UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 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: 001-38276

APELLIS PHARMACEUTICALS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**27-1537290**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
100 Fifth Avenue, Waltham, MA	**02451**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (617) 977-5700

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, $0.0001 par value per share	APLS	Nasdaq Global Select Market

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

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Small reporting company	☐
		Emerging growth company	☐

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

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

As of April 30, 2025, the registrant had 125,682,260 shares of common stock, $0.0001 par value per share, outstanding.

APELLIS PHARMACEUTICALS, INC.
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2025

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Special Note Regarding Forward-Looking Statements and Industry Data

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this Quarterly Report on Form 10-Q, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans and objectives of management and expected market growth are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

These forward-looking statements include, among other things, statements about:

- the ongoing commercialization of EMPAVELI and SYFOVRE;
- our plans with respect to our ongoing and planned clinical trials for our product candidates, whether conducted by us or Swedish Orphan Biovitrum AB (Publ), or Sobi, or by any future collaborators, including the timing of initiation, dosing of patients, enrollment and completion of these trials and expectations regarding the anticipated results from these trials;
- our sales, marketing and distribution capabilities and strategies, including for the commercialization and manufacturing of EMPAVELI, SYFOVRE and any future products for which we receive marketing approval;
- the rate and degree of market acceptance of EMPAVELI, SYFOVRE and any future products for which we receive marketing approval;
- our ability to identify and develop current and future products or product candidates with significant clinical benefits and commercial potential;
- the timing of and our ability to obtain and maintain regulatory approvals for our product candidates for current and future treatment indications in the U.S. and other jurisdictions;
- our current and any future collaborations for the development and commercialization of our current and future product candidates; including our collaborations with Sobi and Beam Therapeutics, Inc.;
- our intellectual property position and strategy;
- the sufficiency of our cash and cash equivalents and our expected revenues from sales of EMPAVELI and SYFOVRE to fund our projected operating expenses and capital expenditures to profitability;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- developments relating to our competitors and our industry; and
- the impact of new government laws and regulations (including tax).

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, particularly in the "Risk Factors" section, that could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, collaborations, joint ventures or investments that we may make or enter into.

You should read this Quarterly Report on Form 10-Q and the documents that we have filed or incorporated by reference as exhibits to this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

This Quarterly Report on Form 10-Q includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. All of the market data used in this Quarterly Report on Form 10-Q involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such data. We believe that the information from these industry publications, surveys and studies is reliable. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of important factors, including those described in the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us. The Apellis, EMPAVELI, SYFOVRE and Apellis

Assist names and logos are our trademarks, trade names and service marks. The other trademarks, trade names and service marks appearing in this Quarterly Report on Form 10-Q are the property of their respective owners.

Note regarding certain references in this Quarterly Report on Form 10-Q

Unless otherwise stated or the context indicates otherwise, all references herein to "Apellis," "Apellis Pharmaceuticals, Inc.," "we," "us," "our," "our company," "the Company" and similar references refer to Apellis Pharmaceuticals, Inc. and its wholly owned subsidiaries.

In addition, unless otherwise stated or the context indicates otherwise, all references in this Quarterly Report on Form 10-Q to "EMPAVELI (pegcetacoplan)" and "EMPAVELI" refer to systemic pegcetacoplan in the context of the commercially available product in the United States for the treatment of adults with paroxysmal nocturnal hemoglobinuria, or PNH, and references to Aspaveli refer to pegcetacoplan in the context of the commercially available product in the European Union for the treatment of adults with PNH who are anemic after treatment with a C5 inhibitor for at least three months, in each case, as more fully described herein. Unless otherwise stated or the context indicates otherwise, all references in this Quarterly Report on Form 10-Q to "SYFOVRE (pegcetacoplan injection)" and "SYFOVRE" refer to intravitreal pegcetacoplan in the context of the commercially available product for which we received approval from the United States Food and Drug Administration in February 2023 for the treatment of geographic atrophy secondary to age-related macular degeneration. Unless otherwise stated or the context indicates otherwise, all references herein to "pegcetacoplan" refer to pegcetacoplan in the context of the product candidate for which we are exploring further applications and indications, as more fully described herein. The other trademarks, trade names and service marks appearing in this Quarterly Report on Form 10-Q are the property of their respective owners.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

APELLIS PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Amounts in thousands, except per share amounts)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 358,393	$ 411,290
Accounts receivable, net	235,246	264,926
Inventory	82,468	81,404
Prepaid assets	37,104	18,368
Restricted cash	1,434	1,322
Other current assets	13,073	11,644
Total current assets	727,718	788,954
Non-current assets:		
Right-of-use assets	15,251	16,083
Property and equipment, net	2,514	2,952
Long-term inventory	60,652	75,713
Other assets	1,150	1,349
Total assets	$ 807,285	$ 885,051
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 55,287	$ 38,572
Accrued expenses	116,146	140,184
Current portion of lease liabilities	6,944	6,753
Total current liabilities	178,377	185,509
Long-term liabilities:		
Long-term credit facility	360,001	359,489
Convertible senior notes	93,421	93,341
Lease liabilities	9,186	10,201
Other liabilities	2,084	7,972
Total liabilities	643,069	656,512
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 10,000 shares authorized, and no shares issued and outstanding at March 31, 2025 and December 31, 2024	—	—
Common stock, $0.0001 par value; 200,000 shares authorized at March 31, 2025 and December 31, 2024; 125,661 shares issued and outstanding at March 31, 2025, and 124,495 shares issued and outstanding at December 31, 2024	12	12
Additional paid-in capital	3,294,849	3,267,201
Accumulated other comprehensive loss	(3,054)	(3,308)
Accumulated deficit	(3,127,591)	(3,035,366)
Total stockholders' equity	164,216	228,539
Total liabilities and stockholders' equity	$ 807,285	$ 885,051

See accompanying notes to unaudited condensed consolidated financial statements.

APELLIS PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)
(Amounts in thousands, except per share amounts)

	For the Three Months Ended March 31,	
	2025	2024
Revenue:		
Product revenue, net	$ 149,900	$ 163,075
Licensing and other revenue	16,897	9,250
Total revenue:	166,797	172,325
Operating expenses:		
Cost of sales	34,360	20,209
Research and development	86,420	84,701
Selling, general and administrative	129,345	129,505
Total operating expenses:	250,125	234,415
Net operating loss	(83,328)	(62,090)
Interest income	2,658	3,303
Interest expense	(11,049)	(6,967)
Other expense, net	(165)	(499)
Net loss before taxes	(91,884)	(66,253)
Income tax expense	341	170
Net loss	$ (92,225)	$ (66,423)
Other comprehensive gain:		
Foreign currency translation	254	17
Total other comprehensive income	254	17
Comprehensive loss, net of tax	$ (91,971)	$ (66,406)
Net loss per common share, basic and diluted	$ (0.74)	$ (0.54)
Weighted-average number of common shares used in net loss per common share, basic and diluted	125,453	122,957

See accompanying notes to unaudited condensed consolidated financial statements.

APELLIS PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)
(Amounts in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Outstanding Shares	Amount				
Balance at January 1, 2025	124,495	$ 12	$ 3,267,201	$ (3,308)	$ (3,035,366)	$ 228,539
Issuance of common stock upon exercise of stock options	15	—	281	—	—	281
Vesting of restricted stock units, net of shares withheld for taxes	1,151	—	(7)	—	—	(7)
Share-based compensation expense	—	—	27,374	—	—	27,374
Net loss	—	—	—	—	(92,225)	(92,225)
Foreign currency translation	—	—	—	254	—	254
Balance at March 31, 2025	125,661	$ 12	$ 3,294,849	$ (3,054)	$ (3,127,591)	$ 164,216

See accompanying notes to unaudited condensed consolidated financial statements.

APELLIS PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)
(Amounts in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Outstanding Shares	Amount				
Balance at January 1, 2024	119,556	$ 12	$ 3,035,539	$ (3,542)	$ (2,837,488)	$ 194,521
Proceeds from settlement of capped call	—	—	98,763	—	—	98,763
Issuance of common stock upon exercise of stock options	714	—	9,477	—	—	9,477
Vesting of restricted stock units, net of shares withheld for taxes	997	—	(28)	—	—	(28)
Share-based compensation expense	—	—	30,349	—	—	30,349
Net loss	—	—	—	—	(66,423)	(66,423)
Foreign currency translation	—	—	—	17	—	17
Balance at March 31, 2024	121,267	$ 12	$ 3,174,100	$ (3,525)	$ (2,903,911)	$ 266,676

See accompanying notes to unaudited condensed consolidated financial statements.

APELLIS PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Amounts in thousands)

	For the Three Months Ended March 31,	
	2025	2024
Operating Activities		
Net loss	$ (92,225)	$ (66,423)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	27,374	30,349
Depreciation expense	446	444
Amortization of discounts for credit facility	512	—
Amortization of discounts for convertible notes	79	76
Accretion of discount to development liability	—	6,066
Changes in operating assets and liabilities:		
Accounts receivable	29,680	(61,415)
Inventory	13,997	(14,921)
Prepaid assets	(18,726)	(4,338)
Other current assets	(1,307)	10,697
Other assets	198	98
Right-of-use assets and lease liabilities	7	(116)
Accounts payable	16,711	(10,730)
Accrued expenses	(30,156)	(26,330)
Deferred revenue	—	3,560
Net cash used in operating activities	(53,410)	(132,983)
Investing Activities		
Purchase of property and equipment	(8)	(293)
Net cash used in investing activities	(8)	(293)
Financing Activities		
Proceeds from settlement of capped call	—	98,763
Proceeds from exercise of stock options	281	9,477
Payments of employee tax withholding related to equity-based compensation	(7)	(28)
Net cash provided by financing activities	274	108,212
Effect of exchange rate changes on cash, cash equivalents and restricted cash	359	(209)
Net decrease in cash, cash equivalents and restricted cash	(52,785)	(25,273)
Cash, cash equivalents and restricted cash at beginning of period	412,612	352,299
Cash, cash equivalents and restricted cash at end of period	$ 359,827	$ 327,026
Reconciliation of cash, cash equivalents and restricted cash to the consolidated balance sheets:		
Cash and cash equivalents	$ 358,393	$ 325,923
Restricted cash	1,434	1,103
Total cash, cash equivalents, and restricted cash	$ 359,827	$ 327,026
Supplemental Disclosures		
Cash paid for interest	$ 11,092	$ 1,643
Cash paid for income taxes	$ 141	$ —
Proceeds from income tax refunds net of income taxes paid	$ —	$ 257

See accompanying notes to unaudited condensed consolidated financial statements.

APELLIS PHARMACEUTICALS, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Nature of Organization and Operations

Apellis Pharmaceuticals, Inc. (the "Company") is a commercial-stage biopharmaceutical company focused on the discovery, development and commercialization of novel therapeutic compounds to treat diseases with high unmet needs through the inhibition of the complement system, which is an integral component of the immune system, at the level of C3, the central protein in the complement cascade.

The Company was incorporated in September 2009 under the laws of the State of Delaware. The Company's principal executive offices are located in Waltham, Massachusetts.

The Company's operations since inception have included organizing and staffing the Company, acquiring rights to product candidates, business planning, raising capital, developing its product candidates, commercializing EMPAVELI (pegcetacoplan) for the treatment of paroxysmal nocturnal hemoglobinuria ("PNH") and commercializing SYFOVRE (pegcetacoplan injection) for the treatment of geographic atrophy secondary to age-related macular degeneration ("GA").

The Company is subject to risks common in the biotechnology industry including, but not limited to, raising additional capital, development by its competitors of new technological innovations, its ability to successfully complete preclinical and clinical development of product candidates and receive timely regulatory approval of products, market acceptance of the Company's products, protection of proprietary technology, healthcare cost containment initiatives, and compliance with governmental regulations, including those of the U.S. Food and Drug Administration ("FDA").

Liquidity and Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared on the basis of the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. From inception to March 31, 2025, the Company has incurred cash outflows from operations, losses from operations and had an accumulated deficit of $3.1 billion, primarily as a result of expenses incurred through a combination of research and development activities related to the Company's various product candidates and expenses supporting those activities and expenses incurred in connection with product launches and commercialization costs.

As of May 7, 2025, the date of issuance of these unaudited condensed consolidated financial statements, the Company believes that its cash and cash equivalents of $358.4 million as of March 31, 2025 combined with cash anticipated to be generated from sales of EMPAVELI and from SYFOVRE will be sufficient to fund its operations and capital expenditure requirements for at least twelve months from the date of issuance of these condensed consolidated financial statements.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and following the requirements of the Securities and Exchange Commission (the "SEC"), for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by U.S. GAAP have been condensed or omitted and, accordingly, the condensed consolidated balance sheet as of December 31, 2024 has been derived from audited consolidated financial statements at that date but does not include all of the information required by U.S. GAAP for complete financial statements. These financial statements have been prepared on the same basis as the Company's annual financial statements and, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) that are necessary for a fair presentation of the Company's financial information. The results of operations for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for the year ending December 31, 2025 or for any other interim period or for any other future year.

