BeyondSpring Inc.

Project Type: 10-Q

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Submission Information

Submission Type	10-Q
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Emerging Growth Company	False
ex Transition Period	False
Reporting Period	6/30/2025
Smaller Reporting Company?	True

Documents

10-Q	FORM 10-Q
EX-31.1	Exhibit 31.1
EX-32.1	Exhibit 32.1

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2025

or

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

For the transition period from to

Commission file number: **001-38024**

BeyondSpring Inc.

(Exact name of registrant as specified in its charter)

Cayman Islands	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
100 Campus Drive, West Side, 4th Floor, Suite 410 Florham Park, New Jersey	**07932**
(Address of Principal Executive Offices)	(Zip Code)

(646) 305-6387
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, par value $0.0001 per share	**BYSI**	**The Nasdaq Stock Market LLC**

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

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

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

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

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

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

As of July 25, 2025, 40,332,320 shares of the Registrant's ordinary shares, par value $0.0001 per share, were outstanding.

BEYONDSPRING INC.
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2025
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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that are based on our management's belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements stated in or implied by these forward-looking statements.

All statements other than statements of historical facts are forward-looking statements. These forward-looking statements are made under the "safe harbor" provision under Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and as defined in the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. You should refer to "Part II. Other Information—Item 1A. Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q and other documents we file with the Securities and Exchange Commission (the "SEC") for specific risks that could cause actual results to be significantly different from those stated in or implied by these forward-looking statements. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from any future results stated in or implied by these forward-looking statements.

Forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- the initiation, timing, progress and results of our studies in animals and clinical trials, and our research and development programs;
- our ability to advance our product candidates into, and successfully complete, clinical trials;
- our reliance on the success of our clinical-stage product candidates;
- the timing or likelihood of regulatory filings and approvals;
- our ability to address the concerns identified in the Complete Response Letter issued by the Food and Drug Administration, or FDA, in November 2021 regarding the New Drug Application, or NDA, seeking approval of Plinabulin in combination with granulocyte colony-stimulating factor, for the prevention of chemotherapy-induced neutropenia, or CIN;
- our ability to file the NDA submission for the non-small cell lung cancer, or NSCLC indication with the National Medical Products Administration, or NMPA, in China;
- the commercialization of our product candidates, if approved;
- our ability to develop sales and marketing capabilities;
- the pricing and reimbursement of our product candidates, if approved;
- the implementation of our business model, strategic plans for our business and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates and technology;

- our ability to operate our business without infringing the intellectual property rights and proprietary technology of third parties;
- costs associated with defending intellectual property infringement, product liability and other claims;
- regulatory development in the United States, China and other jurisdictions;
- estimates of our expenses, future revenues, capital requirements and our needs for additional financing;
- the potential benefits of strategic collaboration agreements and our ability to enter into strategic arrangements;
- our ability to maintain and establish collaborations or obtain additional grant funding;
- the rate and degree of market acceptance of our product candidates;
- developments relating to our competitors and our industry, including competing therapies;
- our ability to effectively manage our anticipated growth;
- our ability to attract and retain qualified employees and key personnel;
- our future revenue, hiring plans, expenses, capital expenditures, capital requirements and share performance;
- the future trading price of our ordinary shares and impact of securities analysts' reports on these prices;
- our ability to meet Nasdaq's continued listing requirements;
- the impact of widespread health developments, and the responses thereto, which could materially and adversely affect, among other things, enrollment of patients in our clinical trials, timing and completion of regulatory or other required inspections, our expected timeline for data readouts of our clinical trials and certain regulatory filings for our product candidates, and the review and approval timeline of regulatory authorities; and
- other risks and uncertainties, including those listed under "Part II. Other Information—Item 1A. Risk Factors."

The items in "Part II. Other Information—Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q reference the principal contingencies and uncertainties to which we believe we are subject, which should be considered in evaluating any forward-looking statements contained in this Quarterly Report on Form 10-Q.

The forward-looking statements in this Quarterly Report on Form 10-Q speak only to our views as of the date of this Quarterly Report on Form 10-Q and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Quarterly Report on Form 10-Q.

This Quarterly Report on Form 10-Q contains market data and industry forecasts that were obtained from industry publications. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we believe the market position, market opportunity and market size information included in this Quarterly Report on Form 10-Q is generally reliable, such information is inherently imprecise.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BEYONDSPRING INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	As of	
	December 31, 2024	**June 30, 2025**
		(Unaudited)
Assets		
Current assets:		
Cash and cash equivalents	2,922	9,544
Advances to suppliers	240	255
Prepaid expenses and other current assets	68	200
Current assets of discontinued operations	25,347	15,712
Total current assets	28,577	25,711
Noncurrent assets:		
Property and equipment, net	239	202
Operating right-of-use assets	513	431
Other noncurrent assets	213	216
Noncurrent assets of discontinued operations	4,773	4,483
Total noncurrent assets	5,738	5,332
Total assets	34,315	31,043
Liabilities and equity		
Current liabilities:		
Accounts payable	295	266
Accrued expenses	840	926
Current portion of operating lease liabilities	282	307
Other current liabilities	780	612
Current liabilities of discontinued operations	8,813	9,619
Total current liabilities	11,010	11,730
Noncurrent liabilities:		
Operating lease liabilities	307	170
Deferred revenue	27,400	27,919
Other noncurrent liabilities	3,686	3,783
Noncurrent liabilities of discontinued operations	6,197	4,986
Total noncurrent liabilities	37,590	36,858
Total liabilities	48,600	48,588
Commitments and contingencies (Note 13)		
Shareholders' deficit		
Ordinary shares ($0.0001 par value; 500,000,000 shares authorized; 40,316,320 and 40,322,320 shares issued and outstanding as of December 31, 2024 and June 30, 2025, respectively)	4	4
Additional paid-in capital	373,185	373,515
Accumulated deficit	(407,425)	(404,754)
Accumulated other comprehensive income	1,336	1,019
Total BeyondSpring Inc.'s shareholders' deficit	(32,900)	(30,216)
Noncontrolling interests	18,615	12,671
Total shareholders' deficit	(14,285)	(17,545)
Total liabilities and shareholders' deficit	34,315	31,043

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEYONDSPRING INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2024	2025	2024	2025
	$	$	$	$
Revenue	-	-	-	-
Operating expenses				
Research and development	(829)	(1,002)	(1,550)	(1,876)
General and administrative	(1,812)	(947)	(3,146)	(2,683)
Loss from operations	(2,641)	(1,949)	(4,696)	(4,559)
Foreign exchange gain (loss), net	(22)	47	(83)	76
Interest income	11	28	40	45
Other income, net	1	18	8	18
Loss before income tax	(2,651)	(1,856)	(4,731)	(4,420)
Income tax expenses	-	(22)	-	(42)
Net loss from continuing operations	(2,651)	(1,878)	(4,731)	(4,462)
Discontinued operations				
Loss from discontinued operations	(1,438)	(2,771)	(2,646)	(6,003)
Gain on sale of subsidiary interests	-	-	-	6,986
Income tax expenses	-	-	-	-
Net income (loss) from discontinued operations	(1,438)	(2,771)	(2,646)	983
Net loss	(4,089)	(4,649)	(7,377)	(3,479)
Less: Net loss attributable to noncontrolling interests from continuing operations	(58)	(72)	(115)	(147)
Less: Net loss attributable to noncontrolling interests from discontinued operations	-	(2,771)	-	(6,003)
Net income (loss) attributable to BeyondSpring Inc.	(4,031)	(1,806)	(7,262)	2,671
Earnings (loss) per share, basic and diluted				
Continuing operations	(0.07)	(0.04)	(0.12)	(0.11)
Discontinued operations	(0.03)	-	(0.07)	0.18
Basic and diluted earnings (loss) per share	(0.10)	(0.04)	(0.19)	0.07
Weighted-average shares outstanding				
Basic and diluted	39,280,607	40,316,320	39,154,885	40,316,320
Other comprehensive loss, net of tax of nil:				
Foreign currency translation adjustment gain (loss) from continuing operations	165	(343)	587	(494)
Foreign currency translation adjustment loss from discontinued operations	(3)	(27)	(11)	(34)
Comprehensive loss	(3,927)	(5,019)	(6,801)	(4,007)
Less: Comprehensive income (loss) attributable to noncontrolling interests from continuing operations	1	(194)	97	(324)
Less: Comprehensive loss attributable to noncontrolling interests from discontinued operations	-	(2,798)	-	(6,037)
Comprehensive income (loss) attributable to BeyondSpring Inc.	(3,928)	(2,027)	(6,898)	2,354

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEYONDSPRING INC.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

(Unaudited)

