

What We Hold

February 3, 2026

ARS Pharmaceuticals, Inc. (NYSE: SPRY) – closing share price on February 2, 2026: \$10.30

ARS Pharmaceuticals is a biotechnology company focused on the treatment of severe allergic reactions. The company's lead and only commercial product thus far is neffy®, an intranasal epinephrine spray designed to reverse the symptoms of anaphylaxis. neffy® is the first and only FDA-approved, needle-free epinephrine product, addressing a long-standing unmet need in emergency allergy treatment.

Historically, the standard of care for anaphylaxis has been injectable epinephrine, most notably the EpiPen. While effective, auto-injectors present several challenges including needle fear, difficulty of use under stress, and lower patient compliance—particularly among children and caregivers. We believe neffy®'s needle-free delivery, ease of administration, and patient-friendly design offer meaningful advantages that could drive increased adoption and market expansion over time.

ARS entered the U.S. commercial phase for neffy® in mid-2025 with first retail prescriptions offered in May. Management is currently focused on expanding insurance coverage and physician awareness through a combination of payer negotiations and direct-to-consumer marketing initiatives. The company has stated that it expects broad insurance access to neffy® near-term, with large insurance carrier CVS Caremark negotiations to finalize early 2026.

Internationally, ARS has adopted a partnership strategy to efficiently expand neffy®'s global footprint while maintaining focus on the U.S. launch. ARS licensed rights to market neffy® in Canada, the European Union, and the United Kingdom to Denmark-based ALK-Abelló in exchange for a \$145 million upfront payment, milestone payments, and ongoing royalties. In Japan and China, ARS partnered with Alfresa and Pediatrix, respectively. These agreements allow ARS to benefit from global commercialization and limit upfront capital requirements, while the company retains the right to repurchase international licenses in the future. neffy® recently received regulatory approvals in the EU (August 2024), the UK (July 2025), Japan (September 2025), China (December 2025), and Australia (December 2025), with pending regulatory filings in Canada which is expected in March 2026.

Beyond neffy®, ARS is advancing an intranasal epinephrine formulation for chronic urticaria (hives), which is expected to enter Phase 2b clinical trials in the near future and represents an additional long-term growth opportunity.

ARS maintains a strong balance sheet following the ALK-Abelló transaction. As of September 2025, the company reported a strong liquidity position with approximately \$225 million in cash and cash equivalents, providing sufficient runway to support commercialization efforts, international expansion, and continued pipeline development. Management has guided toward disciplined monitoring of sales and marketing expenditures, particularly as direct-to-consumer advertising ramps during the U.S. launch phase.

While we are encouraged by the progress ARS has made, we continue to monitor several key risks. Lupin, an India-based generic pharmaceutical manufacturer, has filed a patent infringement lawsuit challenging certain neffy® patents. ARS believes the claims lack merit and has successfully defended its intellectual property in European courts. Additionally, the statutory 30-month stay associated with U.S. patent litigation limits a near-term competitive risk. We are also tracking potential competitive entrants, including sublingual and alternative epinephrine delivery products currently under FDA review.

ARS Pharmaceuticals is a core holding for our Growth investment strategy. We believe neffy®'s differentiated product profile, expanding insurance coverage, and international partnership model position the company for attractive long-term growth, while acknowledging the inherent execution and competitive risks associated with early-stage commercial biopharmaceutical companies.

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