The accompanying unaudited condensed consolidated financial statements and related financial information should be read in conjunction with the audited consolidated financial statements and the related notes thereto for the year ended December 31, 2024 included in the Company's Annual Report on Form 10-K filed with the SEC on February 28, 2025 (the "2024 Form 10-K").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Management considers many factors in selecting appropriate financial accounting policies and controls, and in developing the estimates and assumptions that are used in the preparation of these financial statements. Management must apply significant judgment in this process. In addition, other factors may affect estimates, including expected business and operational changes, sensitivity and volatility associated with the assumptions used in developing estimates, and whether historical trends are expected to be representative of future trends. The estimation process often may yield a range of potentially reasonable estimates of the ultimate future outcomes, and management must select an amount that falls within that range of reasonable estimates. Estimates are used in the following areas, among others: accrued research and development expenses, reserves for variable consideration, share-based compensation expense and reserves for excess or obsolete inventories.

Summary of Significant Accounting Policies

Reference is made to Note 2 Summary of Significant Accounting Policies in our 2024 Form 10-K for a detailed description of significant accounting policies. There have been no significant changes to our accounting policies as disclosed in our 2024 Form 10-K.

Recent Accounting Pronouncements issued not yet adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, and subsequent amendments with ASU 2025-01, which requires additional disclosure of the nature of expenses included in the income statement. The standard requires disclosures about specific types of expenses included in the expense captions presented in the income. This ASU is effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The requirements should be applied on a prospective basis while retrospective application is permitted. We are currently evaluating the impact that the adoption of this guidance will have on our disclosures.

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures. This standard is an amendment to the accounting guidance on income taxes which requires entities to provide additional information in the rate reconciliation and additional disaggregated disclosures about income taxes paid. This guidance requires public entities to disclose in their rate reconciliation table additional categories of information about federal, state, and foreign income taxes and to provide more details about the reconciling items in some categories if the items meet a quantitative threshold. The guidance is effective for annual periods beginning after December 15, 2024. We are currently evaluating the impact that the adoption of this guidance will have on our disclosures.

3. Product Revenues, Accounts Receivable, and Reserves for Product Sales

The Company's product revenues recorded in the United States, net of sales discounts, allowances and reserves, for the three months ended March 31, 2025 and 2024 were $149.9 million and $163.1 million, respectively. The Company's product revenues consist of sales of EMPAVELI and SYFOVRE to specialty pharmacies and specialty distributors.

The table reflects product revenue by major source for the following periods (in thousands):

	Three Months Ended March 31,	
	2025	2024
Products:		
EMPAVELI	$ 19,726	$ 25,610
SYFOVRE	130,174	137,465
Total Product revenue, net	$ 149,900	$ 163,075

The Company's accounts receivable balance of $235.2 million as of March 31, 2025 and $264.9 million as of December 31, 2024, consisted of EMPAVELI and SYFOVRE product sales receivable and licensing and other revenue receivables from our collaboration

with Sobi. The Company does not have a reserve related to expected credit losses against its accounts receivable balance and expects to collect its accounts receivable in the ordinary course of business.

The Company's product sales reserves totaled $38.9 million and $45.1 million as of March 31, 2025 and December 31, 2024, respectively. These amounts are included in accrued expenses on the Company's unaudited condensed consolidated balance sheets.

The following table summarizes activity in each of the product revenue allowance and reserve categories for the three months ended March 31, 2025 and 2024 (in thousands):

	Fees and patient assistance	Government and other rebates	Returns	Total
Ending balance at December 31, 2024	$ 11,589	$ 31,533	$ 2,023	$ 45,145
Provision related to sales in the current year	10,277	24,139	976	35,392
Adjustments related to prior period sales	439	(13)	(382)	44
Credits and payments made	(13,084)	(28,467)	(126)	(41,677)
Ending balance at March 31, 2025	$ 9,221	$ 27,192	$ 2,491	$ 38,904

	Fees and patient assistance	Government and other rebates	Returns	Total
Ending balance at December 31, 2023	$ 5,674	$ 8,898	$ 2,053	$ 16,625
Provision related to sales in the current year	9,575	13,125	1,355	24,055
Adjustments related to prior period sales	146	(19)	(96)	31
Credits and payments made	(9,724)	(9,906)	(1,859)	(21,489)
Ending balance at March 31, 2024	$ 5,671	$ 12,098	$ 1,453	$ 19,222

Significant customers - Gross product revenues and product sales receivable from the Company's customers who individually accounted for 10% of more of total gross product revenues and/or 10% or more of total product sales receivable consisted of the following:

	Percent of Total Gross Product Revenues	
	Three Months Ended March 31,	
	2025	2024
Customer A	11%	15%
Customer C	18%	19%
Customer D	58%	59%

	Percent of Product Sales Receivable	
	As of March 31,	
	2025	2024
Customer A	4%	3%
Customer C	31%	21%
Customer D	49%	67%

Factoring of accounts receivable and associated fees for the period ended March 31, 2025 and 2024 were as follows (in thousands):

	For the Three Months Ended March 31,	
	2025	2024
Accounts receivable sold	$ 99,735	$ —
Less: factoring fees	(1,212)	—
Net cash proceeds	$ 98,523	$ —

The accounts receivable sold that remained outstanding as of March 31, 2025 and December 31, 2024 was $99.7 million and $86.1 million, respectively.

4. Inventory

The Company’s inventory consisted of the following as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Raw materials	$ 49,894	$ 54,385
Semi-finished goods	83,709	92,872
Finished goods	9,517	9,860
Total inventory	$ 143,120	$ 157,117

The Company's long-term inventory balance consists of raw materials and semi-finished goods that are not expected to be sold within the Company's normal operating cycle.

Inventory amounts written down as a result of excess, obsolete, unmarketability or other reasons are charged to cost of sales. The Company's reserve for excess and obsolete inventory was $23.4 million and $19.0 million as of March 31, 2025 and December 31, 2024, respectively.

5. Prepaid and Other Current Assets

Prepaid and other current assets consisted of the following as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Down payments for inventory	$ 11,362	$ 1,080
Prepaid research and development	9,607	7,780
Other prepaid expenses	16,135	9,508
Total prepaid assets	$ 37,104	$ 18,368

	March 31, 2025	December 31, 2024
Royalties receivable	$ 6,090	$ 4,525
Receivable from collaboration agreement	3,041	2,272
Deposits and other current assets	3,942	4,847
Total other current assets	$ 13,073	$ 11,644

6. Accrued Expenses

Accrued expenses consisted of the following as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Accrued research and development	$ 30,000	$ 22,782
Accrued royalties	6,007	7,147
Accrued payroll liabilities	19,626	40,888
Product revenue reserves	38,904	45,145
Commercial costs	17,778	20,610
Other	3,831	3,612
Total	$ 116,146	$ 140,184

7. Long-term Debt

Convertible Senior Notes

On September 16, 2019, the Company completed a private offering of convertible notes (the “2019 Convertible Notes”) with an aggregate principal amount of $220.0 million issued pursuant to an indenture (the “Indenture”) with U.S. Bank National Association, as trustee.

The net proceeds from the sale of the 2019 Convertible Notes were approximately $212.9 million after deducting the initial purchasers’ discounts and commissions of $6.6 million and offering expenses of $0.5 million paid by the Company. The Company used $28.4 million of the net proceeds from the sale of the 2019 Convertible Notes to pay the cost of the capped call transactions in September 2019 described below.

On May 12, 2020, the Company issued convertible notes (the “2020 Convertible Notes”) with an aggregate principal amount of $300.0 million. The net proceeds from the sale of the 2020 Convertible Notes were approximately $322.9 million after deducting the purchasers’ discounts and commission of $5.7 million and offering expenses of $0.3 million. The Company used $43.1 million of the net proceeds from the sale of the 2020 Convertible Notes to pay the cost of the additional capped call transactions in May 2020 described below.

The 2019 Convertible Notes and the 2020 Convertible Notes are referred to together as the "Convertible Notes". The Convertible Notes are senior unsecured obligations of the Company and bear interest at a rate of 3.5% per year payable semiannually in arrears on March 15 and September 15 of each year, beginning on March 15, 2020. The Convertible Notes will mature on September 15, 2026, unless converted earlier, redeemed or repurchased in accordance with their terms.

The Convertible Notes are convertible into shares of the Company’s common stock at an initial conversion rate of 25.3405 shares per $1,000 principal amount of Convertible Notes (equivalent to an initial conversion price of approximately $39.4625 per share of common stock). The conversion rate is subject to customary anti-dilution adjustments. In addition, following certain events that occur prior to the maturity date or if the Company delivers a notice of redemption, the Company will increase the conversion rate for a holder who elects to convert its Convertible Notes in connection with such corporate event or a notice of redemption, as the case may be, in certain circumstances as provided in the Indenture.

Prior to March 15, 2026, the Convertible Notes are convertible only under the following circumstances:

- during any calendar quarter, if the last reported sale price of the Company’s common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period in which the trading price per $1,000 principal amount of the Convertible Notes for each such trading day was less than 98% of the product of the last reported sale price of the Company’s common stock and the conversion rate on each such trading day;
- if the Company calls any or all of the Convertible Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or
- upon the occurrence of corporate events specified in the Indenture.

On or after March 15, 2026 until the close of business on the second scheduled trading day immediately preceding the maturity date of the Convertible Notes, holders may convert the Convertible Notes at any time. Upon conversion of the Convertible Notes, the Company will pay or deliver, as the case may be, cash, shares of the Company’s common stock or a combination of cash and shares of common stock, at the Company’s election.

After September 20, 2023, the Company may redeem for cash all or a portion of the Convertible Notes, at its option, if the last reported sale price of the Company’s common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which the Company provides a notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption. The redemption price will be equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. If the Company calls any Convertible Notes for redemption, it will constitute a “make-whole fundamental change” with respect to such Convertible Notes, in which case the conversion rate applicable to the conversion of such Notes, if converted in connection with the redemption, will

be increased in certain circumstances. The Company has not called for redemption or redeemed any of the Convertible Notes as of March 31, 2025.

If the Company undergoes a "fundamental change," as defined in the Indenture, prior to maturity, subject to certain conditions, holders may require the Company to repurchase for cash all or any portion of their Convertible Notes at a fundamental change repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

In January 2021, July 2021 and July 2022, the Company entered into separate, privately negotiated exchange agreements to modify the conversion terms with certain holders of its 2019 Convertible Notes and 2020 Convertible Notes. Under the terms of these exchange agreements, in January 2021, July 2021 and July 2022, the holders exchanged approximately $126.1 million of 2019 Convertible Notes, $201.1 million of 2019 Convertible Notes and 2020 Convertible Notes, and $98.1 million of 2020 Convertible Notes, respectively, in aggregate principal amount held by them for an aggregate of 3,906,869 shares, 5,992,217 shares and 3,027,018 shares, respectively, of common stock issued by the Company. The Company accounted for the conversion of the debt as an inducement by expensing the fair value of the shares that were issued in excess of the original terms of the Convertible Notes.

As of March 31, 2025, the Company held in treasury Convertible Notes in principal amount of $425.4 million which have not been cancelled.

The outstanding balance of the Convertible Notes as of March 31, 2025 and December 31, 2024 consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Principal	$ 93,897	$ 93,897
Less: debt discount and issuance costs, net	(476)	(556)
Net carrying amount	$ 93,421	$ 93,341

The following table sets forth total interest expense recognized related to the Convertible Notes during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Amortization of debt issuance costs	$ 79	$ 76
Contractual interest expense	822	822
Total interest expense	$ 901	$ 898

Capped Call Transactions

On September 11, 2019 and May 6, 2020, concurrently with the pricing of the 2019 Convertible Notes and the 2020 Convertible Notes, respectively, the Company entered into capped call transactions with two counterparties. The capped call transactions are expected generally to reduce the potential dilution to the Company's common stock upon any conversion of Convertible Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted Convertible Notes, as the case may be, in the event that the market price per share of the Company's common stock, as measured under the terms of the capped call transactions, is greater than the strike price of the capped call transactions, which is initially $39.4625 (the conversion price of the Convertible Notes) and is subject to anti-dilution adjustments substantially similar to those applicable to the conversion rate of such Convertible Notes. If, however, the market price per share of the Company's common stock, as measured under the terms of the capped call transactions, exceeds the cap price of the capped call transactions, which is initially $63.14 per share, there would nevertheless be dilution and/or there would not be an offset of such potential cash payments, in each case, to the extent that such market price exceeds the cap price of the capped call transactions.