	BeyondSpring Inc.'s shareholders							
	Ordinary share							
	Shares	Amount	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) gain	Subtotal	Noncontrolling interests	Total deficit
		$	$	$	$	$	$	$
Balances at December 31, 2023	39,029,163	4	368,599	(396,302)	894	(26,805)	(8,530)	(35,335)
Share-based compensation	-	-	207	-	-	207	34	241
Accretion of contingently redeemable noncontrolling interest	-	-	(200)	-	-	(200)	-	(200)
Other comprehensive income	-	-	-	-	261	261	153	414
Net loss	-	-	-	(3,231)	-	(3,231)	(57)	(3,288)
Balances at March 31, 2024	39,029,163	4	368,606	(399,533)	1,155	(29,768)	(8,400)	(38,168)
Issuance of ordinary shares	1,271,187	-	2,970	-	-	2,970	-	2,970
Share-based compensation	-	-	741	-	-	741	35	776
Accretion of contingently redeemable noncontrolling interest	-	-	(200)	-	-	(200)	-	(200)
Other comprehensive income	-	-	-	-	103	103	59	162
Net loss	-	-	-	(4,031)	-	(4,031)	(58)	(4,089)
Balances at June 30, 2024	40,300,350	4	372,117	(403,564)	1,258	(30,185)	(8,364)	(38,549)

	BeyondSpring Inc.'s shareholders							
	Ordinary share				Accumulated			
	Shares	Amount	Additional paid-in capital	Accumulated deficit	other comprehensive (loss) gain	Subtotal	Noncontrolling interests	Total deficit
		$	$	$	$	$	$	$
Balances at December 31, 2024	40,316,320	4	373,185	(407,425)	1,336	(32,900)	18,615	(14,285)
Share-based compensation	-	-	211	-	-	211	27	238
Other comprehensive loss	-	-	-	-	(97)	(97)	(61)	(158)
Ownership interests in subsidiary transferred to third parties	-	-	-	-	-	-	368	368
Net income (loss)	-	-	-	4,477	-	4,477	(3,307)	1,170
Balances at March 31, 2025	40,316,320	4	373,396	(402,948)	1,239	(28,309)	15,642	(12,667)
Share-based compensation	6,000	-	119	-	-	119	22	141
Other comprehensive loss	-	-	-	-	(220)	(220)	(150)	(370)
Net loss	-	-	-	(1,806)	-	(1,806)	(2,843)	(4,649)
Balances at June 30, 2025	40,322,320	4	373,515	(404,754)	1,019	(30,216)	12,671	(17,545)

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEYONDSPRING INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands of U.S. Dollars ("$"))

(Unaudited)

	Six months ended June 30,	
	2024	**2025**
	$	$
Cash flows from operating activities:		
Net income (loss)	(7,377)	(3,479)
Adjustments to reconcile net income (loss) to cash used in operating activities:		
Depreciation expenses	182	162
Share-based compensation	1,029	389
Non-cash operating lease expenses	347	369
Unrealized gain on short-term investments	(22)	-
Gain on sale of subsidiary interests	-	(6,986)
Changes in assets and liabilities:		
Short-term investments	(5,762)	254
Advances to suppliers	26	3
Prepaid expenses and other current assets	(109)	(102)
Other noncurrent assets	(77)	(30)
Accounts payable	711	(249)
Accrued expenses	(827)	915
Operating lease liabilities	(309)	(347)
Other current liabilities	35	(62)
Deferred revenue	-	(1,000)
Other noncurrent liabilities	(101)	91
Net cash used in operating activities	(12,254)	(10,072)
Cash flows from investing activities:		
Acquisitions of property and equipment	-	(50)
Purchase of short-term investments	-	(5,000)
Proceeds from maturity of short-term investments	-	14,850
Proceeds from sale of subsidiary interests	-	7,354
Net cash provided by investing activities	-	17,154
Cash flows from financing activities:		
Proceeds from issuance of ordinary shares	3,000	-
Net cash provided by financing activities	3,000	-
Effect of foreign exchange rate changes	(100)	(2)
Net increase (decrease) in cash and cash equivalents	(9,354)	7,080
Cash and cash equivalents from continuing operations at beginning of period	15,337	2,922
Cash and cash equivalents from discontinued operations at beginning of period	2,413	13,125
Less: cash and cash equivalents from discontinued operations at end of period	3,776	13,583
Cash and cash equivalents from continuing operations at end of period	4,620	9,544
Supplemental disclosures of cash flow information		
Interest paid	-	-
Interest received	47	188
Income taxes paid	7	1
Non-cash investing and financing activities:		
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	-	39
Offering costs accrued in accrued expenses	30	-

The accompanying notes are an integral part of these condensed consolidated financial statements.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

1. **Nature of the business and the basis of preparation**

BeyondSpring Inc. (the "Company") was incorporated in the Cayman Islands on November 21, 2014. The Company and its subsidiaries (collectively, the "Group") are principally engaged in clinical stage biopharmaceutical activities focused on the development of innovative cancer therapies. The Company is under the control of Mr. Linqing Jia and Dr. Lan Huang as a couple (collectively, the "Founders") since its incorporation.

In January 2025, the Company entered into definitive agreements with three investors to sell a portion of Series A-1 Preferred Shares of SEED Therapeutics Inc. ("SEED") owned by the Company, for gross proceeds of approximately $35,418. Upon completion of the transactions, the Company and SEED Technology Limited ("SEED Technology"), a majority-owned indirect subsidiary of the Company (collectively, the "BYSI Entities") are expected to retain approximately 14.37% of SEED's outstanding shares. See Note 3 – Discontinued operations for further information. As of June 30, 2025, the BYSI Entities owns approximately 40.12% of the outstanding equity interest in SEED, calculated on an as-converted basis. SEED continues to be consolidated into the financial statements of the Company since the Company remains substantive control of SEED.

As of June 30, 2025, the subsidiaries of the Company are as follows:

Name of company	Place of incorporation	Date of incorporation	Percentage of ownership by the Group	Principal activities
BeyondSpring Pharmaceuticals Inc. ("BeyondSpring US")	Delaware, U.S.	June 18, 2013	100%	Clinical trial activities
BeyondSpring Ltd.	The British Virgin Islands ("BVI")	December 3, 2014	100%	Holding company
BeyondSpring (HK) Limited ("BeyondSpring HK")	Hong Kong	January 13, 2015	100%	Holding company
Wanchun Biotechnology Limited ("BVI Biotech")	BVI	April 1, 2015	100%	Holding company
Wanchun Biotechnology (Dalian) Ltd. ("Wanchun Dalian")	People's Republic of China ("PRC")	April 23, 2015	100%	Holding company
Dalian Wanchunbulin Pharmaceuticals Ltd. ("Wanchunbulin")	PRC	May 6, 2015	57.97%	Clinical trial activities
Beijing Wanchun Pharmaceutical Technology Ltd. ("Beijing Wanchun")	PRC	May 21, 2018	57.97%	Holding company
SEED Therapeutics Inc. ("SEED")	BVI	June 25, 2019	37.56%	Pre-clinical development activities
SEED Technology Limited ("SEED Technology")	BVI	December 9, 2019	57.97%	Holding company
SEED Therapeutics US, Inc. ("SEED US")	Delaware, U.S.	November 25, 2020	37.56%	Pre-clinical development activities
Wanchun Hongji (Dalian) Pharmaceuticals Ltd. ("Wanchun Hongji")	PRC	March 22, 2022	37.56%	Pre-clinical development activities

The accompanying condensed consolidated balance sheet as of June 30, 2025, the condensed consolidated statements of comprehensive income (loss) for the three and six months ended June 30, 2024 and 2025, the condensed consolidated statements of shareholders' deficit for the three and six months ended June 30, 2024 and 2025, the condensed consolidated statements of cash flows for the six months ended June 30, 2024 and 2025, and the related footnote disclosures are unaudited. These unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the U.S., or U.S. GAAP, for interim financial information using accounting policies that are consistent with those used in the preparation of the Company's audited consolidated financial statements for the year ended December 31, 2024. Accordingly, these unaudited interim condensed consolidated financial statements do not include all of the information and footnotes required by U.S. GAAP for annual financial statements.

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements contain all normal recurring adjustments necessary to present fairly the financial position, operating results and cash flows of the Group for each of the periods presented. The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of results to be expected for any other interim period or for the full year of 2025. The consolidated balance sheet as of December 31, 2024 was derived from the audited consolidated financial statements at that date but does not include all of the disclosures required by U.S. GAAP for annual financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2024.

2. **Summary of significant accounting policies**

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. All intercompany transactions and balances between the Company and its subsidiaries are eliminated upon consolidation.

Discontinued operations

The Company presents discontinued operations when there is a disposal of a component group or a group of components that represents a strategic shift that will have a major effect on operations and financial results. The Company aggregates the results of operations for discontinued operations into a single line item in the Consolidated Statements of Comprehensive Income (Loss) for all periods presented. See Note 3 for additional information.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Areas where management uses subjective judgment include, but are not limited to, share-based compensation, clinical trial accruals, valuation allowance for deferred tax assets, estimating uncertain tax positions, measurement of right-of-use assets and lease liabilities, fair value of financial instruments, impairment of long-lived assets and estimating of useful life for property and equipment. Management bases the estimates on historical experience, known trends and various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from these estimates.

Fair value measurements

The Company applies ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), in measuring fair value. ASC 820 defines fair value, establishes a framework for measuring fair value and requires disclosures to be provided on fair value measurement.

