receivables of $3,276, and net changes in other liabilities.

Net cash used for investing activities

Net cash used for investing activities for the three months ended March 31, 2025 increased by $106 compared to the same period in the prior year. The use of cash was related to capital expenditures.

Net cash provided by financing activities

Net cash provided by financing activities for the three months ended March 31, 2025 decreased by $61,095 compared to the same period in the prior year. The decrease was primarily related to no proceeds received from the underwritten public offering as compared to net proceeds of $70,126 received in the same period in the prior year, partially offset by higher ATM proceeds of $9,386 due to higher volumes and Common Stock prices as compared to the three months ended March 31, 2024.

Funding Requirements

Our on-going business, existing cash and equivalents, expense management activities as well as access to the equity capital markets, including through our ATM facility, and potential asset sales or product outlicensing potentially provide near term funding opportunities for Aquestive, see "*Liquidity and Capital Resources*". On November 1, 2023, we issued $45,000 in aggregate principal amount of the 13.5% Notes due November 1, 2028. A portion of the net proceeds from the Offering were used to redeem all of the outstanding 12.5% Notes and to pay expenses relating to the Offering, with the balance of the proceeds to be used for general corporate purposes.

On March 22, 2024, the Company completed the underwritten public offering of 16,666,667 shares of its Common Stock at the public offering price of $4.50 per share. At closing, Aquestive received net proceeds of $70,500 after deducting underwriting discounts of $4,500. In addition to the underwriting discounts related to this offering, the Company's incurred professional fees and other costs totaling $687 as of March 31, 2024. In addition, pursuant to the partial exercise of the

underwriters' option, on April 22, 2024, the Company sold an additional 559,801 shares of Common Stock, for additional gross proceeds of $2,519.

We have used and intend to continue to use our existing cash and cash equivalents, primarily to advance the development and commercialization of our product pipeline, including Anaphylm™ (epinephrine) Sublingual Film for the treatment of severe life-threatening allergic reactions, including anaphylaxis, and the commercial expansion of Libervant® (diazepam) Buccal Film for the treatment of ARS patients aged between two and five years until its U.S. market access was denied upon conversion by the FDA of its approval of Libervant for this patient population to a tentative approval, and for working capital, capital expenditures and general corporate purposes. We can provide no assurance that any of these sources of funding, either individually or in combination, will be available on reasonable terms, if at all, or sufficient to fund our business objectives. In addition, we may be required to utilize available financial resources sooner than expected. We have based our expectation on assumptions that could change or prove to be inaccurate, due to unrelated factors including factors arising in the capital markets, asset monetization markets, regulatory approval process, and regulatory oversight and other factors. Key factors and assumptions inherent in our planned continued operations and anticipated growth include, without limitation, those related to the following:

- continued ability of our customers to pay, in a timely manner, for presently contracted and future anticipated orders for our manufactured products, including effects of generics and other competitive pressures as currently envisioned;
- continued ability of our customers to pay, in a timely manner, for presently contracted and future anticipated orders for provided co-development and feasibility services, as well as regulatory support services for recently licensed products;
- access to debt or equity markets if, and at the time, needed for any necessary future funding, including our ability to access funding through our ATM facility, should we choose to access this facility;
- continuing review and appropriate adjustment of our cost structure consistent with our anticipated revenues and funding;
- continued growth and market penetration of Sympazan, including anticipated patient and physician acceptance and our licensee’s ability to obtain adequate reimbursement and payment support from government agencies and other private medical insurers;
- infrastructure and administrative costs at expected levels to support operations as an FDA and highly regulated public company;
- a manageable level of costs for ongoing efforts to protect our intellectual property rights and litigation matters in which we are involved;
- continued compliance with all covenants under our 13.5% Notes, including our ability to comply with our debt service obligations as required thereunder; and
- absence of significant unforeseen cash requirements.

We expect to continue to manage business costs to appropriately reflect the anticipated general decline in Suboxone revenue, and other external resources or factors affecting our business including, if available, future equity financing, other future access to the capital markets or other potential available sources of liquidity. In doing so, we plan to continue to focus on the core drivers of value for our stockholders, including, more importantly, continued investments in our ongoing product development activities in support of Anaphylm and AQST-108. Until profitability is achieved, if at all, additional capital and/or other financing or funding will be required, which could be material, to develop and commercialize Anaphylm and AQST-108, if approved by the FDA, and to meet our other cash requirements, including debt service, specifically our 13.5% Notes. Even as such, we expect to incur losses and negative cash flows for the foreseeable future and, therefore, we expect to be dependent upon external financing and funding to achieve our operating plan.