On February 27, 2024, the Company unwound a portion of the capped call transactions with the capped call counterparties, which resulted in cash proceeds to the Company of $98.8 million. The unwind transactions were settled at a volume-weighted average price per share of $64.11 on March 8, 2024.

As of March 31, 2025, the Company holds remaining capped call transactions in a notional amount corresponding to $93.9 million principal amount of Convertible Notes.

Financing Agreement and Credit Facility

On May 13, 2024, the Company and certain of its subsidiaries entered into a financing agreement (the "Sixth Street Financing Agreement") with the lenders party thereto (the "Lenders"), and Sixth Street Lending Partners ("Sixth Street"), as the administrative agent and collateral agent for the Lenders.

The Sixth Street Financing Agreement provides for a senior secured term loan facility of up to $475.0 million (the "Credit Facility"), consisting of an initial draw of $375.0 million at closing and a potential additional $100.0 million draw at the Company's option upon satisfaction of a $50.0 million minimum cash requirement and a requirement that the Company's trailing three-month sales of SYFOVRE is at least $180.0 million prior to the $100.0 million draw. The Company can exercise the option for the $100.0 million draw through September 30, 2025, assuming such requirements are met.

The Credit Facility matures on May 13, 2030 (the "Maturity Date") and bears interest at an annual rate equal to 3-month Secured Overnight Financing Rate ("SOFR") (subject to 1.00% floor), plus 5.75%. Certain additional commitment and undrawn amount fees are also payable in connection with the Credit Facility.

The net proceeds from the initial draw of the Credit Facility were approximately $358.2 million, net of $16.8 million of issuance costs. The Company used $326.5 million of the proceeds from the initial draw of the Credit Facility to buy out its remaining obligations to SFJ Pharmaceuticals Group ("SFJ").

The Credit Facility does not provide for scheduled amortization payments during the term. All principal will be due on the Maturity Date. The Company have the right to prepay loans under the Credit Facility at any time. The Company is required to repay loans under the Credit Facility with proceeds from certain asset sales, condemnation events and extraordinary receipts, subject, in some cases, to reinvestment rights. Repayments are subject to a prepayment premium. Repayments may be made after the first year of the loan and are subject to a prepayment premium up to 3% depending on timing.

All obligations under the Sixth Street Financing Agreement are secured on a first-priority basis, subject to certain exceptions, by security interests in substantially all assets of the Company and certain subsidiaries of the Company, including its intellectual property, and are guaranteed by certain subsidiaries of the Company, including foreign subsidiaries, subject to certain exceptions.

The Sixth Street Financing Agreement contains customary covenants, including, without limitation, a financial covenant to maintain liquidity of at least $50.0 million if the Company's market capitalization is below $3.0 billion, and negative covenants that, subject to certain exceptions, restrict indebtedness, liens, investments (including acquisitions), fundamental changes, asset sales and licensing transactions, dividends, modifications to material agreements, payment of subordinated indebtedness, and other matters customarily restricted in such agreements. Among other permissions, the Company is permitted, on terms and conditions set forth on the Sixth Street Financing Agreement, to enter into a separate asset-based financing arrangement with a third party in an amount of up to $100.0 million, which amount is increased to $200.0 million upon certain sales or market capitalization thresholds, and to have outstanding convertible unsecured notes in an amount equal to the greater of $400.0 million and 10% of the Company's market capitalization, but not to exceed $600.0 million. The Company is subject to restrictions on sales and licensing transactions with respect to its core intellectual property, defined to include SYFOVRE, EMPAVELI, and other pegcetacoplan product assets, subject to certain exceptions, including certain transactions related to areas outside the United States and Europe.

The outstanding balance of the Credit Facility as of March 31, 2025 and December 31, 2024 consisted of the following (in thousands):

	March 31, 2025	December 31, 2024
Principal	$ 375,000	$ 375,000
Less: debt discount and issuance costs	(14,999)	(15,511)
Net carrying amount	$ 360,001	$ 359,489

The following table sets forth total interest expense recognized related to the Credit Facility during the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Amortization of debt issuance costs	$ 512	$ —
Contractual interest expense	9,449	—
Total interest expense	$ 9,961	$ —

8. Fair Value Measurements

The Company believes that the carrying amounts of remaining financial assets and liabilities, which include prepaid expenses, other current assets, accounts payable, and accrued expenses, approximates their fair values due to their short-term nature.

The following table presents the fair value of financial instruments recorded originally at amortized cost or fair value and not remeasured on a recurring basis (in thousands):

		March 31, 2025			
Balance Sheet Classification	Type of Instrument	Level 1	Level 2	Level 3	Total
Financial Assets:					
Cash and cash equivalents:	Money market funds	$ 175,126	$ —	$ —	$ 175,126
Total Financial Assets		$ 175,126	$ —	$ —	$ 175,126

		December 31, 2024			
Balance Sheet Classification	Type of Instrument	Level 1	Level 2	Level 3	Total
Financial Assets:					
Cash and cash equivalents	Money market funds	$ 276,868	$ —	$ —	$ 276,868
Total Financial Assets		$ 276,868	$ —	$ —	$ 276,868

The Company's Convertible Notes are financial instrument that are reported in the condensed consolidated financial statements at historical cost. The Convertible Notes are Level 1 within the fair value level hierarchy as of March 31, 2025 and December 31, 2024. The fair value of the Convertible Notes was $104.5 million as of March 31, 2025 and $102.3 million as of December 31, 2024. The Convertible Notes accrue a semi-annual coupon at an annual rate of 3.5%, which was included in accrued expenses in the condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024.

9. Income Taxes

For the three months ended March 31, 2025 and 2024, the Company recorded $0.3 million and $0.2 million of income tax expense, respectively, primarily pertaining to state taxes.

The income tax provision during interim periods is computed by applying an estimated annual effective tax rate to year-to-date pre-tax income, plus adjustments for significant unusual or infrequently occurring items, in accordance with FASB ASC Topic 740-270, Income Taxes – Interim Reporting. The income tax provision differs from the U.S. federal statutory rate of 21% primarily due to the effect of valuation allowance against the Company's net deferred tax assets, which reduces the Company's net tax benefit.

Deferred tax assets and deferred tax liabilities are determined based on temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is recorded against deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has recorded a full valuation allowance against its net deferred tax assets as of March 31, 2025 and December 31, 2024.

The Company does not recognize a tax benefit for uncertain tax positions unless it is more likely than not that the position will be sustained upon examination by tax authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit that is recorded for these positions is measured at the largest amount of cumulative benefit that has greater than a 50 percent likelihood of being realized upon ultimate settlement. Deferred tax assets that do not meet these recognition criteria are not recorded and the Company recognizes a liability for uncertain tax positions that may result in tax payments. The Company has not recorded any amounts for unrecognized tax positions for the period ended March 31, 2025. Our policy is to review and update unrecognized tax positions as facts and circumstances change.

10. License and Collaboration Agreements

Sobi License and Collaboration Agreement

In October 2020, the Company and its subsidiaries, Apellis International GmbH (f/k/a Apellis Switzerland GmbH) and APL DEL Holdings, LLC, entered into a Collaboration and License Agreement (the "Sobi collaboration agreement") with Sobi, concerning the development and commercialization of pegcetacoplan and specified other structurally and functionally similar compstatin analogues or derivatives for use systemically or for local non-ophthalmological administration (collectively referred to as the "Licensed Products").

Under the Sobi collaboration agreement, the Company granted Sobi an exclusive (subject to certain retained rights of the Company), sublicensable license of certain patent rights and know-how to develop and commercialize Licensed Products in all countries outside of the United States.

The Company retains the right to commercialize Licensed Products in the United States, and, subject to specified limitations, to develop Licensed Products worldwide for commercialization in the United States.

Under the Sobi collaboration agreement, the Company and Sobi agreed to collaborate to develop Licensed Products for certain indications, including PNH, C3G, IC-MPGN and HSCT-TMA (collectively the "Initial Indications"), and any other indications subsequently agreed upon by the parties, for commercialization by or on behalf of the Company in the United States and by or on behalf of Sobi outside of the United States. If the parties do not agree to jointly pursue any development activities for the Licensed Products (whether for an Initial Indication or otherwise), the party proposing to pursue such activities may conduct such activities at its sole expense (with the non-proposing party having the right to obtain rights to the data generated by such development activities by paying a specified percentage of that expense), subject to agreed-upon exceptions that limit each party's unilateral development rights.

The initial development plan sets forth the initial development activities to be conducted by each of the Company and Sobi, with the Company bearing all costs incurred in conducting the activities set forth in such initial development plan, as well as certain specified additional costs that are not included in the initial development plan that may be incurred by the parties in developing Licensed Products for PNH in the European Union and the United Kingdom. The Company and Sobi formed several governance committees to oversee the development and manufacture, and to review and discuss the commercialization, of Licensed Products.

The Company shall supply Licensed Products to Sobi for development and for commercialization outside of the United States in accordance with a supply agreement between the parties. The Sobi collaboration agreement grants Sobi the right to perform or have performed drug product manufacturing of Licensed Products for development and for commercialization outside the United States and to manufacture or have manufactured drug substance under certain circumstances. For the three months ended March 31, 2025 and

2024, the Company recognized revenues of $10.8 million and $4.8 million, respectively, for the supply of Licensed Products to Sobi, which is included in Licensing and other revenue on the condensed consolidated statements of operations and comprehensive loss.

Sobi paid the Company an upfront payment of $250.0 million in November 2020 and has agreed to pay up to an aggregate of $915.0 million upon the achievement of specified one-time regulatory and commercial milestone events, of which the Company received $50.0 million in April 2022 for the achievement of a regulatory development milestone in Europe. Sobi also agreed to reimburse the Company for up to $80.0 million in development costs, of which the Company received $65.0 million and waived payment of $15.0 million. The Company will also be entitled to receive tiered, double-digit royalties (ranging from high teens to high twenties) on sales of Licensed Products outside of the United States, subject to customary deductions and third-party payment obligations, until the latest to occur of: (i) expiration of the last-to-expire of specified licensed patent rights; (ii) expiration of regulatory exclusivity; and (iii) ten (10) years after the first commercial sale of the applicable Licensed Product, in each case on a Licensed Product-by-Licensed Product and country-by-country basis. Under the Sobi collaboration agreement, the Company remains responsible for its license fee obligations (including royalty obligations) to the Trustees of the University of Pennsylvania ("Penn"), as a licensor of the Company.

Under the Sobi collaboration agreement, for the three months ended March 31, 2025 and 2024, the Company recognized $6.1 million and $4.5 million, respectively, of royalty revenue from sales of Aspaveli, which was sold by Sobi outside of the United States.

The Company did not recognize any contra-research and development expense for the three months ended March 31, 2025 and 2024. The Company doesn't expect to recognize the additional contra-research and development expense under this agreement.

University of Pennsylvania License Agreements

Patent License Agreement with Penn (Non-ophthalmic Fields of Use)

The Company is party to a license agreement with Penn for an exclusive, worldwide license to specified patent rights for the development and commercialization of products in fields of use, as defined therein. The Company is required to make milestone payments aggregating up to $1.7 million, based upon the achievement of development and regulatory approval milestones, and up to $2.5 million, based upon the achievement of annual sales milestones with respect to each of the first two licensed products. The license agreement also requires the Company to pay low single digit royalties based on net sales of each licensed product, subject to minimum quarterly royalty thresholds. In addition, the Company is obligated to pay a specified portion of income it receives from sublicensees.

In January 2021, the Company paid $25.0 million for a sublicense fee owed to Penn related to the Sobi collaboration agreement and another licensing transaction. In August 2021, the Company paid $1.0 million to Penn upon the achievement of a development milestone, net of a credit for the annual license maintenance payment. In June 2022, the Company paid an additional $5.0 million to Penn upon the achievement of a development milestone. In January 2023, the Company paid $1.0 million to Penn upon the achievement of a sales milestone for EMPAVELI in 2022. In January 2024, the Company paid $0.5 million for a sublicense fee owed to Penn related to Sobi obtaining regulatory approval in Japan. Additionally, in January 2024, the Company paid $1.5 million as a result of the achievement of a sales milestone for EMPAVELI and Aspaveli.

For the three months ended March 31, 2025 and 2024, the Company has incurred royalty expense of $1.6 million and $1.6 million, respectively on sales of EMPAVELI and Aspaveli which is included in cost of sales on the condensed consolidated statements of operations and comprehensive loss.

Amended and Restated Patent License Agreement with Penn (Ophthalmic Field of Use)

The Company is also party to a license agreement with Penn for an exclusive, worldwide license to specified patent rights. The Company is required to make milestone payments aggregating up to $3.2 million based upon the achievement of specified development and regulatory milestones and up to $5.0 million based upon the achievement of specified annual sales milestones with respect to each licensed product, and to pay low single-digit royalties based on net sales of each licensed product and with minimum quarterly royalty thresholds. In addition, the Company is obligated to pay a specified portion of income it receives from sublicensees.