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2—Other inputs that are directly or indirectly observable in the marketplace.
- Level 3—Unobservable inputs which are supported by little or no market activity.

ASC 820 describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

Financial instruments of the Company primarily include cash and cash equivalents, and accounts payable. The carrying values of cash and cash equivalents, accounts payable, and time deposits approximated their fair values due to their short-term nature.

Segment reporting

Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated regularly by the chief operating decision maker (the "CODM") in deciding how to allocate resources and in assessing performance. In 2022, the Company realigned its operations into two reportable segments, Plinabulin pipeline and Targeted Protein Degradation ("TPD") platform, as the CODM manages and assesses the Company's performance and operating results of Plinabulin pipeline and TPD platform separately to allocate resources. The Plinabulin pipeline focuses on developing innovative cancer therapies to improve clinical outcomes for patients who have high unmet medical needs. The Company's lead asset, Plinabulin, is being developed as a "pipeline in a drug" in a number of cancer indications. The TPD platform is utilizing a unique "molecular glue" technology to develop innovative therapeutic agents and discover and develop new chemical entities for the most debilitating diseases and disorders.

On December 13, 2024, the Company's Board of Directors discussed and approved a divestiture plan to sell and transfer about 90% to 100% of the Company's interests in SEED to potential investors at a determined price. The TPD platform segment was comprised of SEED's operations. As a result, the TPD platform segment qualified for discontinued operations reporting.

The consolidated financial statements include segment information which reflects the current composition of the reportable segments in accordance with ASC 280, *Segment Reporting*. See Note 14 – Segment reporting and geographic information for further information.

Revenue recognition

Under ASC 606, *Revenue from Contracts with Customers* ("ASC 606"), an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price, including variable consideration, if any; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration to which it is entitled in exchange for the goods or services it transfers to the customer.

Once a contract is determined to be within the scope of ASC 606 at contract inception, the Company reviews the contract to determine which performance obligations it must deliver and which of these performance obligations are distinct. The Company recognizes as revenue the amount of the transaction price that is allocated to each performance obligation when that performance obligation is satisfied or as it is satisfied.

The Company recognizes a contract asset or a contract liability in the consolidated balance sheets, depending on the relationship between the entity's performance and the customer's payment. Contract liabilities represent the excess of payments received as compared to the consideration earned, and is recorded as deferred revenue in the consolidated balance sheets. The Company had no contract assets for the periods presented.

2. **Summary of significant accounting policies (continued)**

Revenue recognition (continued)

Collaboration revenue

At contract inception, the Company analyzes its collaboration arrangements to assess whether they are within the scope of ASC 808, *Collaborative Arrangements* ("ASC 808") to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, the Company first determines which elements of the collaboration are deemed to be within the scope of ASC 808 and those that are more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. For elements of collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently.

In determining the appropriate amount of revenue to be recognized as the Company fulfills its obligations under each of the agreements, the Company performs the five-step model under ASC 606 noted above.

The collaborative arrangements may contain more than one unit of account, or performance obligation, including grants of licenses to intellectual property rights, agreement to provide research and development services and other deliverables. The transaction price is generally comprised of an upfront payment due at contract inception and variable consideration in the form of payments for the Company's services and materials and milestone payments due upon the achievement of specified events. In general, the consideration allocated to the performance obligation is recognized when the obligation is satisfied either by delivering a good or providing a service, limited to the consideration that is not constrained. Non-refundable payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as deferred revenue.

Licenses of Intellectual Property: Upfront non-refundable payments allocated to the licensing of the Company's intellectual property are evaluated to determine if the license is distinct from the other performance obligations identified in the arrangement. For licenses determined to be distinct, the Company recognizes revenues from non-refundable up-front fees allocated to the license at a point in time, when the license is transferred to the licensee and the licensee is able to use and benefit from the license. For licenses determined to be not distinct from other promised goods or services, the Company accounts for the promise to grant a license and other promised goods or services together as a single performance obligation, and the Company considers the nature of the combined goods or services in determining whether the performance obligation is satisfied over time or at a point in time.

Research and Development Service: Upfront non-refundable payment allocated to research and development services performance obligations is deferred and recognized overtime.

Milestone Payments: At the inception of each arrangement that includes milestone payments, the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Due to the uncertainty involved in meeting these discovery or development-based targets, they are generally fully constrained at contract inception. The Company will assess whether the variable consideration is fully constrained each reporting period based on the facts and circumstances surrounding the discovery and clinical trials. Upon changes to constraint associated with the discovery or developmental milestones, variable consideration will be included in the transaction price when a significant reversal of revenue recognized is not expected to occur.

Royalties: For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of assets and liabilities and are measured using enacted tax rates that will be in effect when the differences are expected to reverse. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. All deferred income tax assets and liabilities are classified as non-current on the consolidated balance sheets.

Provision for income taxes for interim periods is determined using an estimate of the annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. The Company updates its estimate of the annual effective tax rate each quarter and makes a cumulative adjustment if the estimated tax rate changes.

Recent accounting pronouncements

New accounting standards which have not yet been adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This update requires that public entities on an annual basis, (1) in the rate reconciliation, disclose specific categories and provide additional information for reconciling items that meet a quantitative threshold; (2) about income taxes paid, disclose the amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign taxes and by individual jurisdiction in which income taxes paid (net of refunds received) is equal to or greater than 5 percent of total income taxes paid (net of refunds received); and (3) disclose income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign and income tax expense (or benefit) disaggregated by federal, state, and foreign. This update is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. This guidance should be applied on a prospective basis. Retrospective application is permitted. The Company does not expect that the adoption of ASU 2023-09 will have a significant impact on the Company's consolidated financial statements as the standard does not change the recognition or measurement of current and deferred income taxes and is currently evaluating the impact on the income tax footnote disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This update requires that at each interim and annual reporting period public entities disclose (1) the amounts of purchases of inventory, employee compensation, depreciation, amortization, and depletion) in commonly presented expense captions; (2) certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements; (3) a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively; and (4) the total amount of selling expenses and, in annual reporting periods, the definition of selling expenses. In January 2025, the FASB issued ASU 2025-01, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date. This update clarifies that ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact on its financial statements of adopting this guidance.

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

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

3. **Discontinued operations**

On December 13, 2024, the Company's Board of Directors discussed and approved a divestiture plan to sell and transfer about 90% to 100% of the Company's interests in SEED to potential investors at a determined price. The divestiture of SEED represents a strategic shift in the Company's reallocation and optimization of the available resources to pipelines with greater potential. In accordance with ASC 205-20, all assets and liabilities of SEED were classified as held-for-sale in the consolidated balance sheets as of December 31, 2024 and June 30, 2025, and the results of operations of SEED were reflected as discontinued operations in the consolidated statement of operations for the three and six months ended June 30, 2025, and retroactively applied to the three and six months ended June 30, 2024.

On January 24, 2025, the Company entered into a Preferred Share Purchase Agreement (each, an "Agreement" and collectively, the "Agreements") with each of Winning View Investment Limited, a business company organized in the British Virgin Islands ("BVI"), FULL TECH CORPORATE DEVELOPMENT LIMITED, a business company organized in the BVI, and Mapfil Investment Limited, a limited company organized in Hong Kong, respectively (each, a "Purchaser" and collectively, the "Purchasers"). On February 17, 2025, the Company and Winning View Investments Limited entered into the First Amendment to Purchase Agreement (the "Amendment"). Pursuant to the Agreements and the Amendment, the Company agreed to sell the Purchasers a total of 8,333,637 Series A-1 Preferred Shares (the "Shares") of SEED to the Purchasers at a price per share of $4.25, in exchange of aggregate cash proceeds of $35,418.

The Agreements, as amended, will be executed in three separate closings as described below (ownership percentage calculated on an as-converted basis (excluding any shares that may be reserved under an employee stock ownership plan, or similar arrangement), after taking into account the issuance of an aggregate of 5,647,059 of the Series A-3 Preferred Shares in the first close of SEED's Series A-3 financing, and assuming there is no other change to SEED's share capital prior to such Closing.):

(i) On February 19, 2025, the First Closing (as defined in each Agreement, as amended) was completed. The Company sold and transferred a total of 1,730,454 Shares, comprised of 980,427 Shares to Winning View Investment Limited, 250,009 Shares to FULL TECH CORPORATE DEVELOPMENT LIMITED and 500,018 Shares to Mapfil Investment Limited, in exchange of aggregate cash proceeds of $7,354. Immediately upon the First Closing, the Company's direct and indirect ownership in SEED decreased to 40.12%, but still retained the controlling interest of SEED through the control of the SEED Board. The Company's noncontrolling interests increased by 6.75% upon the First Closing.

(ii) At the Second Closing (as defined in each Agreement, as amended, which shall be no later than December 15, 2025), the Company will sell and transfer to the Purchasers a total of 3,103,055 Shares, comprised of 1,436,327 Shares to Winning View Investment Limited, 555,576 Shares to FULL TECH CORPORATE DEVELOPMENT LIMITED and 1,111,152 Shares to Mapfil Investment Limited. Immediately upon the Second Closing, the Company's direct and indirect ownership in SEED will further decrease to 28.02%. The Company will lose the controlling interest of SEED due to the loss of control of the SEED Board.