The sufficiency of our short-term and longer-term liquidity is directly impacted by our level of operating revenues and our ability to achieve our operating plan for revenues, regulatory approval in the time period planned for our product candidates and our ability to monetize other royalty streams or other licensed rights within planned timeframes, and there can be no assurance that we will be successful in any monetization transaction. Our operating revenues have fluctuated in the past and can be expected to fluctuate in the future. We expect to incur significant operating losses and negative operating cash flows for the foreseeable future, and we have a significant level of debt on which we have substantial ongoing interest payments, have principal repayments related to our 13.5% Notes starting in June 2026 through the debt maturity date and royalty obligation payments projected to be made from the fourth quarter of 2024 to 2034, which are further discussed in Note 14, *Long-Term Debt* to our Condensed Financial Statements. A substantial portion of our current and past revenues has been dependent upon

our licensing, manufacturing and sales with one customer, Indivior, which is expected to continue, and it could take significantly longer than planned to achieve anticipated levels of cash flows to help fund our operations and cash needs.

To the extent that we raise additional funds by issuance of equity securities, our stockholders would experience further dilution, and the terms of these securities could include liquidation or other preferences (if and to the extent permitted under the Indenture) that would adversely affect our stockholders' rights. Our ability to secure additional equity financing could be significantly impacted by numerous factors including our operating performance and prospects, positive or negative developments in the regulatory approval process for our product candidates, our existing level of debt which is secured by substantially all of our assets under the Indenture, and general financial market conditions, and there can be no assurance that we will continue to be successful in raising capital or that any such needed financing will be available on favorable or acceptable terms, if at all.

If adequate funds are not available for our short-term or longer-term liquidity needs and cash requirements as and when needed, we would be required to engage in expense management activities such as reducing staff, delaying, significantly scaling back, or even discontinuing some or all of our current or planned launch activities and research and development programs and clinical and other product development activities, and otherwise significantly reducing our other spending and adjusting our operating plan, and we would need to seek to take other steps intended to improve our liquidity. We also may seek outlicensing opportunities for our proprietary products and product candidate programs that we currently plan to self-commercialize, including for Libervant and Anaphylm, or explore other potential liquidity options or strategic opportunities. Such strategic opportunities could include asset sales, outlicensing or other monetization opportunities of our proprietary products and product candidates, including Libervant and Anaphylm, although we cannot assure that any of these actions or opportunities would be available or available on acceptable terms. While an outlicensing of our proprietary products and product candidates, if approved by the FDA, could limit our exposure to the costs of commercialization of the product and provide a potential source of royalty and milestone revenues, the benefit from the potential of additional future value that could result from our independent commercialization of these products and product candidates, assuming a successful launch of our proprietary products and product candidates, if approved by the FDA, would likely be limited. In addition, in the event of any such asset sales or outlicensing transactions, the future growth of the Company would be dependent on continued successful development of our early stage product candidates and/or asset acquisitions or other strategic transactions for the Company. There is no assurance that any such outlicensing or other strategic opportunities will be available or available on reasonable terms.

Off-Balance Sheet Arrangements

During the period presented, we did not have any material off-balance sheet arrangements, nor do we have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities.

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

As a "smaller reporting company" as defined by Item 10 of Regulation S-K promulgated by the SEC under the U.S. Securities Act of 1933, as amended, we are not required to provide the information required by this Item 3.

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

Management's Evaluation of our Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) accumulated and communicated to our management, including to our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

As of March 31, 2025, our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(b) and 13a-15(e) under the Exchange Act). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our principal executive officer and principal financial officer have concluded based upon the evaluation described above that, as of March 31, 2025, our disclosure controls and procedures were effective at a reasonable assurance level.

Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act), identified in connection with the evaluation of such internal control that occurred during our 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 more information on Legal Proceedings, see Part I Item I. Financial Statements (Unaudited), Note 20, *Contingencies*.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully review and consider the information regarding certain risks and uncertainties facing the Company that could have a material adverse effect on our business prospects, financial condition, results of operations, liquidity and available capital resources set forth in Part I, Item 1A of Aquestive's 2024 Annual Report on Form 10-K.

We face risks associated with tariffs and other trade restrictions, which could have a material adverse impact on our results of operations and financial condition.

Our Company faces risks associated with tariffs and other trade protection measures (including tariffs that have been or may in the future be imposed by the United States or other countries), import or export licensing requirements, trade embargoes, sanctions (including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury), other trade barriers (including further legislation or actions taken by the United States or other countries that restrict trade), and protectionist or retaliatory measures taken by the United States or other countries.