In April 2023, the Company paid $2.3 million for the achievement of a regulatory milestone as a result of the FDA approval of SYFOVRE in February 2023. In 2023, the Company incurred $5.0 million as a result of the achievement of sales milestones for SYFOVRE of which the Company paid $2.0 million in October 2023 and the remaining $3.0 million in January 2024.

For the three months ended March 31, 2025 and 2024, the Company has incurred royalty expense of $4.2 million and $4.5 million, respectively on sales of SYFOVRE, which is included in cost of sales on the condensed consolidated statements of operations and comprehensive loss.

11. Commitments and Contingencies

The Company has certain non-cancelable purchase obligations related to the manufacturing of drug substance. The Company has agreed to purchase from Bachem Americas, Inc. a significant portion of its requirements for the pegcetacoplan drug substance. Under a commercial supply agreement with NOF Corporation ("NOF"), the Company has agreed to purchase activated polyethylene glycol derivative, or PEG, which is a component of pegcetacoplan. In September 2024, the Company terminated the minimum purchase obligation with NOF for 2025. Under these agreements, as of March 31, 2025, the Company is obligated to pay up to $86.8 million to these vendors. As a result of the termination of the minimum purchase obligation with NOF, the Company incurred an expense of $6.4 million, which was included in cost of sales on the consolidated statements of operations and comprehensive loss for the year ended December 31, 2024. As this amount is due in January 2026, it is included in accrued expenses on the condensed consolidated balance sheet as of March 31, 2025 and included in other liabilities on the condensed consolidated balance sheet as December 31, 2024.

In addition, the Company has other non-cancelable purchase agreements as of March 31, 2025, under which it is obligated to pay up to $12.2 million to vendors.

The Company is a party to a master lease agreement under which the Company leases vehicles with initial terms of 36 months from the date of delivery. If the Company were unable to take delivery of a previously ordered vehicle, the Company may incur nominal fees.

Indemnifications—In the ordinary course of business, the Company enters into agreements that may include indemnification provisions. Pursuant to such agreements, the Company may indemnify, hold harmless and defend indemnified parties for losses suffered or incurred by the indemnified party. Some of the provisions will limit losses to those arising from third-party actions. In some cases, the indemnification will continue after the termination of the agreement. The maximum potential amount of future payments the Company could be required to make under these provisions is not determinable. The Company has not incurred any cost to defend lawsuits or settle claims related to these indemnification provisions.

Legal—During the normal course of business, the Company may be a party to legal claims that may not be covered by insurance.
On August 2, 2023, Judith M. Soderberg filed a putative class action in the United States District Court for the District of Delaware against the Company and certain current and former executive officers of the Company (the “Complaint”). The Complaint alleges, among other things, that the defendants violated Sections 10(b) and/or 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder by misrepresenting and/or omitting certain material facts related to the design of SYFOVRE’s clinical trials and the risks associated with SYFOVRE’s commercial adoption. The Complaint seeks, among other relief, compensatory damages and equitable relief in favor of the alleged class against all defendants, including interest, and reasonable costs and expenses incurred by plaintiffs, including attorneys’ and expert fees.

On October 23, 2023, the Court appointed Ray Peleckas and Michigan Laborers’ Pension Fund together as Co-Lead Plaintiffs and assigned the action the caption In Apellis Pharmaceuticals, Inc. Securities Litigation, Case 1:23-cv-00834-MN. The Co-Lead Plaintiffs filed an amended complaint on February 8, 2024 (the “Amended Complaint”). The Amended Complaint is brought on behalf of a class of all persons and entities who purchased or otherwise acquired Apellis common stock between January 28, 2021 and July 28, 2023, inclusive, names the Company and Cedric Francois, our chief executive officer, as defendants, and makes similar allegations, asserts the same claims and seeks the same relief as the Complaint.

On October 2, 2023, the defendants moved to transfer the action to the United States District Court for the District of Massachusetts. On March 17, 2025, the Court granted the defendants' motion to dismiss the amended complaint with prejudice and without leave to amend. On April 16, 2025, the plaintiffs filed an appeal to the United States Court of Appeals for the First Circuit.

On December 19, 2024, purported stockholder Patrick Campbell, and on December 30, 2024, purported stockholder Kenneth Olson filed putative stockholder derivative lawsuits in the United States District Court for the District of Massachusetts on behalf of the Company against the Company’s directors for breach of fiduciary duty, unjust enrichment, waste, and alleged violation of Section 14(a) of the Exchange Act related to the design of SYFOVRE’s clinical trials and the risks associated with SYFOVRE’s commercial adoption. The complaints seek monetary and punitive damages, and costs, including attorneys’ fees. On January 21, 2025, the cases were consolidated under the caption *In re Apellis Pharmaceuticals, Inc. Derivative Litigation*, No. 1:24-cv-13128-JEK. By the same order, the Court stayed the stockholder derivative litigation pending the Court’s ruling on the defendants’ motion to dismiss in the securities class action.

The Company’s businesses may also be subject at any time to other commercial disputes, product liability claims, personal injury claims, third-party subpoenas or various other lawsuits arising in the ordinary course of business, including intellectual property infringement, employment or investor matters, and the Company expects that this will continue to be the case in the future.

For example, in August 2024, an individual filed a civil action against the Company in the United States District Court in the Northern District of Texas, alleging personal injury claims in connection with the use of SYFOVRE. We moved to dismiss this civil action in September 2024. The Court has not yet ruled on this motion to dismiss, as of the date of issuance of these consolidated financial statements.

The outcome of the matter described above cannot be predicted with certainty and therefore any loss is neither probable nor reasonably estimable. However, the Company intends to vigorously defend against the litigation.

12. Net Loss per Common Share

The following table presents the calculation of basic and diluted net loss per common share (amounts in thousands, except per share amounts):

	As of March 31,	
	2025	2024
Numerator:		
Net loss	$ (92,225)	$ (66,423)
Denominator:		
Weighted-average number of common shares used in net loss per common share - basic and diluted	125,452,525	122,956,835
Net loss per common share - basic and diluted	$ (0.74)	$ (0.54)

Shares outstanding presented below were excluded from the calculation of diluted net loss per share, prior to the use of the treasury stock method, as their effect is anti-dilutive (in thousands):

	As of March 31,	
	2025	2024
Convertible notes	2,379	2,379
Stock options to purchase common stock	7,923	8,576
Unvested restricted stock units	4,672	4,587
Shares expected to be purchased under employee stock purchase plan	120	75
Total	15,094	15,617

13. Segment Information

The Company operates as a single operating segment, which is the discovery, development and commercialization of novel therapeutic compounds to treat diseases with high unmet needs through the inhibition of the complement system, which is an integral component of the immune system. The Company defines its segment on the basis in which internally reported financial information is regularly reviewed by the chief operating decision maker ("CODM") to analyze financial performance, make decisions, and allocate resources. The CODM is the chief executive officer (“CEO”). The Company’s CODM reviews consolidated net loss for purposes of assessing performance, making operating decisions, allocating resources, and planning and forecasting for future periods.

The following table presents information about reported segment revenue, segment loss, and significant segment expenses as provided to the CODM with respect to the Company’s single operating segment for the three months ended March 31, 2025 and 2024:

	For the Three Months Ended March 31,	
	2025	2024
Revenue	$ 166,797	$ 172,325
Less:		
Internal research and development costs	22,950	19,724
Internal selling, general and administrative costs	46,668	46,339
External commercial costs	56,993	58,672
External research and development costs	51,720	50,992
External general and administrative costs	10,060	8,129
Other segment items (1)	34,525	20,709
Share-based compensation expense	27,374	30,349
Interest income	(2,658)	(3,303)
Interest expense	11,049	6,967
Income tax expense	341	170
Net loss	$ (92,225)	$ (66,423)

(1) Other segment items include cost of sales, and other expenses.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our audited financial statements and related notes for the year ended December 31, 2024 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2025, which we refer to as the 2024 Annual Report on Form 10-K

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this Quarterly Report on Form 10-Q, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans and objectives of management and expected market growth are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. Please also refer to those factors described in "Part I, Item 1A. Risk Factors" of our 2024 Annual Report on Form 10-K for important factors that we believe could cause actual results to differ materially from those in our forward-looking statements.

Overview

We are a commercial-stage biopharmaceutical company focused on the discovery, development and commercialization of novel therapeutic compounds to treat diseases with high unmet needs through the inhibition of the complement system, which is an integral component of the immune system. We believe this approach has the potential to effectively control diseases with high unmet need that are driven by excessive complement activation. We currently have two marketed drugs that target C3, the central protein in the complement cascade: SYFOVRE (pegcetacoplan injection), approved by the U.S. Food and Drug Administration, or FDA, in February 2023 for the treatment of geographic atrophy secondary to age-related macular degeneration, or GA; and EMPAVELI (pegcetacoplan), approved by the FDA in May 2021 for the treatment of paroxysmal nocturnal hemoglobinuria, or PNH.

We believe SYFOVRE has the potential to be the standard of care for patients with GA, a disease that affects an estimated 1.5 million people in the United States. While we have exclusive, worldwide commercialization rights for intravitreal pegcetacoplan, we intend to focus our commercialization efforts in the U.S. and explore international expansion in select markets, including Australia, where we received marketing approval in January 2025. We launched SYFOVRE in the United States in March 2023. For the three months ended March 31, 2025 and 2024, we generated $130.2 million and $137.5 million, respectively, in U.S. net product revenue from sales of SYFOVRE. We are also developing a next-generation therapy by combining SYFOVRE treatment with APL-3007, which is a small interfering RNA, or siRNA, aimed at comprehensively blocking complement activity in the retina and the choroid. We plan to initiate a Phase 2 multi-dose trial in patients with GA in the second quarter of 2025.

We believe that EMPAVELI has the potential to be a best-in-class treatment for a range of indications with high unmet needs. We have exclusive U.S. commercialization rights for EMPAVELI, and our collaboration partner, Swedish Orphan Biovitrum AB (Publ), or Sobi, has exclusive ex-U.S. commercialization rights for systemic pegcetacoplan outside of the United States. For the three months ended March 31, 2025 and 2024, we generated $19.7 million and $25.6 million, respectively, in U.S. net product revenue from sales of EMPAVELI for PNH and received $6.1 million and $4.5 million, respectively, in royalties from our collaboration partner, Swedish Orphan Biovitrum AB (Publ), or Sobi. We have commercialization rights for systemic pegcetacoplan in the United States.

The next indications we are pursuing with EMPAVELI are C3 glomerulopathy, or C3G, and primary immune complex membranoproliferative glomerulonephritis, or IC-MPGN, which together affect an estimated 5,000 people in the United States. We submitted a supplemental new drug application, or sNDA, to the FDA in early 2025, following the positive results from the Phase 3 VALIANT trial investigating systemic pegcetacoplan in adolescent and adult patients with naive and post-transplant recurrence C3G and IC-MPGN that we reported in August 2024. The VALIANT study demonstrated positive effects on the three key markers of disease at six months. Results from the VALIANT study showed a 68% reduction in proteinuria in C3G and IC-MPGN patients compared to placebo ($p < 0.0001$), the primary endpoint, pegcetacoplan-treated patients achieved stabilization of kidney function (nominal $p=0.03$), as measured by estimated glomerular filtration rate, and a substantial proportion of patients achieved a reduction in C3c staining intensity (nominal $p<0.0001$). Data also demonstrated favorable safety and tolerability results, consistent with pegcetacoplan's established profile. Results were consistent across all subgroups, including disease type, age, and transplant status. The FDA accepted and granted Priority Review designation of the EMPAVELI sNDA in April 2025 with a PDUFA date of July 28,

2025. Additionally, in February 2025, Sobi received validation for its indication extension application for C3G and IC-MPGN from the European Medicines Agency, or EMA.

We plan to initiate two registrational clinical trials with EMPAVELI in the second half of 2025 for the treatment of primary focal segmental glomerulosclerosis, or FSGS, and delayed graft function, or DGF. FSGS and DGF are both rare, severe nephrology conditions with no approved therapies in which complement overactivation plays a significant role.

Finally, we are developing new product candidates to further advance our pipeline. Through our collaboration with Beam Therapeutics, Inc., or Beam, we have commenced pre-clinical studies for a treatment targeting the neonatal Fc receptor, or FcRn, which has the potential to be a first-in-class gene editing treatment for future target indications with one-time dosing. We are also developing other programs with our proprietary in-house capabilities.