(iii) At the Third Closing (as defined in each Agreement, as amended, which shall be no later than December 15, 2026), the Company will sell and transfer to the Purchasers a total of 3,500,128 Shares, comprised of 1,750,064 Shares to Winning View Investment Limited, 583,355 Shares to FULL TECH CORPORATE DEVELOPMENT LIMITED and 1,166,709 Shares to Mapfil Investment Limited. Immediately upon the Third Closing, the Company's direct and indirect ownership in SEED will ultimately decrease to 14.37%.

The Company determined that the multiple arrangements of the SEED sales with the Purchasers and the three-tranche closings should be accounted for as a single transaction in accordance with ASC 810-10-40-6, as the transactions were entered in contemplation of one another and were essentially a single transaction designed to achieve an overall commercial effect.

The following tables set forth the assets, liabilities, statement of operations, and cash flows of discontinued operations which were included in the Company's consolidated financial statements.

	As of	
	December 31, 2024	June 30, 2025
		(Unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 13,125	$ 13,583
Short-term investments	12,044	2,000
Advances to suppliers	86	68
Prepaid expenses and other current assets	92	61
Total current assets	25,347	15,712
Noncurrent assets:		
Property and equipment, net	1,323	1,255
Operating right-of-use assets	3,182	2,934
Other noncurrent assets	268	294
Total noncurrent assets	4,773	4,483
Total assets	$ 30,120	$ 20,195
Liabilities and equity		
Current liabilities:		
Short-term loans	$ 3,911	$ 3,985
Accounts payable	505	285
Accrued expenses	1,354	2,183
Current portion of operating lease liabilities	400	415
Deferred revenue	2,001	2,001
Other current liabilities	642	750
Total current liabilities	8,813	9,619
Noncurrent liabilities:		
Operating lease liabilities	2,375	2,165
Deferred revenue	3,822	2,821
Total noncurrent liabilities	6,197	4,986
Total liabilities	$ 15,010	$ 14,605

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

3. **Discontinued operations (continued)**

	Three months ended June 30,		Six months ended June 30,	
	2024	2025	2024	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	$ 500	$ 500	$ 1,000	$ 1,000
Operating expenses				
Research and development	(1,425)	(2,498)	(2,599)	(5,487)
General and administrative	(565)	(862)	(1,128)	(1,726)
Loss from operations	(1,490)	(2,860)	(2,727)	(6,213)
Foreign exchange gain, net	-	1	-	1
Interest income	3	46	7	114
Other income, net	49	42	74	95
Loss before income tax	(1,438)	(2,771)	(2,646)	(6,003)
Income tax expense	-	-	-	-
Loss from discontinued operations before disposal	(1,438)	(2,771)	(2,646)	(6,003)
Gain on sale of subsidiary interests	-	-	-	6,986
Net income (loss) from discontinued operations	$ (1,438)	$ (2,771)	$ (2,646)	$ 983

	Six months ended June 30,	
	2024	2025
	(Unaudited)	(Unaudited)
Net cash used in discontinued operating activities	$ (6,888)	$ (5,790)
Net cash provided by discontinued investing activities	$ -	$ 9,800
Net cash provided by discontinued financing activities	$ -	$ -

In connection with the First Closing, the Company recorded a gain on the sale of subsidiary interests:

	Gain recognized on the First Closing
Fair value of consideration received	$ 7,354
Less: Adjustments to noncontrolling interests (6.75% of the equity interests)	368
Gain on sale of subsidiary interests	$ 6,986

4. **Collaboration agreements**

Jiangsu Hengrui Pharmaceuticals Co., Ltd.

On August 25, 2021, the Company's subsidiary, Wanchunbulin, entered into an exclusive commercialization and co-development agreement ("Hengrui Collaboration Agreement") with Hengrui, pursuant to which Wanchunbulin granted Hengrui exclusive rights to commercialize Plinabulin in all indications (the "Plinabulin Products") in mainland China, Hong Kong, Macau and Taiwan (the "Greater China"). Under the terms of Hengrui Collaboration Agreement, Hengrui assumed all commercialization responsibilities for the Plinabulin Products effective September 22, 2021, including sales and marketing, and Wanchunbulin agreed to provide services to Hengrui, including manufacture and supply of the Plinabulin Products. Wanchunbulin and Hengrui may further participate in the research and development of the Plinabulin Products for additional indications other than prevention of chemotherapy-induced neutropenia ("CIN") and 2nd/3rd line treatment of non-small cell lung cancer ("NSCLC"), and each will share 50% of the research and development costs. The Hengrui Collaboration Agreement will remain effective until the patent protection period of all Plinabulin Products related intellectual properties expires.

Under the Hengrui Collaboration Agreement, Hengrui paid Wanchunbulin an upfront non-refundable fee of $31,039 (RMB200,000) in September 2021. Wanchunbulin will be eligible to receive up to $108,638 (RMB700,000) in potential regulatory development milestone payments, and up to $62,079 (RMB400,000) in commercial milestone payments, respectively. In addition, Wanchunbulin will be eligible to receive royalty payments based on net sales of the Plinabulin Products, which sets forth minimum royalties to be received by Wanchunbulin for a specified period.

The Hengrui Collaboration Agreement is within the scope of ASC 808 as both parties are active participants and are exposed to the risks and rewards dependent on the commercial success of the activities performed under the agreement. The Company identified the following material components under the agreement: (1) license of exclusive commercialization rights of the Plinabulin Products (the "License"), (2) the manufacturing and supply of the Plinabulin Products (the "Manufacturing and Supply Services"), and (3) research and development of the Plinabulin Products for additional indications. The Company further determined the license of exclusive commercialization rights of the Plinabulin Products and the manufacturing and supply of the Plinabulin Products are reflective of a vendor-customer relationship and therefore within the scope of ASC 606, and research and development of the Plinabulin Products for additional indications is not a promise to a customer within the scope of ASC 606.

The Company determined that the License and the Manufacturing and Supply Services are not distinct from each other and represent a single performance obligation. The transaction price of the arrangement was the upfront payment of $31,039 (RMB200,000). The development and commercialization milestone payments and the minimum royalty payments are fully constrained at contract inception due to uncertainty of achievement and are not included in the transaction price. The transaction price allocated to the License and Manufacturing and Supply Services, as a combined performance obligation, will be recognized as revenue over time using unit of delivery measure of progress, as the Company believes that it faithfully depicts the Company's performance toward complete satisfaction of the performance obligation. The Company did not recognize any revenues from the Hengrui Collaboration Agreement for the three and six months ended June 30, 2024 and 2025, and recorded the entire upfront non-refundable fee received as deferred revenue.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

4. **Collaboration agreements (continued)**

Eli Lilly and Company

On November 12, 2020, the Company's subsidiary, SEED, entered into a research collaboration and license agreement (the "Lilly Collaboration Agreement") with Eli Lilly and Company ("Lilly"). Under the Lilly Collaboration Agreement, SEED controls certain rights to an intellectual property and other materials related to a platform technology for ubiquitin ligase agonist screening (the "Ub Platform Technology"), and Lilly and SEED shall use commercially reasonable efforts to conduct a research and development program to generate, identify and/or optimize active compounds ("Lilly Compounds") that directed against no more than three targets selected by Lilly ("Lilly Targets"), using the Ub Platform Technology in accordance with the applicable research plans for each of the Lilly Targets.

Under the Lilly Collaboration Agreement, Lilly paid SEED an upfront non-refundable fee of $10,000 in November 2020. In addition, SEED will also be eligible to receive up to approximately $780,000 in potential pre-clinical discovery, clinical and regulatory development milestone payments, as well as commercial milestones and royalty payments based on net sales of products that result from the collaboration. As of March 31, 2025, SEED has received $3,000 of these milestone payments for pre-clinical discovery. The Lilly Collaboration Agreement is within the scope of ASC 808, as both parties are active participants and are exposed to the risks and rewards dependent on the commercial success of the activities performed under the agreement. The Company further determined the collaboration is reflective of a vendor-customer relationship and therefore within the scope of ASC 606.

Under ASC 606, the Company determined the license under the Ub Platform Technology is not distinct within the context of the contract because it is used as inputs to produce and deliver the combined outputs, i.e. the identification of Lilly Compounds. The Company determined that it has a single performance obligation which is the stand ready obligation to provide the research and development services to Lilly throughout the shorter of the period up to the completion of research and development activities under the research plans for three Lilly Targets or the contract period of 7 years. Transaction price allocated to the research and development services is recognized as revenue over time on a straight-line basis because the customer simultaneously receives and consumes the benefits as the Company performs throughout a fixed term. The preclinical discovery, clinical and regulatory development milestone payments were fully constrained at contract inception, and are not included in the transaction price.