Beginning in January 2025, the new administration in the United States began to increase tariff rates on numerous products from a range of nations. On April 2, 2025, the United States announced a 10% baseline reciprocal tariff on imports from all countries, plus an additional country-specific tariff on imports from select trading partners. Other countries have announced retaliatory actions or plans for retaliatory actions. On April 9, 2025, the United States implemented a 90-day pause on the country-specific tariffs for all countries except China, while maintaining the 10% baseline tariff. While pharmaceutical products are currently excluded from the baseline and "reciprocal" tariffs imposed by the United States, such tariffs still apply to the raw materials and other products necessary for the manufacture and formulation of our marketed products and product candidates. In addition, the current U.S. administration has expressed an intent to impose tariffs on pharmaceutical imports, with the stated policy object of reshoring pharmaceutical manufacturing to the United States. Among other means, such tariffs may be imposed by the United States under Section 232 of the Trade Expansion Act of 1962, as amended, pursuant to which the U.S. Department of Commerce recently initiated an investigation to determine the effects of importing pharmaceuticals and pharmaceutical ingredients on national security.

We face significant risks from the existing tariffs imposed by the United States (such as those discussed above) and potential new tariffs as well as their secondary effects, including other countries' imposition of retaliatory tariffs and non-tariff barriers. Like all U.S. importers, our Company could pay more for foreign-sourced inputs, which could adversely affect our operating costs in the United States. Our results of operations and financial condition could be materially adversely affected due to the impact of the foregoing.

Disruptions at the FDA and other government agencies caused by funding shortages, staffing limitations, or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA and comparable foreign regulatory authorities to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's or foreign regulatory authorities' ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's or foreign regulatory authorities' ability to perform routine functions. Average review times at the FDA and foreign regulatory authorities have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary for new drugs, or modifications to cleared or approved drugs, to be reviewed and/ or approved by necessary government agencies, which would adversely affect our business. For example, in recent years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities. In addition, the current U.S. Presidential administration has issued certain policies and Executive Orders directed towards reducing the employee headcount and costs associated with U.S. administrative agencies, including the FDA, and it remains unclear the degree to which these efforts may limit or otherwise adversely affect the FDA's ability to conduct routine activities.

Separately, in response to the COVID-19 pandemic, the FDA postponed most inspections at domestic and foreign manufacturing facilities at various points. If a prolonged government shutdown occurs, or if funding shortages, staffing limitations, or renewed global health concerns otherwise hinder or prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the fiscal quarter ended March 31, 2025, none of our directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits

The exhibits listed below are filed or furnished as part of this report.

Number	Description
10.1*	Consulting Agreement for Mark Schobel dated January 1, 2025.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a), as amended, under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a), as amended, under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL document and contained in exhibit 101)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the County of Somerset, State of New Jersey.

Aquestive Therapeutics, Inc.
(REGISTRANT)

Date: May 12, 2025

/s/ Daniel Barber
Daniel Barber
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 12, 2025

/s/ A. Ernest Toth, Jr.
A. Ernest Toth, Jr.
Chief Financial Officer
(Principal Financial Officer)

CONSULTING AGREEMENT

This CONSULTING AGREEMENT (this "Agreement") is effective as of January 1, 2025 (the "Effective Date") and hereby confirms the engagement by Aquestive Therapeutics, Inc., with an office at 30 Technology Drive, Warren, NJ 07059 ("Aquestive" or the "Company"), and Alexander Mark Schobel, an individual domiciled at the address set forth below his signature on the signature page of this Agreement (the "Consultant"), as a consultant to perform certain transition services as the Company may from time to time request (collectively, the "Services").

1. The nature of the services to be performed by Consultant and the deliverables to be provided (collectively, the "Services"), as well as the timing, cost, and payment schedule, shall be as specifically set forth in Exhibit A attached to this Agreement and incorporated herein.

2. The term of this Agreement (the "Term") shall commence on the Effective Date and continue in full force and effect until June 30, 2026, unless earlier terminated pursuant to Section 3 below.

3. Consultant may terminate this Agreement at any time upon written notice to the Company. Upon the effective date of the termination or expiration of this Agreement, Consultant shall immediately cease all Services, deliver to the Company all work in progress and return all Confidential Information (as defined below). The Company's sole obligation to Consultant upon termination of this Agreement shall be to pay Consultant, subject to Section 4, any monies due prior to the effective date of such termination and reasonable expenses actually incurred (with the prior written authorization of the Company) prior to the effective date of such termination.