To date, we have financed our operations primarily through $2.6 billion in net proceeds from public offerings of our common stock and pre-funded warrants to purchase common stock, $407.6 million in payments and royalties from Sobi pursuant to our collaboration agreement, $532.5 million under various credit arrangements, including with Sixth Street Lending Partners, or Sixth Street, and SFJ Pharmaceuticals Group, or SFJ, and $98.8 million relating to the unwinding of certain capped call transactions in March 2024, as well as from the proceeds of our operations. To date, we have exchanged $425.4 million and converted $0.7 million of aggregate principal amount of our Convertible Notes for shares of our common stock. Our non-dilutive financing activities, which include the Sixth Street Financing Agreement (as defined below), the repayment of our remaining obligations to SFJ and the partial unwinding of our capped call transactions, increased the amount of cash available to us through 2025 by approximately $270.0 million, with the potential for us to access additional short-term liquidity through a second draw of $100.0 million under the Credit Facility (as defined below).

We have incurred significant annual net operating losses in every year since our inception and we expect to continue to incur net operating losses for at least this year. Our net losses were $92.2 million and $66.4 million for the three months ended March 31, 2025 and 2024, respectively. As of March 31, 2025, we had an accumulated deficit of $3.1 billion.

Our operating results may fluctuate significantly from quarter to quarter and year to year. We anticipate that we will continue to incur significant commercialization expenses related to sales, marketing, medical affairs, manufacturing, distribution and other commercial infrastructure associated with the commercialization of EMPAVELI for the treatment of PNH and other indications and the commercialization of SYFOVRE for the treatment of GA. In addition, we expect to continue to incur these expenses if and as we continue to develop and conduct our ongoing and planned clinical trials of pegcetacoplan and our other product candidates; initiate and continue research and preclinical and clinical development efforts for any future product candidates; seek to identify and develop additional product candidates for complement-dependent diseases; seek regulatory and marketing approvals for our product candidates that successfully complete clinical trials, if any; establish sales, marketing, distribution and other commercial infrastructure to commercialize any additional products for which we may obtain marketing approval; require the manufacture of larger quantities of product candidates for clinical development and, potentially, commercialization; maintain, expand and protect our intellectual property portfolio; hire and retain additional personnel, such as clinical, quality control, regulatory and scientific personnel; add operational, financial and management information systems and personnel, including personnel to support our product development and add equipment and physical infrastructure to support our research and development programs and commercialization.

Financing Agreement and Credit Facility

On May 13, 2024, we entered into a financing agreement, or the Sixth Street Financing Agreement, with certain of our material subsidiaries as guarantors party thereto, the lenders party thereto, or the Lenders, and Sixth Street Lending Partners, as the administrative agent and collateral agent for the Lenders.

The Sixth Street Financing Agreement provides for a senior secured term loan facility of up to $475.0 million, or the Credit Facility, consisting of an initial draw of $375.0 million at closing and a potential additional $100.0 million draw at our option upon satisfaction of a $50.0 million minimum cash requirement and a requirement that our trailing three-month sales of SYFOVRE is at least $180.0 million prior to the $100.0 million draw. We can exercise the option for the additional $100.0 million draw through September 30, 2025, assuming such requirements are met.

The Credit Facility matures on May 13, 2030 (the “Maturity Date”) and bears interest an annual rate equal to 3-month Term SOFR (subject to 1.00% floor), plus 5.75%. Certain additional commitment and undrawn amount fees are also payable in connection with the Credit Facility.

The net proceeds from the initial draw of the Credit Facility were approximately $358.2 million, net of $16.8 million of issuance costs. We used the majority of the proceeds of the draw at closing to buy out our remaining obligations to SFJ, in the amount of approximately $326.5 million.

The Credit Facility does not provide for scheduled amortization payments during the term. All principal will be due on the Maturity Date. We have the right to prepay loans under the Credit Facility at any time. We are required to repay loans under the Credit Facility with proceeds from certain asset sales, condemnation events and extraordinary receipts, subject, in some cases, to reinvestment rights. Repayments are subject to a prepayment premium. Repayments may be made after the first year of the loan and are subject to a prepayment premium up to 3% depending on timing.

All obligations under the Sixth Street Financing Agreement are secured on a first-priority basis, subject to certain exceptions, by security interests in substantially all of our assets and assets of our material subsidiaries, including our intellectual property, and are guaranteed by our material subsidiaries, including foreign subsidiaries, subject to certain exceptions.

The Sixth Street Financing Agreement contains customary covenants, including, without limitation, a financial covenant to maintain liquidity of at least $50.0 million if our market capitalization is below $3.0 billion, and negative covenants that, subject to certain exceptions, restrict indebtedness, liens, investments (including acquisitions), fundamental changes, asset sales and licensing transactions, dividends, modifications to material agreements, payment of subordinated indebtedness, and other matters customarily restricted in such agreements. Among other permissions, we are permitted, on terms and conditions set forth on the Sixth Street Financing Agreement, to enter into a separate asset-based financing arrangement with a third party in an amount of up to $100.0 million, which amount is increased to $200.0 million upon certain sales or market capitalization thresholds, and to have outstanding convertible unsecured notes in an amount equal to the greater of $400.0 million and 10% of our market capitalization, but not to exceed $600.0 million. We are subject to restrictions on sales and licensing transactions with respect to our core intellectual property, defined to include SYFOVRE, EMPAVELI, and other pegcetacoplan product assets, subject to certain exceptions, including certain transactions related to areas outside the United States and Europe.

The Sixth Street Financing Agreement also contains certain events of default after which loans under the Credit Facility may be due and payable immediately, including payment defaults, material inaccuracy of representations and warranties, covenant defaults, bankruptcy and insolvency proceedings, cross-defaults to certain other agreements, judgments against us and our subsidiaries, and change of control.

Convertible Notes

On September 16, 2019, we completed a private offering of convertible notes, or the 2019 Convertible Notes, with an aggregate principal amount of $220.0 million issued pursuant to an indenture, or the Indenture, with U.S. Bank National Association, as trustee.
The net proceeds from the sale of the 2019 Convertible Notes were approximately $212.9 million after deducting the initial purchasers' discounts and commissions of $6.6 million and offering expenses of $0.5 million. We used $28.4 million of the net proceeds from the sale of the 2019 Convertible Notes to pay the cost of the capped call transactions in September 2019 described below.

On May 12, 2020, we issued convertible notes, or the 2020 Convertible Notes, with an aggregate principal amount of $300.0 million. The net proceeds from the sale of the 2020 Convertible Notes were approximately $322.9 million after deducting the purchasers' discounts and commission of $5.7 million and offering expenses of $0.3 million. We used $43.1 million of the net proceeds from the sale to pay the cost of the additional capped call transactions in May 2020 described below.

The 2019 Convertible Notes and the 2020 Convertible Notes are referred to together as the Convertible Notes. The Convertible Notes are our senior unsecured obligations and bear interest at a rate of 3.5% per year payable semiannually in arrears on March 15 and September 15 of each year, beginning on March 15, 2020. The Convertible Notes will mature on September 15, 2026, unless converted earlier, redeemed or repurchased in accordance with their terms.

The Convertible Notes are convertible into shares of our common stock at an initial conversion rate of 25.3405 shares per $1,000 principal amount of notes (equivalent to an initial conversion price of approximately $39.4625 per share of common stock). The conversion rate is subject to customary anti-dilution adjustments. In addition, following certain events that occur prior to the maturity date or if we deliver a notice of redemption, we will increase the conversion rate for a holder who elects to convert its Convertible Notes in connection with such corporate event or a notice of redemption, as the case may be, in certain circumstances as provided in the Indenture.

Prior to March 15, 2026, the Convertible Notes are convertible only under the following circumstances:

- during any calendar quarter, if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period in which the trading price per $1,000 principal amount of the Convertible Notes for each such trading day was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day;
- if we call any or all of the Convertible Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or upon the occurrence of corporate events specified in the Indenture.

On or after March 15, 2026 until the close of business on the second scheduled trading day immediately preceding the maturity date of the Convertible Notes, holders may convert the Convertible Notes at any time regardless of the foregoing circumstances. Upon conversion of the Convertible Notes, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of common stock, at our election.

As of September 20, 2023, we may redeem for cash all or a portion of the Convertible Notes, at our option, if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide a notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption. The redemption price will be equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. If we call any Convertible Notes for redemption, it will constitute a “make-whole fundamental change” with respect to such Convertible Notes, in which case the conversion rate applicable to the conversion of such Notes, if converted in connection with the redemption, will be increased in certain circumstances. We have not called for redemption any of the Convertible Notes as of March 31, 2025.

If we undergo a “fundamental change,” as defined in the Indenture, prior to maturity, subject to certain conditions, holders may require us to repurchase for cash all or any portion of their Convertible Notes at a fundamental change repurchase price equal to 100 % of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

In January 2021, July 2021 and July 2022, we entered into separate, privately negotiated exchange agreements to modify the conversion terms with certain holders of the 2019 Convertible Notes and 2020 Convertible Notes. Under the terms of these exchange agreements, in January 2021, July 2021 and July 2022, the holders exchanged approximately $126.1 million of 2019 Convertible Notes, $201.1 million of 2019 Convertible Notes and 2020 Convertible Notes, and $98.1 million of 2020 Convertible Notes, respectively, in aggregate principal amount held by them for an aggregate of 3,906,869 shares, 5,992,217 shares and 3,027,018 shares, respectively, of common stock we issued. In accordance with FASB ASC Topic 470-20, “Debt – Debt with Conversion and Other Options,” or ASC 470-20, we accounted for the exchange as an induced conversion based on the short period of time the conversion offer was open and the substantive conversion feature offer. We accounted for the conversion of the debt as an inducement by expensing the fair value of the shares that were issued in excess of the original terms of the Convertible Notes.

The conditional conversion feature of the Convertible Notes was not triggered as of March 31, 2025 and as of December 31, 2024.

As of March 31, 2025, we held in treasury Convertible Notes in principal amount of $425.4 million which notes had not been cancelled.

Collaboration Agreement with Sobi

On October 27, 2020, we entered into the Sobi collaboration agreement, concerning the development and commercialization of pegcetacoplan and specified other structurally and functionally similar compstatin analogues or derivatives for use systemically or for local non-ophthalmological administration, collectively referred to as the licensed products. We granted Sobi an exclusive (subject to certain rights retained by us), sublicensable license of certain patent rights and know-how to develop and commercialize licensed products in all countries outside of the United States. We retained the right to commercialize licensed products in the United States, and, subject to specified limitations, to develop licensed products worldwide for commercialization in the United States. Under the Sobi collaboration agreement, Sobi made an upfront payment of $250.0 million in November 2020, and agreed to pay up to an aggregate of $915.0 million upon the achievement of specified one-time regulatory and commercial milestone events, including a

$50.0 million milestone payable following the first regulatory and reimbursement approval of systemic pegcetacoplan in any major European country, and to reimburse us for up to $80.0 million in development costs. Since contract inception, we have recognized $65.0 million in contra-research and development expenses and waived the remaining $15.0 million in connection with the decision to discontinue the CAD program.

The European Commission approved systemic Aspaveli (pegcetacoplan) for the treatment of adults with PNH in December 2021. In March 2022, we earned a $50.0 million payment from Sobi related to the first regulatory and reimbursement milestone in Europe, which we received in April 2022. We are also entitled to receive tiered, double-digit royalties (ranging from high teens to high twenties) on sales of licensed products outside of the United States, subject to customary deductions and third-party payment obligations, until the latest to occur of: (i) expiration of the last-to-expire of specified licensed patent rights; (ii) expiration of regulatory exclusivity; and (iii) ten (10) years after the first commercial sale of the applicable licensed product, in each case on a licensed product-by-licensed product and country-by-country basis. We remain responsible for our license fee obligations (including royalty obligations) to the University of Pennsylvania.

Financial Operations Overview

Revenue

Our revenues consist of product sales of EMPAVELI and SYFOVRE, and revenues derived from our collaboration agreement with Sobi.

Revenue is recognized when, or as, we satisfy a performance obligation by transferring a promised good or service to a customer. An asset is transferred when, or as, the customer obtains control of that asset. For performance obligations that are satisfied over time, we recognize revenue using an input or output measure of progress that best depicts the satisfaction of the relevant performance obligation.

Product Revenues

Product revenue is derived from our sales of our commercial products, EMPAVELI and SYFOVRE, in the United States.

Licensing and Other Revenue

Licensing and other revenue is derived from our collaboration agreement with Sobi concerning the development and commercialization of pegcetacoplan and specified other compstatin analogues or derivatives for use systemically or for local non-ophthalmic administration.

Cost of Sales

Cost of sales consists primarily of costs associated with the manufacturing of EMPAVELI and SYFOVRE, royalties owed to our licensor for such sales, and certain period costs.