In connection with the Lilly Collaboration Agreement, the BYSI Entities transferred certain contracts, know-how, materials and equipment, and documents related to a proprietary technology platform to SEED for 9,631,941 Series A-1 convertible preferred shares (the "Series A-1 Preferred Shares") of SEED. In addition, SEED, BYSI entities, and Lilly entered into share purchase agreements pursuant to which SEED issued an aggregate of 1,194,030 shares of its Series A-1 Preferred Shares to BYSI Entities, and 1,990,000 shares of its Series A-2 convertible redeemable preferred shares (the "Series A-2 Preferred Shares") to Lilly, each at a cash purchase price of $2.5125 per share. Series A-2 Preferred Shares were recorded as contingently redeemable noncontrolling interests in mezzanine equity (Note 12). Pursuant to the share purchase agreement (the "A2 SPA") entered into between SEED and Lilly, SEED also agree to sell and issue to Lilly an additional 1,990,000 Series A-2 Preferred Shares to Lilly, at a cash purchase price of $2.5125 per share upon the fulfilment, prior to November 12, 2022, of certain conditions under the terms of the A2 SPA (the "Forward"). The fair value of the Series A-2 Preferred Shares and Forward at initial closing was determined by the Company with the assistance of a third party independent valuation firm. The Company used a discounted cash flow model to determine the total equity value of SEED and further adopted the equity allocation model to determine the fair value of the Series A-2 Preferred Shares as of the date of issuance which is adjusted for a lack of marketability discount because the shares are subject to certain restrictions. The fair value of the Series A-2 Preferred Shares and the Forward on the initial closing date was determined to be $5,267 and $278, respectively.

In June 2022, SEED settled the Forward with Lilly, and issued 1,990,000 Series A-2 Preferred Shares to Lilly for $5,000 in cash upon achieving the conditions under the terms of the A2 SPA.

SEED recognized collaboration revenue of $500 and $500 related to the Lilly Collaboration Agreement for the three months ended June 30, 2024 and 2025, respectively. Revenue recognized in each period were from amounts included in contract liabilities at the beginning of the period and milestone payments received during the period, if any. These recognized revenues were included in loss from discontinued operations and the related contract liabilities were included in current and noncurrent liabilities of discontinued operations, for all the periods presented.

5. **Property and equipment, net**

Property and equipment of continuing operations consisted of the following:

	December 31, 2024	June 30, 2025
	$	$ (Unaudited)
Office equipment	317	320
Laboratory equipment	111	113
Motor vehicles	94	96
Leasehold improvements	271	271
	793	800
Less: accumulated depreciation	(554)	(598)
Property and equipment, net	239	202

Depreciation expenses of continuing operations for the three and six months ended June 30, 2024 were $64 and $80, respectively. Depreciation expenses of continuing operations for the three and six months ended June 30, 2025 were $23 and $44, respectively.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

6. Income taxes

Income tax expense for the three months ended June 30, 2025 was $22. Income tax expense was $42 and nil for the six months ended June 30, 2025 and 2024, respectively. The income tax expense for the three months ended June 30, 2025 was primarily attributable to interest accrued related to unrecognized tax benefits in income tax expense.

The effective tax rate for the three months ended June 30, 2025 was (1.2%), compared with 0.0% for the corresponding period of 2024. The effective tax rate for the six months ended June 30, 2025 of (0.95%) decreased compared to the effective tax rate of 0.0% for the six months ended June 30, 2024, primarily due to the accrual of interest related to unrecognized tax benefits. The primary component of the Company's effective rate for both periods that drive the difference from the U.S. Federal corporate income tax rate of 21% is the impact of the tax rates in the jurisdictions, as well as the increases to the valuation allowance recorded against the deferred tax assets.

On a quarterly basis, the Company evaluates the realizability of deferred tax assets by jurisdiction and assesses the need for a valuation allowance. In assessing the realizability of deferred tax assets, the Company considers historical profitability, evaluation of scheduled reversals of deferred tax liabilities, projected future taxable income and tax-planning strategies. Valuation allowances have been provided on deferred tax assets where, based on all available evidence, it was considered more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. After consideration of all positive and negative evidence, as of December 31, 2024 and June 30, 2025, the Company maintained a full valuation allowance against its net deferred tax assets.

As of June 30, 2025, the Company had gross unrecognized tax benefits of $4,573. The Company does not anticipate that the amount of existing unrecognized tax benefits will significantly change within the next 12 months.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The OBBBA contains several changes to corporate taxation including modifications to capitalization of research and development expenses, and limitations on deductions for accelerated fixed asset depreciation. The Company is still in the process of evaluating the OBBBA and an estimate of the financial impact cannot be made at this time.

7. Earnings (loss) per share

Ordinary equivalent shares consist of the ordinary shares issuable upon the conversion of the share options and the vesting of restricted shares, using the treasury stock method. Ordinary share equivalents are excluded from the computation of diluted earnings (loss) per share if their effects would be anti-dilutive. The effects of all share options and unvested restricted shares were excluded from the calculation of diluted earnings (loss) per share as their effect would have been anti-dilutive during the three and six months ended June 30, 2024 and 2025.

Basic and diluted net earnings (loss) per share attributable to ordinary shareholders was calculated as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2025	2024	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Numerator:				
Net income (loss) attributable to BeyondSpring Inc. – basic and diluted	$ (4,031)	$ (1,806)	$ (7,262)	$ 2,671
Denominator:				
Weighted average number of ordinary shares outstanding – basic and diluted	39,280,607	40,316,320	39,154,885	40,316,320
Net earnings (loss) per share – basic and diluted	$ (0.10)	$ (0.04)	$ (0.19)	$ 0.07

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

8. **Share-based compensation**

2017 Omnibus Incentive Plan

On February 24, 2017, in connection with the IPO, the Company's board of directors and shareholders approved an equity compensation plan, the 2017 Omnibus Incentive Plan (the "2017 Plan"), which became effective on March 9, 2017, to provide an additional incentive to selected officers, employees, non-employee directors, independent contractors and consultants of the Company (the "Participants"). The share awards granted by the Company under the 2017 Plan contain service conditions, and will generally vest based on a time-based vesting schedule determined by the administrator of the 2017 Plan. Certain awards also contain (1) performance conditions with respect to research and development progress or/and business development progress, or/and (2) market conditions with respect to the share price of the Company. Under the 2017 Plan, the maximum number of the Company's ordinary shares reserved for issuance is 5,277,197 shares.

The Company granted a total of 224,750 and 224,750 share options, and nil and 6,000 restricted shares, respectively, for the three and six months ended June 30, 2025.

The following table summarizes total share-based compensation expense recognized under 2017 Plan for the three and six months ended June 30, 2024 and 2025:

	Three months ended June 30,		Six months ended June 30,	
	2024	2025	2024	2025
	$ (unaudited)	$ (unaudited)	$ (unaudited)	$ (unaudited)
Research and development	58	28	116	54
General and administrative	686	95	846	287
Total	744	123	962	341

SEED 2022 Share Incentive Plan

In 2022, SEED adopted its 2022 Share Incentive Plan (the "SEED Plan"). Under this plan, SEED has granted share options to some of its employees and consultants, which will be settled by SEED in its ordinary shares upon exercise of those options. These awards are generally subject to a four-year or five-year time-based vesting schedule as determined by the administrator of the plan.

SEED granted a total of 2,000 and 6,500 share options under the SEED Plan for the three and six months ended June 30, 2025, respectively.

The following table summarizes total share-based compensation expense recognized under the SEED Plan for the three and six months ended June 30, 2024, and 2025. These expenses were included in loss from discontinued operations for all the periods presented.

	Three months ended June 30,		Six months ended June 30,	
	2024	2025	2024	2025
	$ (unaudited)	$ (unaudited)	$ (unaudited)	$ (unaudited)
Research and development	17	7	33	15
General and administrative	17	15	34	33
Total	34	22	67	48

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

9. **Employee defined contribution plan**

Full time employees of the Company in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing funds and other welfare benefits are provided to employees. Chinese labor regulations require that the Company's PRC subsidiaries make contributions to the government for these benefits based on certain percentages of the employees' salaries. The Company has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefits from continuing operations, which were expensed as incurred, were $15 and $15 for the three and six months ended June 30, 2024 and were $17 and $33 for the three and six months ended June 30, 2025, respectively.

BeyondSpring US maintains a defined contribution 401(k) savings plan (the "401(k) Plan") for eligible employees in the U.S. employees. The 401(k) Plan allows participants to defer a portion of their annual compensation on a pretax or Roth basis. In addition, the Company matches up to 6% of the participant's base salary. Company contributions for continuing operations to the 401(k) Plan totaled $20 and $41 for the three and six months ended June 30, 2024 and $14 and $29 for the three and six months ended June 30, 2025, respectively.

10. **Restricted net assets**

As a result of PRC laws and regulations, the Company's PRC subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company. As of December 31, 2024 and June 30, 2025, amounts restricted were the net assets of the Company's PRC subsidiaries, which amounted to nil.