4. The Company shall pay Consultant the fees for the Services performed by Consultant, and related expenses, in each case as set forth on Exhibit A. Consultant shall provide to the Company an invoice each month for monthly fees and actual expenses incurred in sufficient detail and with sufficient documentation so as to enable calculation of payment or reimbursement of such expenses. Payments under this Agreement shall exclude all sales, use, value added or other similar taxes or duties payable in connection with the Services, any and all of which shall be the sole responsibility of Consultant.

5. The Company's representatives may examine and audit the papers, correspondence, copybooks, accounts, invoices, and/or other information of Consultant related to this Agreement for the purpose of verifying fees and charges and otherwise confirming compliance with this Agreement.

6. At all times during the Term and after the termination or expiration of this Agreement, Consultant shall hold in strict confidence and refrain from disclosing and/or using any and all materials, information, and/or data received from the Company ("Confidential Information") for any purpose other than performing the Services under this Agreement. All Confidential Information shall be and remain the sole property of Aquestive. Aquestive shall have the right to seek equitable and injunctive relief to prevent unauthorized use or disclosure of any Confidential Information without the requirement of posting a bond or other security. The restrictions expressed in this Section 6 in no way supersede or eliminate any rights which the Company may have pursuant to applicable law pertaining to trade secrets or proprietary information and, in the event that any such law provides greater protections of any Confidential Information than the protections set forth in this Agreement, such greater protections shall apply to such Confidential Information.

7. All of Consultant's deliverables are and shall remain the exclusive property of, and all ownership rights therein do and shall vest in, Aquestive. All deliverables created pursuant to this Agreement are "works made for hire," as defined in the U.S. Copyright Act, and shall vest in Aquestive upon their creation. To the extent that such deliverables are deemed by competent authority not to be works made for

hire, same are hereby assigned to Aquestive. Consultant shall execute any instruments necessary or desirable in the opinion of the Company, and hereby appoint Aquestive as its attorney-in-fact in its name, to record any assignment or registration of copyright or other transfer of ownership in any deliverable and/or work transferred hereunder in any jurisdiction.

8. Consultant represents, warrants and covenants that: (a) all work product created under this Agreement shall be original work of Consultant or in the public domain and shall not infringe any copyright, trademark, trade secret, patent or other intellectual property right of any third party; (b) Consultant shall perform the Services diligently and in accordance with the highest professional standards; and (c) Consultant shall comply with all Company policies and procedures and applicable local, state and federal laws, rules and regulations.

9. All notices, requests, demands and other communications under this Agreement (each a "Notice") must be in writing and shall be deemed to have been given: (a) when delivered personally, sent by telecopy (with hard copy to follow), or sent by electronic mail (with hard copy to follow); (b) one business day after being sent by nationally recognized overnight delivery service (with tracking); or (c) three business days after being deposited in the United States mail, certified and with proper postage prepaid (return receipt requested), to the appropriate party at its address set forth in this Agreement, or to such other address specified in a Notice.

10. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Florida without regard to its conflict of laws principles.

11. Consultant agrees that he is an independent contractor and has no authority to bind, represent, obligate, or act on behalf of Aquestive. Consultant shall not be entitled to any benefits afforded by Aquestive to its employees or to workers' compensation or similar benefits or insurance protection.

12. Consultant agrees that he is solely responsible for paying when due all income taxes, including estimated taxes, payroll taxes, national insurance and other taxes incurred as a result of or in connection with the compensation paid by the Company to Consultant for services rendered under this Agreement and no income or employment tax withholdings will be deducted from such payments.

13. Consultant shall not subcontract, delegate, or assign this Agreement or any portion thereof. This Agreement shall inure to the benefit of and be binding on the Company, Consultant and their respective permitted successors and assigns.

14. This Agreement represents the entire understanding between the parties, and hereby supersedes all prior understandings and agreements, whether oral or written, between the parties with respect to the subject matter hereof. This Agreement may only be amended in a writing executed by the parties.

15. No failure or delay in exercising any right shall operate as a waiver of, or impair, any such right. No single or partial exercise of any such right shall preclude any other or further exercise thereof or the exercise of any other right. No waiver shall have effect unless signed by the waiving party. No waiver of any such right shall be deemed a waiver of any other right.

16. If any portion of this Agreement or the application thereof is held by a court of competent jurisdiction to be invalid, illegal, non-binding or unenforceable in any respect, the remaining portions hereof or applications to a party shall remain in full force and effect.