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research activities, including our drug discovery efforts, and the development of our product candidates, which include:

- employee-related expenses including salaries, bonuses, benefits and share-based compensation expense related to individuals performing research and development activities;
- expenses incurred under agreements with third parties, including contract research organizations, or CROs, that conduct clinical trials and research and development activities on our behalf, and contract manufacturing organizations that manufacture quantities of drug supplies for both our preclinical studies and clinical trials;
- the cost of consultants, including share-based compensation expense; and
- various other expenses incident to the management of our preclinical studies and clinical trials.

Research and development costs are expensed as incurred. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are deferred and capitalized. The capitalized amounts are expensed as the

related goods are delivered or the services are performed. We have not provided program costs since inception because historically we have not tracked or recorded our research and development expenses on a program-by-program basis from inception

The successful development of our product candidates in clinical development is highly uncertain. Accordingly, at this time, we cannot reasonably estimate the nature, timing and costs of the efforts that will be necessary to complete the remainder of the clinical development of these product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from pegcetacoplan in other jurisdictions and indications or any other potential product candidates. This is due to the numerous risks and uncertainties associated with developing therapeutics, including the uncertainties of:

- establishing an appropriate safety profile in preclinical studies;
- successful enrollment in, and completion of clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- launching commercial sales of the products, if and when approved, whether alone or in collaboration with others; and
- an acceptable safety profile of the products following approval.

A change in the outcome of any of these variables with respect to the development of any of our product candidates would significantly change the costs and timing associated with the development of that product candidate.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect research and development costs to increase for the foreseeable future as our product candidate development programs progress. However, we do not believe that it is possible at this time to accurately project total program-specific expenses through commercialization. There are numerous factors associated with the successful commercialization of any of our product candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. Additionally, future commercial and regulatory factors beyond our control will impact our clinical development programs and plans.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of costs associated with the commercialization of approved products and general and administrative costs to support operations, including salaries, bonuses, benefits and share-based compensation. Selling expenses include product marketing, sales operations costs, and other costs incurred to support our sales efforts. General and administrative expenses include corporate support functions such as executive management, finance and accounting, business development, legal, human resources, information technology, and associated external costs to support those functions. Other significant costs include facility costs not otherwise included in research and development expenses, legal fees relating to patent and corporate matters, and fees for accounting and consulting services. Marketing and advertising costs include marketing literature, promotional activities, conferences and seminars, branding and sponsorships.

We anticipate that our selling, general and administrative expenses will increase in the future to support continued commercial activities for our approved products, potential commercialization of our product candidates and costs of operating as a public company.

Critical Accounting Estimates

This discussion and analysis of our financial condition and results of operations is based on our financial statements, which we have prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of expenses during the reported periods. On an ongoing basis, we evaluate our estimates and judgments, including those related to product revenue, inventory and accrued research and development expenses, which we described in our 2024 Annual Report on Form 10-K. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Our significant accounting policies are described in Note 2 of Part I, Item 1 of this Quarterly Report on Form 10-Q and in Part I, Item 7, "Critical Accounting Estimates" in our 2024 Annual Report on Form 10-K. There have been no changes to our critical accounting policies and estimates since our 2024 Annual Report on Form 10-K.

Results of Operations

Three Months Ended March 31, 2025 and 2024 (in thousands, except percentages)

	For the Three Months Ended March 31,		Change $	Change %
	2025	2024		
Revenue:				
Product revenue, net	$ 149,900	$ 163,075	$ (13,175)	(8%)
Licensing and other revenue	16,897	9,250	7,647	83%
Total revenue:	166,797	172,325	(5,528)	(3%)
Operating expenses:				
Cost of sales	34,360	20,209	14,151	70%
Research and development	86,420	84,701	1,719	2%
Selling, general and administrative	129,345	129,505	(160)	(—%)
Total operating expenses:	250,125	234,415	15,710	7%
Net operating loss	(83,328)	(62,090)	(21,238)	34%
Interest income	2,658	3,303	(645)	(20%)
Interest expense	(11,049)	(6,967)	(4,082)	59%
Other expense, net	(165)	(499)	334	(67%)
Net loss before taxes	(91,884)	(66,253)	(25,631)	39%
Income tax expense	341	170	171	101%
Net loss	$ (92,225)	$ (66,423)	$ (25,802)	39%

Product Revenue, Net

Our product revenue, net is derived from EMPAVELI and SYFOVRE sales in the United States. We recognized $149.9 million and $163.1 million of net product revenue for the three months ended March 31, 2025 and 2024, respectively. The net product revenue of $149.9 million for the three months ended March 31, 2025, consists of $19.7 million in net product revenue from sales of EMPAVELI and $130.2 million in net product revenue from sales of SYFOVRE. The net product revenue of $163.1 million for the three months ended March 31, 2024, consists of $25.6 million in net product revenue from sales of EMPAVELI and $137.5 million in net product revenue from sales of SYFOVRE. The decrease in net product revenue for SYFOVRE was primarily driven by increased rebates. The decrease in net product revenue for EMPAVELI was related to increased competitive pressure from the availability of oral products.

Licensing and Other Revenue

Licensing and other revenue of $16.9 million for the three months ended March 31, 2025 consisted of $10.8 million in revenue from product supplied to Sobi and $6.1 million in royalty revenue from Sobi. Licensing and other revenue of $9.3 million for the three months ended March 31, 2024 consisted of $4.8 million in revenue from product supplied to Sobi and $4.5 million in royalty revenue from Sobi.

Cost of Sales

Cost of sales was $34.4 million for the three months ended March 31, 2025 and $20.2 million for the three months ended March 31, 2024. The increase in cost of sales was primarily driven by an $8.1 million increase due to higher volumes of product supplied to Sobi and a $4.5 million increase in expenses incurred related to excess, obsolete or scrapped inventory.

In addition, prior to receiving FDA approval for EMPAVELI and SYFOVRE, the costs associated with the manufacturing of EMPAVELI and SYFOVRE inventory were expensed as incurred as research and development expense. This did not materially impact cost of sales for the three months ended March 31, 2025 and 2024. This resulted in inventory being sold during the three months ended March 31, 2025 and 2024 for which a portion of the costs had been previously expensed prior to FDA approval. We expect this may continue to impact the cost of sales as the remaining pre-FDA approval inventory is sold to customers. As of

March 31, 2025 and December 31, 2024, the remaining pre-FDA approved inventory was $19.2 million and $19.5 million, respectively, which primarily consisted of raw materials and semi-finished goods.

Research and Development Expenses

The following table summarizes our research and development expenses incurred during the three months ended March 31, 2025 and 2024 (in thousands, except percentages):

	For the Three Months Ended March 31,		Change	Change
	2025	2024	$	%
Program-specific external costs:				
PNH	$ 2,194	$ 4,397	$ (2,203)	(50%)
IC-MPGN & C3G	7,611	9,230	(1,619)	(18%)
HSCT-TMA	744	564	180	32%
GA	15,673	9,975	5,698	57%
Other development and discovery programs (1)	23,067	26,516	(3,449)	(13%)
Total program-specific costs	49,289	50,682	(1,393)	(3%)
Unallocated external costs				
Non-program specific external costs	2,431	312	2,119	679%
Total unallocated external costs	2,431	312	2,119	679%
Unallocated internal costs				
Compensation and related personnel costs	33,459	32,546	913	3%
Other expenses	1,241	1,161	80	7%
Total unallocated internal costs	34,700	33,707	993	3%
Total research and development costs	$ 86,420	$ 84,701	$ 1,719	2%

(1) Includes discontinued clinical activities related to the ALS and CAD programs, amounting to $0.8 million and $16.6 million for the three months ended March 31, 2025 and 2024, respectively.

Research and development expenses increased by $1.7 million to $86.4 million for the three months ended March 31, 2025 from $84.7 million for the three months ended March 31, 2024, an increase of 2%. The increase in research and development expenses was primarily attributable to an increase of $2.1 million in non-program specific external costs, and an increase of $0.9 million in compensation and related personnel costs. The increases were partially offset by a $1.4 million decrease in program-specific external costs.

The decrease in our program-specific external costs of $1.4 million was driven by a $2.2 million decrease in PNH costs due to lower costs incurred relating to clinical activities, a $1.6 million decrease in IC-MPGN & C3G costs due to lower cost related to the VALIANT study, and a $3.4 million decrease in other development and discovery costs primarily due to our previously announced discontinued clinical activities related to our ALS and CAD programs which was partially offset by an increase in other discovery program costs of $12.3 million. These decreases were partially offset by an increase of $5.7 million in GA costs associated with the development of new product candidates to further advance our pipeline. The increase in compensation and related personnel costs was driven by an increase of $2.4 million in salaries and benefits, which was partially offset by a $1.5 million decrease in stock compensation expense.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased by $0.2 million to $129.3 million for the three months ended March 31, 2025, from $129.5 million for the three months ended March 31, 2024. The decrease was primarily attributable to a decrease of $0.8 million in office expenses, a decrease of $0.3 million in travel expenses, a decrease of $0.7 million in professional and consulting fees and a decrease of $0.2 million in personnel related costs, which were partially offset by an increase of $1.2 million in factoring fees and an increase of $0.5 million in insurance expenses. The decrease in personnel related costs of $0.2 million consisted of a $1.6 million decrease in in share-based compensation expense partially offset by a $0.7 million increase recruiting expenses and a $0.7 million increase in salaries and benefits.

Interest Income

Interest income was $2.7 million for the three months ended March 31, 2025, a decrease of $0.6 million, compared to $3.3 million for the three months ended March 31, 2024. The decrease in interest income was primarily attributable to decreased investments and a decline in money market rates during the three months ended March 31, 2025.

Interest Expense

Interest expense was $11.0 million for the three months ended March 31, 2025 and $7.0 million for the three months ended March 31, 2024. The increase is primarily due to the interest incurred under the Credit Facility.

Income Tax Expense

Income tax expense was $0.3 million for the three months ended March 31, 2025, an increase of $0.1 million, compared to $0.2 million for the three months ended March 31, 2024. The increase primarily relates to an increase in state taxes.

Liquidity and Capital Resources

Sources of Liquidity

To date, we have financed our operations primarily through approximately $2.6 billion in net proceeds from public and private offerings of our common stock and convertible securities, $407.6 million in payments and royalties from Sobi pursuant to our collaboration agreement, $532.5 million under various credit arrangements, including with Sixth Street and SFJ, and $98.8 million relating to the unwinding of the capped call transactions in March 2024, as well as from the proceeds of our operations.

In May 2024, we entered into the Sixth Street Financing Agreement, which provides for the Credit Facility, consisting of an initial draw of $375.0 million at closing and a potential additional $100.0 million draw at our option upon satisfaction of a $50.0 million minimum cash requirement and a requirement that our trailing three-month sales of SYFOVRE is at least $180.0 million prior to the $100.0 million draw. The Credit Facility matures on May 13, 2030 and bears interest at an annual rate equal to the 3-month Secured Overnight Financing Rate (SOFR) + 5.75% (subject to 1.00% floor). Certain additional commitment and undrawn amount fees are also payable in connection with the Credit Facility. We used the majority of the proceeds of the $375.0 million draw at closing to buy out our remaining obligations owed to SFJ, in the amount of approximately $326.5 million.

We are permitted under the Sixth Street Financing Agreement to enter into a separate asset-based financing arrangement with a third party in an amount of up to $100.0 million, which amount is increased to $200.0 million upon certain sales or market capitalization thresholds, and to have outstanding convertible unsecured notes in an amount equal to the greater of $400.0 million and 10% of our market capitalization, but not to exceed $600.0 million.

In August 2024, the Company entered into an agreement (the "Factoring Agreement") to sell certain accounts receivable to a third-party financial institution at a discount to the face value of the accounts receivable. Under the Factoring Agreement, the maximum amount of outstanding accounts receivables sold at any time is $100.0 million. The accounts receivable sold that remained outstanding as of March 31, 2025 and December 31, 2024 was $99.7 million and $86.1 million, respectively.

In November 2023, we entered into a sales agreement, or the sales agreement, with Cowen and Company, LLC, or Cowen, as agent, pursuant to which we may offer and sell shares of our common stock having an aggregate offering from of up to $300.0 million from time to time. Any sales made under the sales agreement will be made at market prices by any method that is deemed to be an “at the market offering” as defined in Rule 415(a)(4) promulgated under the Securities Act of 1933. Any sales under the sales agreement will be made pursuant to our registration statement on Form S-3, which became effective on February 22, 2023. We agreed to pay Cowen compensation of up to 3.0% of the gross proceeds of the sale of shares made under the sales agreement. We did not make any sales under the sales agreement during the three months ended March 31, 2025.