11. **Supplemental balance sheet information**

Other noncurrent assets consist of the following:

	As of	
	December 31, 2024	**June 30, 2025**
	$	$ (unaudited)
Deductible input value-added tax	113	119
Others	100	97
Total	213	216

Other current liabilities consist of the following:

	As of	
	December 31, 2024	**June 30, 2025**
	$	$ (unaudited)
Compensation related	612	510
Professional services	71	-
Other taxes payable	1	-
Others	96	102
Total	780	612

Other noncurrent liabilities consist of the following:

	As of	
	December 31, 2024	**June 30, 2025**
	$	$ (unaudited)
Compensation related	73	45
Income tax payable	3,240	3,344
Other taxes payable	373	394
Total	3,686	3,783

12. **Contingently redeemable noncontrolling interests**

The main rights, preferences and privileges of Preferred Shares issued by SEED are as follows:

Liquidation preferences

In the event of any voluntary or involuntary liquidation, dissolution or winding up of SEED, or in a deemed liquidation event, the assets of SEED shall be distributed in the following order:

a. before any payment shall be made to the holders of Series A-1 Preferred Shares or ordinary shares by reason of their ownership thereof, holders of Series A-2 Preferred Shares and Series A-3 Preferred Shares (the "Senior Series A Preferred Shares") shall be entitled to an amount per share equal to the greater of (i) the applicable original issue price, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all Senior Series A Preferred Shares been converted into ordinary shares immediately prior to such liquidation, dissolution, winding up or deemed liquidation event.
b. after the payment in full of the amount distributable or payable on the Senior Series A Preferred Shares, the holders of Series A-1 Preferred Shares then outstanding shall be entitled to be paid out of the assets of SEED available for distribution to its Shareholders, and in the event of a deemed liquidation event, the holders of Series A-1 Preferred Shares then outstanding shall be entitled to be paid out of the consideration not payable to the holders of Senior Series A Preferred Shares or the remaining available proceeds, as applicable, before any payment shall be made to the holders of ordinary shares by reason of their ownership thereof, an amount per share equal to the greater of (i) the applicable original issue price, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all Series A-1 Preferred Shares been converted into ordinary shares immediately prior to such liquidation, dissolution, winding up or deemed liquidation event.
c. after the payment in full of the amount distributable or payable on the Preferred Shares, the remaining assets of SEED available for distribution to the shareholders or, in the case of a deemed liquidation event, the consideration not payable to the holders of Preferred Shares or the remaining available proceeds, as the case may be, shall be distributed among the holders of ordinary shares, pro rata based on the number of ordinary shares held by each such holder.

Redemption rights

The Series A-2 Preferred Shares shall be redeemed by SEED at a price equal to the applicable original issue price per share plus an annual return of 8% of the applicable original issue price, in three annual installments commencing not more than sixty days after receipt by SEED at any time on or after November 10, 2025 from the holders of at least a majority of the outstanding Series A-2 Preferred Shares of written notice requesting redemption of all Series A-2 Preferred Shares. The redemption is not guaranteed by the Company. On July 26, 2024, the redemption rights associated with the Series A-2 Preferred Shares were removed.

Conversion rights

Each Preferred Share shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable ordinary shares of SEED as at an initial conversion ratio of 1:1 adjusted for share splits, share dividends, recapitalizations and similar transactions.

Each Preferred Shares shall automatically be converted into ordinary shares based on a one-for-one basis upon either (a) in the event of a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, in the Nasdaq Stock Market's National Market, the New York Stock Exchange or another exchange or marketplace approved by SEED's Board of Directors, at a price per share of at least $7.5375 resulting in at least $50,000 of gross proceeds to SEED (the "Qualified IPO") or (b) the date and time, or the occurrence of an event, specified by vote or written consent of either (x) at least a majority of the outstanding Preferred Shares voting together as a single class on an as-converted basis, which majority must include the approval of either Lilly or Eisai or (y) a majority of the Senior Series A Preferred Shares, voting together as a single class on an as-converted basis.

Voting rights

Each holder of outstanding Preferred Shares shall be entitled to cast the number of votes equal to the number of whole ordinary shares into which the Preferred Shares held by such holder are convertible as of the record date for determining shareholders entitled to vote on such matter.

Accounting for the Series A-2 Preferred Shares

Upon issuance, the Company determined that Series A-2 Preferred Shares issued by SEED are contingently redeemable noncontrolling interest classified as mezzanine equity as they may be redeemed at the option of the holders on or after an agreed upon date outside the sole control of SEED. The Company concluded that the Series A-2 Preferred Shares of SEED were not redeemable, but it is probable that they would become redeemable. The Company chose to recognize changes in the redemption value as they occur and adjust the carrying amount of the redeemable noncontrolling interests to equal the redemption value at the end of each reporting period.

The holder of the Series A-2 Preferred Shares of SEED has the ability to convert the instrument into SEED's ordinary shares. The Company uses the whole instrument approach to determine whether the nature of the host contract in a hybrid instrument is more akin to debt or to equity. The Company evaluated the embedded conversion option in the Series A-2 Preferred Shares of SEED to determine if there were any embedded derivatives requiring bifurcation. The conversion option of the Series A-2 Preferred Shares of SEED does not qualify for bifurcation accounting because the conversion option is clearly and closely related to the host instrument and the underlying ordinary shares are not publicly traded nor readily convertible into cash. The contingent redemption of the Series A-2 Preferred Shares of SEED does not qualify for bifurcation accounting because the underlying ordinary shares of SEED are not publicly traded nor readily convertible into cash. There are no other embedded derivatives that are required to be bifurcated.

On June 13, 2022, upon successfully achieving the conditions set under the A2 SPA, the Company received $5,000 proceeds from Lilly in exchange for an additional 1,990,000 shares of Series A-2 Preferred Shares. The fair value of the Series A-2 Preferred Shares and the Forward on the settlement date was determined to be $3,763 and $1,237, respectively. The Company determined the fair value of Series A-2 Preferred Shares and the Forward with the assistance of an independent third-party valuation firm.

On July 26, 2024, the redemption rights associated with the Series A-2 Preferred Shares were removed. The Serie A-2 Preferred Shares do not have other redemption features that are not solely within the control of the Company. As a result, the carrying value of the mezzanine equity was reclassified to permanent equity on the same date.

The accretion to redemption value associated with contingently redeemable noncontrolling interests totaled $200 and $400 for the three and six months ended June 30, 2024, respectively, and nil for the three and six months ended June 30, 2025.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

13. Commitments and contingencies

Legal proceedings

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operation, financial condition or cash flows.

Commitments

Wanchunbulin, a subsidiary of the Company, has entered into a government grant agreement with specific local authorities in PRC. Wanchunbulin commits to staying within designated districts, maintaining current tax jurisdictions, and retaining its registered capital, until 2033. Wanchunbulin also undertakes not to establish additional entities in other jurisdictions within Greater China for the purposes of conducting research, development, and commercialization activities related to Plinabulin, provided such activities fall within the scope of the government grant agreement. Otherwise, Wanchunbulin may be required to refund the grants.

14. Segment reporting and geographic information

The Company operates in two reportable segments: (i) Plinabulin pipeline and (ii) TPD platform.

On December 13, 2024, the Company's Board of Directors discussed and approved a divestiture plan to sell and transfer about 90% to 100% of the Company's interests in SEED to potential investors at a determined price. The TPD platform segment was comprised of SEED's operations. As a result, the TPD platform segment qualified for discontinued operations reporting. See Note 3 – Discontinued operations.

The Company presents segment information after elimination of inter-company transactions. In general, revenues and operating expenses are directly attributable, or are allocated, to each segment. The Company allocates operating expenses that are not directly attributable to a specific segment, such as those that support infrastructure across different segments, to different segments mainly on the basis of usage, headcount, depending on the nature of the relevant operating expenses.

The Company's Chief Executive Officer, as the CODM, uses segment net loss to allocate resources for each segment and to assess the performance of each segment, primarily by monitoring actual results versus approved budgets. Significant segment expenses are presented in the table below. Other segment items include interest income, other income, net, and income tax expenses. The CODM does not evaluate the performance of segments using asset or liability information.

	Three months ended June 30,		Six months ended June 30,	
	2024	2025	2024	2025
	$ (unaudited)	$ (unaudited)	$ (unaudited)	$ (unaudited)
Clinical and pre-clinical expenses	158	188	236	302
Patent expenses	294	271	553	436
Personnel costs	950	679	1,988	1,768
Professional services	943	470	1,256	1,442
Other operational expenses	296	341	663	610
Other segment items	10	(71)	35	(97)
Segment net loss	2,651	1,878	4,731	4,462
Reconciliation of net loss:				
Net loss (income) from discontinued operations	1,438	2,771	2,646	(983)
Consolidated net loss	4,089	4,649	7,377	3,479

The Company's long-lived assets of continuing operations by geographic area are presented as follows:

	As of	
	December 31, 2024	March 31, 2025
	$	$ (unaudited)
Property and equipment, net:		
PRC	34	22
U.S.	205	180
Total	239	202

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

The following discussion and analysis of the financial condition and results of operations of BeyondSpring Inc. (the "Company") should be read in conjunction with the condensed consolidated financial statements and the notes related thereto which are included in "Part I. Financial Information—Item 1. Financial Statements" of this Quarterly Report on Form 10-Q and with our audited consolidated financial statements and notes thereto for the year ended December 31, 2024 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the SEC on March 27, 2025. Certain information contained in the discussion and analysis set forth below includes forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under "Forward-Looking Statements," "Part II. Other Information—Item 1A. Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q.