17. This Agreement is for the sole benefit of the parties and their permitted assigns, and nothing in this Agreement expressed or implied shall give or be construed to give to any person or entity, other than

the parties and their permitted assigns, any legal or equitable rights under this Agreement (except as for Aquestive who shall be an express third party beneficiary of this Agreement).

18. This Agreement may be executed in two or more counterparts (and by facsimile, portable document format (.pdf) or any similar format), each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement, and shall become binding when one or more counterparts have been signed by each of the parties hereto and delivered to each party.

19. Sections 3 through this Section 19 of this Agreement shall survive expiration or termination of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly authorized, executed, and delivered as of the Effective Date.

CONSULTANT

Signed by:
Alexander Mark Schobel
D71EE721246B438...

ALEXANDER MARK SCHOBEL
150 Island Sanctuary
Vero Beach, Florida 32963

AQUESTIVE THERAPEUTICS, INC.

By: _____
Name: Daniel Barber
Title: Chief Executive Officer

EXHIBIT A
Statement of Services
Fees and Expenses

1. Services. Consultant's services shall include without limitation, knowledge transfer, transition services and consultation with respect to the Company's intellectual property portfolio and Consultant's former Chief Innovation and Technology Officer role as may reasonably be requested from time to time during the Term. Consultant shall have discretion in selecting the dates and times he performs such Services throughout the month giving due regard to the needs of the Company's business.

2. Fees and Expenses. The Company shall compensate Consultant for services rendered pursuant to this Agreement as follows:

2.1 Fees. The Company agrees to compensate Consultant for the Services provided by him pursuant to this Agreement on a monthly basis during the Term a retainer in the amount equal to One Thousand Seven Hundred and Fifty Dollars ($1,750.00) per calendar month (the "Monthly Retainer"). In addition to the Monthly Retainer, the Company agrees to pay Consultant an hourly fee of $500.00 for each hour (prorated for any partial hour) for Services and consultation provided by Consultant at the request of the Company from time to time during the Term (the "Hourly Fee" and, together with the Monthly Retainer, the "Fees") on a reasonable basis to allow for the proper performance of the Services but no greater than 20 hours per month during the Term unless otherwise agreed to in writing by Consultant and the Company.

2.2 Expense Reimbursements. The Company agrees to reimburse Consultant reasonable business expenses incurred by Consultant in performing the Services as approved by the Company in writing. No expenses shall be reimbursed without proper documentation.

2.3 Payment Terms. The Company shall pay Consultant the Fees and for approved reimbursable expenses within ten (10) days after receipt of a monthly invoice from Consultant for same, all by Automated Clearing House (ACH) to an account provided by Consultant to the Company.

Exhibit 31.1

Certification of Principal Executive Officer of Aquestive Therapeutics, Inc.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Daniel Barber, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements 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 consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, consolidated results of operations and consolidated cash flows of the registrant as of, and for, the periods presented in this report;

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

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

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

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

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

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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: May 12, 2025

/s/ Daniel Barber
Daniel Barber
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Principal Financial and Accounting Officer of Aquestive Therapeutics, Inc.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, A. Ernest Toth, Jr, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements 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 consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, consolidated results of operations and consolidated cash flows of the registrant as of, and for, the periods presented in this report;

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

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

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

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

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

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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: May 12, 2025

/s/ A. ERNEST TOTH, JR.
A. Ernest Toth, Jr.
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. Section 1350, as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), I, Daniel Barber, President and Chief Executive Officer of Aquestive Therapeutics, Inc. (the "Company"), hereby certify that, to the best of my knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period-ended March 31, 2025, to which this Certification is attached as Exhibit 32.1 (the "Quarterly Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition of the Company at the end of the period covered by the Quarterly Report and the results of operations of the Company for the period covered by the Quarterly Report.

Date: May 12, 2025

/s/ Daniel Barber
Daniel Barber
President and Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Aquestive Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Quarterly Report), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

Certification of Principal Financial and Accounting Officer
Pursuant to 18 U.S.C. Section 1350, as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), I, A. Ernest Toth, Jr., Chief Financial Officer of Aquestive Therapeutics, Inc. (the "Company"), hereby certify that, to the best of my knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period-ended March 31, 2025, to which this Certification is attached as Exhibit 32.2 (the "Quarterly Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition of the Company at the end of the period covered by the Quarterly Report and the results of operations of the Company for the period covered by the Quarterly Report.

Date: May 12, 2025

/s/ A. ERNEST TOTH, JR
A. Ernest Toth, Jr.
Chief Financial Officer
(Principal Financial Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Aquestive Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Quarterly Report), irrespective of any general incorporation language contained in such filing.