In February 2023, we issued and sold 4,007,936 shares of our common stock and, in lieu of common stock to investors who so chose, pre-funded warrants to purchase 2,380,956 shares of our common stock in a follow-on offering, including 833,333 shares sold pursuant to the underwriters’ exercise in full of their option to purchase additional shares of common stock. The price to the public of the shares of common stock was $63.00 per share and the price to the public of the pre-funded warrants was $62.9999 per pre-funded warrant. The pre-funded warrants have an exercise price equal to $0.0001 per share and do not expire. The pre-funded warrants were accounted for as equity instruments. We received total net proceeds of $384.4 million, after deducting underwriting discounts and commissions of $18.8 million and offering cost of $0.3 million. As of March 31, 2025, pre-funded warrants to purchase 80,965 shares of our common stock were still outstanding.

In February 2024, we entered into agreements with the capped call counterparties to unwind a portion of the capped call transactions. The unwind agreements applied to the portion of the capped call transactions in a notional amount corresponding to the $426.1 million principal amount of Convertible Notes that we held in treasury as of December 31, 2024 or have been previously converted. The unwind transactions were settled at volume-weighted average price per share of $64.11, which resulted in cash proceeds to us of $98.8 million. As of March 31, 2025 the remaining capped call transactions had a notional amount corresponding to $93.9 million principal amount of Convertible Notes.

Cash Flows

The following table provides information regarding our cash flows for the three months ended March 31, 2025 and 2024 (in thousands):

	For the Three Months Ended March 31,	
	2025	2024
Net cash used in operating activities	$ (53,410)	$ (132,983)
Net cash used in investing activities	(8)	(293)
Net cash provided by financing activities	274	108,212
Effect of exchange rate changes on cash, cash equivalents and restricted cash	359	(209)
Net decrease in cash, cash equivalents and restricted cash	$ (52,785)	$ (25,273)

Net Cash Used in Operating Activities

Net cash used in operating activities was $53.4 million for the three months ended March 31, 2025 and consisted primarily of a net loss of $92.2 million adjusted for $28.4 million of non-cash items, including share-based compensation expense of $27.4 million and depreciation expense of $0.4 million. Further, it included a net decrease in operating assets and liabilities of $10.4 million, which was driven by a decrease in accounts receivable of $29.7 million, a decrease in inventory of $14.0 million, an increase in prepaid assets of $18.8 million, an increase in other current assets of $1.3 million, an increase in accounts payable of $16.7 million, and a decrease in accrued expenses of $30.2 million. The change in accounts receivable was primarily driven by the derecognition of certain accounts receivable under our Factoring Agreement.

Net cash used in operating activities was $133.0 million for the three months ended March 31, 2024 and consisted primarily of a net loss of $66.4 million adjusted for $36.9 million of non-cash items, including share-based compensation expense of $30.3 million, depreciation expense of $0.4 million and accretion of discount to the development liability of $6.1 million. Further, it included a net increase in operating assets and liabilities of $103.5 million, which was driven by increases in accounts receivable of $61.4 million, an increase in inventory of $14.9 million, an increase in prepaid assets of $4.3 million, a decrease in other current assets of $10.7 million, a decrease in accounts payable and accrued expenses of $37.1 million, and an increase in deferred revenue of $3.6 million.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $0.3 million during the three months ended March 31, 2025 and consisted primarily of proceeds from the exercise of stock options.

Net cash provided by financing activities was $108.2 million during the three months ended March 31, 2024 and consisted primarily of proceeds from the settlement of capped call unwind transactions of $98.8 million and $9.5 million of proceeds from the exercise of stock options.

Funding Requirements

We expect to continue to incur expenses to support our ongoing commercial activities related to product manufacturing, marketing, sales and distribution of EMPAVELI for PNH and SYFOVRE for GA. In addition, we expect to continue to incur expenses as we prioritize the ongoing development of systemic pegcetacoplan and focus our research initiatives on high potential opportunities.

Together with the cash that we anticipate will be generated from sales of EMPAVELI and SYFOVRE, we expect that our current cash and cash equivalents will be sufficient to fund our projected operating expenses and capital expenditure requirements for at least the next 12 months, as well as our anticipated longer-term cash requirements and obligations. Our expectations regarding our short-term

and long-term funding requirements are based on assumptions that may prove to be wrong, and we may need additional capital resources to fund our operating plans and capital expenditure requirements.

We are devoting substantial resources to the commercial infrastructure for SYFOVRE for GA. We are also devoting substantial resources to the development of our product candidates. Because of the numerous risks and uncertainties associated with the commercialization of EMPAVELI and SYFOVRE and development of other product candidates, and because the extent to which we may enter into collaborations with third parties for any of these activities is unknown, we are unable to estimate the amounts of increased capital outlays and operating expenses associated with the research, development and commercialization. Our future funding requirements and long-term capital requirements will depend on many factors, including:

- our ability to continue to successfully commercialize and sell EMPAVELI and SYFOVRE in the United States;
- the cost of and our ability to obtain regulatory approvals of SYFOVRE outside of the United States and continue to build a commercial infrastructure for SYFOVRE for GA in the United States and worldwide;
- the cost of and our ability to effectively establish and maintain, the commercial infrastructure and manufacturing capabilities required to support the continued commercialization of EMPAVELI, systemic pegcetacoplan and SYFOVRE and any other products for which we receive marketing approval including product sales, medical affairs, marketing, manufacturing and distribution;
- the scope, progress, timing, costs and results of clinical trials of, and research and preclinical development efforts for systemic pegcetacoplan, SYFOVRE and our other product candidates;
- our ability to maintain a productive collaborative relationship with Sobi with respect to systemic pegcetacoplan, including our ability to achieve milestone payments under our agreement with Sobi;
- our ability to identify additional collaborators for any of our product candidates and the terms and timing of any collaboration agreement that we may establish for the development and any commercialization of such product candidates;
- the number and characteristics of future product candidates that we pursue and their development requirements;
- the outcome, timing and costs of clinical trials and of seeking regulatory approvals of pegcetacoplan in other jurisdictions and indications and other product candidates we may pursue;
- the costs of commercialization activities for any of our product candidates that receive marketing approval to the extent such costs are not the responsibility of any collaborators, including the costs and timing of establishing product sales, marketing, distribution and manufacturing capabilities;
- subject to receipt of marketing approval, revenue, if any, received from commercial sales of pegcetacoplan in other jurisdictions and indications and our other product candidates;
- our headcount growth and associated costs as we expand our research and development and establish a commercial infrastructure;
- the costs of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending against intellectual property related claims;
- the effect of competing technological and market developments;
- the effect of public health crises, including pandemics and epidemics, on the healthcare system and the economy generally and on our clinical trials and other operations specifically;
- our ability to obtain adequate reimbursement for EMPAVELI and SYFOVRE in the United States or any other product we commercialize; and
- the costs of operating as a public company.

If our cash and cash equivalents, and cash generated from sales of EMPAVELI and SYFOVRE are not sufficient to fund our planned expenditures, we will need to finance our cash needs through external sources of funds, which may include equity offerings, debt financings, collaborations, strategic alliances or licensing arrangements. We currently do not have any committed external source of funds.

If we are unable to generate sufficient funds from sales of EMPAVELI and SYFOVRE, or raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations

The disclosure of our contractual obligations and commitments is set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations" in our 2024 Annual Report on Form 10-K. See Note 11 Commitments and Contingencies in the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item I of this Form 10-Q for a discussion of obligations and commitments.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk related to changes in interest rates. As of March 31, 2025, we had cash and cash equivalents of $358.4 million, consisting primarily of money market funds. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. Due to the short-term duration of our investment portfolio and cash equivalents, and the low risk profile of our investments, an immediate 10% change in interest rates would not have a material effect on the fair market value of our investment portfolio.

Item 4. Controls and Procedures.

Limitations on Effectiveness of Controls and Procedures

The term "disclosure controls and procedures," as defined in Rules 13a-15(f) and 15d-15(e) under the Exchange Act of 1934 as amended, or the Exchange Act, refers to controls and procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2025.

Changes in Internal Control Over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended March 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

See Note 11. Commitments and Contingencies in the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item I of this Form 10-Q.

Item 1A. Risk Factors.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10–K for the year ended December 31, 2024, which could materially affect our business, financial condition or future results. The risk factors disclosure in our Annual Report on Form 10-K for the year ended December 31, 2024 is qualified by the information that is described in this Quarterly Report on Form 10-Q. The risks described in our Annual Report on Form 10–K for the year ended December 31, 2024 are not our only risks. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

Item 5. Other Information.

The following table describes, for the quarterly period covered by this report, each trading arrangement for the sale or purchase of our securities adopted or terminated by our directors and officers that is either (1) a contract, instruction or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), or a Rule 10b5-1 trading arrangement, or (2) a "non-Rule 10b5-1 trading arrangement" (as defined in Item 408(c) of Regulation S-K):

Name (Title)	Action Taken (Date of Action)	Type of Trading Arrangement	Nature of Trading Arrangement	Duration of Trading Arrangement	Aggregate Number of Securities
Cedric Francois President and Chief Executive Officer	Adoption 3/10/2025	Rule 10b5-1 trading arrangement	Sale	Until 7/31/2026, or such earlier date upon which all transactions are completed or expire without execution	Up to 358,090 shares
Tim Sullivan Chief Financial Officer and Treasurer	Adoption 3/03/2025	Rule 10b5-1 trading arrangement	Sale	Until 6/01/2026, or such earlier date upon which all transactions are completed or expire without execution	Up to 150,229 shares
David Watson General Counsel	Adoption 3/03/2025	Rule 10b5-1 trading arrangement	Sale	Until 2/27/2026, or such earlier date upon which all transactions are completed or expire without execution	Up to 49,716 shares

Item 6. Exhibits.

Exhibit Number	Description
10.1††*	Separation Agreement, dated February 21, 2025, by and between Adam Townsend and the Registrant
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

†† Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

SIGNATURES

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

Apellis Pharmaceuticals, Inc.

Date: May 7, 2025

By: /s/ Cedric Francois
Cedric Francois
President and Chief Executive Officer
(principal executive officer)

Date: May 7, 2025

By: /s/ Timothy Sullivan
Timothy Sullivan
Chief Financial Officer and Treasurer
(principal financial officer)

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is the type of information that the registrant treats as private or confidential. Double asterisks denote omissions.

100 5th Avenue
Waltham, MA 02451
P:(617) 977-5700

January 8, 2025

VIA EMAIL DELIVERY

Adam Townsend [**]

Dear Adam:

As discussed, your employment with Apellis Pharmaceuticals, Inc. (the "Company") will end effective February 21, 2025 (the "Separation Date"). You will be eligible to receive the severance benefits as described below if you sign and return this letter agreement to me no later than January 31, 2025, and do not revoke your agreement (as described in paragraph 14 below). By signing and returning this letter agreement and not revoking your acceptance, you will be entering into a binding agreement with the Company and will be agreeing to the terms and conditions set forth in the numbered paragraphs below, including the release of claims set forth in paragraph 2. Therefore, you are advised to consult with an attorney before signing this letter agreement.

For the avoidance of doubt, the following details will occur in connection with your separation from the Company, regardless of your execution of this letter agreement:

- You will receive payment on the Separation Date for your final wages, including your 2024 Bonus (if the bonus remains unpaid as of the Separation Date).
- If applicable, your participation in Employer-Sponsored Group Life Insurance and Long- Term Disability Insurance will cease as of the Separation Date.
- Deductions for the 40l(k) Plan will end with your last regular paycheck (i.e., the paycheck you receive on the Separation Date).
- Upon your Separation Date, vesting of your Stock Options and Restricted Stock Units will discontinue and you will forfeit any unvested Stock Options and Restricted Stock Units.

1. **Separation Benefits**. If you elect to timely sign and return this letter agreement and do not

revoke your acceptance within the Revocation Period (as defined in paragraph 14), the following terms and conditions will also apply:

a. The Company will pay you severance in an aggregate amount equivalent to nine (9) months of your base salary in effect on the Separation Date, less all applicable taxes and withholdings (the "severance pay"). This severance pay will be paid to you in one lump sum on the next regular payroll day occurring after the Revocation Period.

b. If you are currently participating in the Company's group health insurance plans, your participation as an employee will end on the last day of the month of your Separation Date. Thereafter, to the extent provided by COBRA, and by the Company's current group health insurance policies, you will be eligible to continue your group health insurance benefits. As part of this letter agreement and affirmation, if you elect continued coverage under COBRA, the Company will pay the employer portion necessary to continue your coverage (including coverage for eligible dependents, if applicable) through the period (the "COBRA Premium Period") starting on the Separation Date and ending on the earliest to occur of: (i) nine (9) months after the Separation Date; or (ii) the date you and your eligible dependents, if applicable, become eligible for group health insurance coverage through a new employer. If you become covered under another employer's group health plan or otherwise cease to be eligible for COBRA during the COBRA Premium Period, you must immediately notify the Company. You will be responsible for the employee portion of such coverage during the COBRA Premium Period.

c. The Company will pay you the sum of $[**] representing reimbursement for your legal fees in connection with the negotiation and execution of this letter agreement. This amount will be included on a Form 1099.