Overview

We are a clinical stage global biopharmaceutical company focused on developing innovative therapies to improve clinical outcomes for patients with high unmet medical needs. Our first-in-class lead asset, Plinabulin, which has been administered to over 700 cancer patients with generally good tolerability, is being developed as a potential "pipeline in a drug" in various cancer indications as a direct anti-cancer agent. We are also developing three small molecule immune agents, which are currently in pre-clinical stages. In addition, we founded and continue to own an equity stake in SEED Therapeutics Inc., or SEED. SEED is utilizing a proprietary Targeted Protein Degradation (TPD) drug discovery platform, or "molecular glue" technology, to develop innovative therapeutic agents from internal research and development efforts and with our collaborators on currently undruggable protein targets. SEED is partnering with Eli Lilly and Co. and Eisai Co., Ltd. to discover and develop new chemical entities through this proprietary TPD platform which could produce therapeutic benefits to patients suffering from oncology and central nervous system (CNS) disease, among others.

Plinabulin binds in a unique pocket of tubulin and activates the immune defense protein GEF-H1, which leads to induction of innate and adaptive immunity via dendritic cell (DC) maturation. In June 2025, we published in Cell Press "Med" Plinabulin's DC maturation benefit to responding patients in eight cancers, based on our multi-year collaboration with MD Anderson Cancer Center. With this unique immune mechanism, Plinabulin is being studied as an anti-cancer agent in a number of company-sponsored studies and investigator-initiated studies in late-line and first-line cancer treatments, including targeting patients progressed on checkpoint inhibitors in NSCLC with no actionable driver alteration, which we believe presents a severe unmet medical need.

The current standard of care for first-line NSCLC without driver mutations is chemotherapy plus PD-1/PD-L1 antibodies, with 60% patients progress on these therapies. Once patients progress on these regimens, docetaxel, a drug approved over 25 years ago, is recommended in the second- and third-line, but it has modest clinical benefit and results in high severe neutropenia. To address the significant unmet need in this population, we have been conducting multiple studies on Plinabulin combinations. First, we completed a randomized global Phase 3 study of Plinabulin in combination with docetaxel compared with docetaxel alone for second- and third-line treatment of NSCLC, with epidermal growth factor receptor (EGFR) wild type (DUBLIN-3 Phase 3 registration study). The DUBLIN-3 study enrolled 559 patients at 58 clinical sites globally and the final results from the study showed that the Plinabulin and docetaxel combination had statistically significant and clinically meaningful overall survival benefit compared to standard of care docetaxel alone. Key secondary endpoints were also achieved with additional clinically significant benefits in progression free survival (PFS) and objective response rate (ORR), coupled with a significant reduction in grade 4 neutropenia, with over 80% reduction. The finding was published in LANCET Respiratory Medicine journal in September 2024, and at the same time we made an oral presentation at the International Association for the Study of Lung Cancer (IASLC) conference. We plan to use our best efforts to file an NDA with the NMPA as soon as possible. In addition, our collaborators at Peking Union Medical College Hospital in China are conducting an investigator-initiated Phase 2 study (Study 303): Plinabulin in combination with Keytruda® (pembrolizumab), a PD-1 antibody, and docetaxel for the treatment of NSCLC patients who progressed from PD-1/PD-L1 antibodies. We presented clinically meaningful data of high disease control rate and prolonged PFS from this study at European Society for Medical Oncology (ESMO) 2024, Society for Immunotherapy of Cancer (SITC) 2024, and American Society of Clinical Oncology (ASCO) 2025.

In addition, Plinabulin is being studied in a Phase 2 investigator-initiated study (Study 302) in combination with Keytruda®, etoposide and platinum for the first-line treatment of extensive-stage small cell lung cancer, or ES-SCLC, patients at Wuhan Union Hospital in China, where the current standard of care has limited median PFS.

Additional investigator initiated studies with Plinabulin include: 1) in combination with nivolumab, a PD-1 antibody, for the treatment of NSCLC at the University of California San Diego and the University of Washington (Phase 1 completed); 2) in combination with nivolumab and ipilimumab, a CTLA-4 antibody, for the treatment of ES-SCLC at the Rutgers University and other U.S. clinical centers (both Phase 1 and Phase 2 completed); and 3) in combination with PD-1 or PD-L1 antibodies and radiation for the treatment of patients in eight cancers who progressed from PD-1/PD-L1 antibodies at The University of Texas MD Anderson Cancer Center (Phase 1 completed and presented at SITC 2023, based on which we published Plinabulin's DC maturation benefit to such patients in Cell Press "Med" in June 2025). We provide financial support for these various investigator-initiated clinical trials as well as the drug supply of Plinabulin.

We expect each of these studies to benefit from our previous investigation of Plinabulin as an agent that has been studied in two randomized, controlled Phase 3 clinical studies to have demonstrated a statistically significant reduction in chemotherapy induced neutropenia (CIN) as an additional safety benefit. In total, over 700 patients have been treated with Plinabulin, where improvements in CIN have been repeatedly observed. Recent publication in Cancer Cell (Memon et al. 2024) suggested the mechanism for "acquired resistance" to immunotherapies could be due to "T cell exhaustion" and/or "antigen presenting cell (APC) pathway mutation", which Plinabulin's mechanism of DC maturation, with DC as the most potent APC, could potential target. Our strategy is to develop Plinabulin in multiple indications with the potential for Plinabulin to be an important component of the combination with chemotherapy or radiation to release real-time tumor antigen, with or without PD-1/L1 inhibitor, to re-sensitize patients who failed prior immunotherapies. To implement our strategy, we use a highly efficient business model that integrates clinical resources in the U.S. and China. We work with global contract research organizations, or CROs, such as ICON and Covance (now Labcorp), to ensure data quality with studies conducted under U.S. Good Clinical Practice requirements. Our drug development capabilities are facilitated by interest from clinical investigators in the U.S. and China, as well as by our understanding of the pharmaceutical industry, clinical resources and regulatory system in China.

We have partnered with Hengrui to commercialize Plinabulin, if approved, in Greater China through our subsidiary, Dalian Wanchunbulin Pharmaceuticals Ltd., or Wanchunbulin. China recognized Plinabulin as a National Science and Technology Major Project for "essential new drug research and development." Also, with the grant of status as a 2017 National Science and Technology Major Project in China, or the 2017 Grant, Plinabulin has been included in the National Drug Priority Review List. We believe that, pending drug approval and successful pricing negotiations with the Chinese government, the 2017 Grant could help position Plinabulin for inclusion in the National Insurance System, which would allow for faster access to patients and reimbursement. In the U.S. and for the rest of the world, we currently plan to seek a co-development and commercialization partner to maximize Plinabulin's potential in multiple cancer indications, if approved.

Since the inception of Wanchun Biotech, the former holding company of our U.S. subsidiary, in 2010, our operations have focused on organizing and staffing our company, business planning, raising capital, establishing our intellectual property portfolio, including protecting the rights to Plinabulin, and conducting studies in animals and clinical trials of Plinabulin. We do not have any product candidates approved for sale and have not generated any revenue from product sales. We have financed our operations with a combination of equity financings, shareholder and third-party loans, including bank loans, sale of subsidiary interests and collaboration arrangements.

Through June 30, 2025, we have raised approximately $299.0 million in equity financings, $10.2 million of issuance of non-controlling interests, $34.0 million from the sale of preferred shares of SEED in connection with its Series A-2/A-3 financings and $7.4 million from the sale of preferred shares of SEED by the Company to third-party investors, $2.1 million from bank loans, of which $0.6 million has been forgiven in July 2021 and $1.5 million has been repaid in March 2022, $2.5 million in third party loans, of which $1.0 million has since been converted into an equity investment and $1.5 million has been repaid, and $14.4 million in shareholder loans, of which $6.0 million has been repaid and $8.4 million was assumed by Wanchun Biotech, the former holding company of our U.S. subsidiary, on July 20, 2015 pursuant to our internal restructuring, $10.0 million upfront payment to SEED from Eli Lilly and approximately $31.0 million upfront payment to Wanchunbulin from Hengrui. As of June 30, 2025, our continuing operations had no outstanding debt and held $9.5 million in cash and cash equivalents. We expect to receive $28.07 million in tranches from the sale of our Series A-1 Preferred Shares of SEED as described under "—Discontinued Operations."

Our consolidated net loss was $4.1 million and $7.4 million for the three and six months ended June 30, 2024, respectively. Our consolidated net loss was $4.6 million and $3.5 million for the three and six months ended June 30, 2025, respectively. As of December 31, 2024 and June 30, 2025, we had an accumulated deficit of $407.4 million and $404.8 million, respectively. Substantially all of our losses have resulted from funding our preclinical studies, clinical trials, manufacturing our drug product, our research and development programs and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and operating losses for the foreseeable future. We anticipate that our expenses may increase in connection with our ongoing activities, as we:

- continue preclinical studies and clinical development of our programs including in connection with the clinical development programs for Plinabulin in NSCLC and combination studies with immune agents and related chemistry, manufacturing, and controls (CMC) and regulatory activities;
- incur additional costs associated with operating as a domestic issuer;
- maintain, expand and protect our intellectual property portfolio; and
- fund the discovery and development of new product candidates.