You will not be eligible for, nor shall you have a right to receive, any payments or benefits from the Company following the Separation Date other than as set forth in this paragraph (the benefits provided in this paragraph hereafter referred to as the "Severance Benefits").

2. **Release of Claims**. In consideration of the Severance Benefits, which you acknowledge you would not otherwise be entitled to receive, you hereby fully, forever, irrevocably and unconditionally release, remise and discharge the Company, its affiliates, subsidiaries, parent companies, predecessors, and successors, and all of their respective past and present officers, directors, stockholders, partners, members, employees, agents, representatives, plan administrators, attorneys, insurers and fiduciaries (each in their individual and corporate capacities) (collectively, the "Released Parties") from any and all claims, charges, complaints, demands, actions, causes of action, suits, rights, debts, sums of money, costs, accounts, reckonings, covenants, contracts, agreements, promises, doings, omissions, damages, executions, obligations, liabilities, and expenses (including attorneys' fees and costs), of every kind and nature that you ever had or now have against any or all of the Released Parties, whether known or unknown, including, but not limited to, any and all claims arising out of or relating to your employment with and/or separation from the Company, including, but not limited to, all claims under Title VII of the Civil Rights Act, the Americans With Disabilities Act, the Age Discrimination in Employment Act, the Genetic Information Nondiscrimination Act, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act ("WARN"), the Rehabilitation Act, Executive Order 11246, Executive Order 11141, the Fair Credit Reporting Act, and the Employee Retirement Income Security Act, all as

amended; all claims arising under applicable state and local statutes, rules, and regulations; all common law claims including, but not limited to, actions in defamation, intentional infliction of emotional distress, misrepresentation, fraud, wrongful discharge, and breach of contract; all claims to any non-vested ownership interest in the Company, contractual or otherwise; all state and federal whistleblower claims to the maximum extent permitted by law; and any other claim or damage arising out of your employment with and/or separation from the Company (including a claim for retaliation) under any common law theory or any federal, state or local statute or ordinance not expressly referenced above; *provided, however, that this release of claims does not (i) prevent you from filing a charge with, cooperating with, or participating in any investigation or proceeding before, the Equal Employment Opportunity Commission or a state fair employment practices agency (except that you acknowledge that you may not recover any monetary benefits in connection with any such charge, investigation, or proceeding, and you further waive any rights or claims to any payment, benefit, attorneys' fees or other remedial relief in connection with any such charge, investigation or proceeding); (ii) release any of your existing rights to indemnification, defense or hold harmless, whether at law, pursuant to any agreement with the Company, any governing document of the Company or an affiliate, or any group benefit plan in which you are a participant, administrator or fiduciary; (iii) release any rights to vested benefits or equity in the Company; or (iv) release any claims to enforce this letter agreement or claims that cannot be released as a matter of law.*

Without limiting the foregoing paragraphs, this letter agreement specifically releases and waives any claims of age discrimination, known or unknown, that you may have against the Company as of the date you sign this letter agreement. This letter agreement specifically includes a waiver of rights and claims under the Age Discrimination in Employment Act of 1967, as amended, and the Older Workers Benefit Protection Act. You acknowledge that as of the date you sign this letter agreement, you may have certain rights or claims under the Age Discrimination in Employment Act, 29 U.S.C. § 626, and you voluntarily relinquish any such rights or claims by signing this letter agreement.

3. **Representation of No Pending Action and Covenant Not to Sue**. As a condition of receiving the Severance Benefits, you represent and warrant that you have not initiated any claim, lawsuit, or other action against any of the Released Parties (and that you have not transferred or assigned that right to any other person or entity). You further agree never to sue any of the Released Parties or cause any of the Released Parties to be sued on your behalf regarding any matter within the scope of the release in paragraph 2 above. If you sue any of the Released Parties regarding any claim released in paragraph 2 above, and the Released Party(ies) prevail(s), you shall continue to be bound by the release obligations of this letter agreement and shall pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees, unless paying such costs and expenses is prohibited by law.

4. **Mutual Non-Disparagement**. You understand and agree that, to the extent permitted by law and except as otherwise permitted by paragraph 8 below, you will not, in public or private, make any false, disparaging, derogatory or defamatory statements, online (including, without limitation, on any social media, networking, or employer review site) or otherwise, to any person or entity, including, but not limited to, any media outlet, industry group, financial institution or current or former employee, board member, consultant, client or customer of the Company, regarding the Company or any of the other Released Parties, or regarding the Company's business affairs, business prospects, or financial condition.

The Company agrees that its Board and members of the executive team will not, in public or private, to the extent permitted by law and except as otherwise permitted by paragraph 8 below, make any false, disparaging, derogatory or defamatory statements, online or otherwise, to any person or entity, about you.

5. **Return of Company Property**. You confirm that you have returned to the Company all keys, files, records (and copies thereof), equipment (including, but not limited to, computer hardware, software and printers, flash drives and storage devices, wireless handheld devices, cellular phones, tablets, etc.), Company identification, and any other Company-owned property in your possession or control and have left intact all electronic Company documents, including but not limited to those that you developed or helped to develop during your employment, and you have not retained any copies. You further confirm that you have cancelled all accounts for your benefit, if any, in the Company's name, including but not limited to, credit cards, telephone charge cards, cellular phone accounts, and computer accounts.

6. **Business Expenses and Final Compensation**. You acknowledge that you have been reimbursed by the Company for all business expenses incurred in conjunction with the performance of your employment and that no other reimbursements are owed to you. You further acknowledge that you have received payment in full for all services rendered in conjunction with your employment by the Company, including payment for all wages, bonuses, and accrued, unused vacation time, and that no other compensation is owed to you except as provided herein.

7. **Confidentiality**. You understand and agree that, to the extent permitted by law and except as otherwise permitted by paragraph 8 below, the terms and contents of this letter agreement, and the contents of the negotiations and discussions resulting in this letter agreement, shall be maintained as confidential by you and your agents and representatives and shall not be disclosed except as otherwise agreed to in writing by the Company.

8. **Scope of Disclosure Restrictions**. Nothing in this letter agreement or elsewhere prohibits you from communicating with government agencies about possible violations of federal, state, or local laws or otherwise providing information to government agencies, filing a complaint with government agencies, or participating in government agency investigations or proceedings. You are not required to notify the Company of any such communications; provided, however, that nothing herein authorizes the disclosure of information you obtained through a communication that was subject to the attorney-client privilege. Further, notwithstanding your confidentiality and nondisclosure obligations, you are hereby advised as follows pursuant to the Defend Trade Secrets Act: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order."

9. **Post-Employment Restrictive Covenants**. You remain subject to any continuing non- disclosure and non-solicitation obligations to the Company as set forth in any written agreement between you and the Company. For the avoidance of doubt, the Company will not seek to enforce, and hereby waives, unconditionally and forever, any post-employment non-competition provision to which you are currently bound.

10. **Cooperation**. You agree that, to the extent permitted by law, you shall cooperate fully with the Company in the investigation, defense or prosecution of any claims or actions which already have been brought, are currently pending, or which may be brought in the future against the Company by a third party or by or on behalf of the Company against any third party, whether before a state or federal court, any state or federal government agency, or a mediator or arbitrator. Your full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with the Company's counsel, at reasonable times and locations mutually-agreed upon by you and the Company, to investigate or prepare the Company's claims or defenses, to prepare for trial or discovery or an administrative hearing, mediation, arbitration or other proceeding and to act as a witness when requested by the Company; provided, that such cooperation shall not unreasonably interfere with your professional or other obligations. You further agree that, to the extent permitted by law, you will notify the Company promptly in the event that you are served with subpoena (other than a subpoena issued by a government agency), or in the event that you are asked to provide a third party (other than a government agency) with information concerning any actual or potential complaint or claim against the Company.

11. **Amendment and Waiver**. This letter agreement shall be binding upon the parties and may not be modified in any manner, except by an instrument in writing of concurrent or subsequent date signed by duly authorized representatives of the parties hereto. This letter agreement is binding upon and shall inure to the benefit of the parties and their respective agents, assigns, heirs, executors, successors and administrators. No delay or omission by you or the Company in exercising any right under this letter agreement shall operate as a waiver of that or any other right. A waiver or consent given by a party on any one occasion shall be effective only in that instance and shall not be construed as a bar to or waiver of any right on any other occasion.

12. **Validity**. Should any provision of this letter agreement be declared or be determined by any court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this letter agreement.

13. **Nature of Agreement**. You understand and agree that this letter agreement is a severance agreement and does not constitute an admission of liability or wrongdoing on the part of the Company.

14. **Acknowledgments**. You acknowledge that you have been given at least twenty-one (21) days to consider this letter agreement, and that the Company is hereby advising you in writing to consult with an attorney of your own choosing prior to signing this letter agreement. You further understand that you may revoke this letter agreement for a period of seven (7) days after you sign this letter agreement (the “Revocation Period”) by notifying me in writing, and

the letter agreement shall not be effective or enforceable until the expiration of this seven (7) day revocation period (the "Effective Date"). Finally, you understand and agree that by entering into this letter agreement, you are waiving any and all rights or claims you might have under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act (the "Act"), that you are not waiving any rights or claims that may arise after the date this Agreement is executed, and that through the Severance Benefits you are receiving consideration beyond that to which you were previously entitled.

15. **Voluntary Assent**. You affirm that no other promises or agreements of any kind have been made to or with you by any person or entity whatsoever to cause you to sign this letter agreement, and that you fully understand the meaning and intent of this letter agreement. You further state and represent that you have carefully read this letter agreement, understand the contents herein, freely and voluntarily assent to all of the terms and conditions hereof, and sign your name of your own free act.

16. **Applicable Law**. This letter agreement shall be interpreted and construed by the laws of the Commonwealth of Massachusetts, without regard to conflict of laws provisions. You hereby irrevocably submit to and acknowledge and recognize the jurisdiction of the courts of the Commonwealth of Massachusetts, or if appropriate, a federal court located in the Commonwealth of Massachusetts (which courts, for purposes of this letter agreement, are the only courts of competent jurisdiction), over any suit, action or other proceeding arising out of, under or in connection with this letter agreement or the subject matter hereof.

17. **Entire Agreement**. This letter agreement contains and constitutes the entire understanding

and agreement between the parties hereto with respect to your severance benefits and the settlement of claims against the Company and cancels all previous oral and written negotiations, agreements, and commitments in connection therewith.

18. **Tax Acknowledgement**. In connection with the severance benefits provided to you pursuant to this letter agreement, the Company shall withhold and remit to the tax authorities the amounts required under applicable law, and you shall be responsible for all applicable taxes with respect to such severance benefits under applicable law. You acknowledge that you are not relying upon the advice or representation of the Company with respect to the tax treatment of any of the severance benefits set forth in paragraph 1 of this letter agreement.

If you have any questions about the matters covered in this letter agreement, please call me.

Best,

/s/ Karen Lewis

Karen Lewis
Chief People Officer

EMPLOYEE ACKNOWLEDGEMENT AND AGREEMENT

By signing my name below, I hereby acknowledge that I have received a copy of this letter agreement, understand its terms, enter into it knowingly and voluntarily, and agree to be legally bound by it.

/s/ Adam Townsend

Date: 1/10/2025

Apellis

WAIVER OF 21-DAY PERIOD

I hereby agree to the terms and conditions set forth above. I have been given at least twenty-one (21) days to consider this letter agreement, and I have chosen to execute this on the date below. I intend that this letter agreement will become a binding agreement between me and the Company if I do not revoke my acceptance in seven (7) days.

/s/ Adam Townsend

1/10/2025

Adam Townsend Date

To be returned in a timely manner as set forth on the first page of this letter agreement.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A), AS ADOPTED PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT OF 2002

I, Cedric Francois, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: May 7, 2025

By: /s/ Cedric Francois
Cedric Francois
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A), AS ADOPTED PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT OF 2002

I, Timothy Sullivan, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: May 7, 2025

By: /s/ Timothy Sullivan
Timothy Sullivan
Chief Financial Officer and Treasurer

Exhibit 32.1

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

In connection with the Quarterly Report of Apellis Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Cedric Francois, President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

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

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

Date: May 7, 2025

By: /s/ Cedric Francois
Cedric Francois
President and Chief Executive Officer

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

Exhibit 32.2

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

In connection with the Quarterly Report of Apellis Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Timothy Sullivan, Chief Financial Officer and Treasurer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

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

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

Date: May 7, 2025

By: /s/ Timothy Sullivan
Timothy Sullivan
Chief Financial Officer and Treasurer

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