We will need substantial additional funding to support our operating activities as we advance our product candidates through clinical development, seek regulatory approval and prepare for and, if any of our product candidates are approved, proceed to commercialization. We continue to explore strategic options in the United States and globally to support the execution of our business plan and to maximize shareholder value. These options may include licensing and partnership arrangements, a sale of the Company or its assets, equity or debt financing, or a combination of the above. Adequate funding may not be available to us on acceptable terms, or at all. In particular, inflation and high interest rates across the global economy, governments' monetary policy in response to inflation concerns, concerns around tariffs and a possible recession, the ongoing hostilities between Russia and Ukraine and the current war between Israel and Hamas have caused, and may continue to cause, market volatility, and under such market conditions, we may not be able to obtain funding on reasonable terms or at all.

Discontinued Operations

SEED was founded by us in 2019. As of June 30, 2025, BeyondSpring Inc. and SEED Technology Limited, its majority-owned indirect subsidiary, or, collectively, the BYSI Entities, owned an aggregate of 10,289,545 Series A-1 Preferred Shares of SEED.

In January 2025, we entered into definitive agreements to sell a portion of our Series A-1 Preferred Shares of SEED for $35.4 million, or $4.25 per share, to certain third-party investors in three installments. The first closing of 1,730,454 shares for approximately $7.35 million occurred in February 2025. The second closing of 3,103,055 shares for approximately $13.19 million and the third closing of 3,500,128 shares for approximately $14.88 million are expected to occur no later than December 15, 2025 and 2026, respectively. Each agreement contains specified termination rights for us and each purchaser, including a mutual termination right in the event a closing shall not have occurred by such specified date as set forth in each agreement. As of the date of this Quarterly Report on Form 10-Q, the BYSI Entities own approximately 40.12% of the outstanding equity interest in SEED, and are expected to own approximately 28.02% and 14.37% of the outstanding equity interest in SEED after the second and third closings, respectively, in each case calculated on an as-converted basis (excluding any shares that may be reserved under an employee stock ownership plan, or similar arrangement), and assuming there is no other change to SEED's share capital prior to such closings. For so long as the BYSI Entities remain holders of a majority of the Series A-1 Preferred Shares of SEED, they have the right to elect two directors of SEED. In addition, holders of a majority of the Series A-1 Preferred Shares and ordinary shares of SEED will have the right to elect two independent directors of SEED.

As a result, SEED's operations met the criteria under ASC 205-20 as discontinued operations for financial reporting purposes. We reclassified the financial results of SEED to Discontinued Operations in the Condensed Consolidated Statements of Comprehensive Income (Loss) for all periods presented. In connection with the first closing described above, we recorded a gain on sale of subsidiary interests of $7.0 million. We also reclassified the related assets and liabilities as current and noncurrent assets and liabilities of discontinued operations on the accompanying Condensed Consolidated Balance Sheets as of December 31, 2024 and June 30, 2025. Cash flows from discontinued operations are not reclassified in the Condensed Consolidated Statements of Cash Flows but are disclosed in the accompanying condensed consolidated financial statements footnotes. See Note 3 (Discontinued operations) to our condensed consolidated financial statements for additional information.

Segments

From 2022 to 2024, we operated in two reportable segments, namely Plinabulin pipeline and TPD platform. The TPD platform segment was comprised of SEED's operations. As a result of SEED's operations being reclassified as discontinued operations, the TPD platform segment is excluded from the Company's continuing operations.

See Note 14 (Segment reporting and geographic information) to our condensed consolidated financial statements for additional information.

Components of Results of Operations

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products in the foreseeable future. For the three and six months ended June 30, 2025, our discontinued operations generated $0.5 million and $1.0 million of revenue, respectively, through SEED's research collaboration and license agreement with Eli Lilly and our continuing operations did not generate any revenue. The RMB 200 million (approximately $31 million) upfront payment received by Wanchunbulin from Hengrui is recorded as deferred revenue and will be recognized as revenue over time after product approval using unit of delivery measure of progress. In the future, we may generate revenue from a combination of product sales, reimbursements, upfront payments, milestone payments and royalties in connection with existing and future collaborations. If we fail to complete the development of our product candidates in a timely manner or fail to obtain their regulatory approval, we will not generate revenue from product sales in the future.

Operating Expenses

Research and Development Expenses

The largest component of our total operating expenses has historically been our investment in research and development activities. Research and development expenses consist of costs associated with our research and development activities, conducting preclinical studies and clinical trials of Plinabulin and development of our pipeline of immune-oncology product candidates. Research and development expenses also include activities related to:

- employee-related expenses, including salaries, benefits, share-based compensation and travel expense for research and development personnel;
- expenses incurred under agreements with CROs, contract manufacturing organizations, and consultants that conduct and support clinical trials and preclinical studies;
- costs associated with preclinical studies and development activities;
- costs associated with regulatory operations;
- costs associated with protecting intellectual property;

- share-based compensation to employees, directors and non-employee consultants; and
- other expenses, which include direct and allocated expenses for rent, insurance and other supplies used in research and development activities.

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 our research and development expenses to continue to be significant over the next several years as we continue to develop our product pipeline through additional preclinical studies and clinical trials.

We expense research and development costs when we incur them. We record costs for some development activities, such as clinical trials, based on an evaluation of the progress to completion of specific tasks using data such as subject enrollment, clinical site activations or information our vendors provide to us.

There are numerous factors that will impact research and development costs, including future clinical trials and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. Additionally, future commercial requirements and regulatory factors beyond our control will impact our clinical development programs and plans. The successful development of our product candidates is highly uncertain. Due to the inherently unpredictable nature of preclinical studies and clinical development and commercialization of product candidates, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the remainder of the development of, or when, if ever, material net cash inflows may commence from, any of our other product candidates. This unpredictability is due to the numerous risks and uncertainties associated with the duration and cost of clinical trials and commercialization of product candidates, which vary significantly over the life of a project as a result of many factors, including:

- the number of clinical sites included in the trials;
- the design of the trial and changes to the design of the trial;
- establishing an appropriate safety profile;
- the length of time required to enroll suitable patients;
- the number of patients that ultimately participate in the trials;
- the number of doses patients receive;
- the duration of patient follow-up;
- the results of our clinical trials;
- making arrangements with third-party manufacturers;
- receipt of marketing approvals from applicable regulatory authorities;
- commercializing the product candidates, if and when approved, whether alone or in collaboration with others;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- continued acceptable safety profiles of the products following approval; and
- retention of key research and development personnel.

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, timing and viability associated with the development of that product candidate.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel costs, including executive, finance and human resource functions, and information technology, and share-based compensation costs. Other general and administrative expenses include professional fees for legal, consulting, auditing and tax services as well as other direct expenses for rent, insurance and supplies used in general and administrative activities. We currently do not expect to incur significant pre-commercialization costs in the near future. We also incur legal, compliance, accounting, directors and officers insurance, and investor and public relations expenses associated with being a public company.

Other Income (Expenses)

Other income consists primarily of interest income earned on our cash and cash equivalents and short-term investments, and foreign exchange gains. Other expenses consist primarily of foreign exchange losses.

Results of Operations

Comparison of the Three Months Ended June 30, 2025 and 2024

The following table summarizes the results of our operations for the three months ended June 30, 2025 and 2024, respectively, together with the percentage changes in those items:

	Three Months Ended June 30,		
	2025	2024	Change
	(in thousands of U.S. Dollars ("$"))		%
Revenue	—	—	—
Operating expenses			
Research and development	(1,002)	(829)	21%
General and administrative	(947)	(1,812)	-48%
Loss from operations	(1,949)	(2,641)	-26%
Other income (expense)			
Foreign exchange gain (loss), net	47	(22)	-314%
Interest income	28	11	155%
Other income, net	18	1	1700%
Total other income (expense), net	93	(10)	-1030%
Net loss before income tax	(1,856)	(2,651)	-30%
Income tax expenses	(22)	—	—
Net loss from continuing operations	(1,878)	(2,651)	-29%
Discontinued operations:			
Loss from discontinued operations	(2,771)	(1,438)	93%
Net loss from discontinued operations	(2,771)	(1,438)	93%
Net loss	(4,649)	(4,089)	14%

Research and Development Expenses

Research and development (R&D) expenses were $1.0 million for the three months ended June 30, 2025 compared to $0.8 million for the three months ended June 30, 2024. The $0.2 million increase was primarily due to higher professional service fees in regulatory and CMC activities and higher volume of Plinabulin combination therapy research to support strategic business development and partnership initiatives.

The following table summarizes the research and development expenses for the three months ended June 30, 2025 and 2024:

	Three Months Ended June 30,		
	2025	2024	Change
	(in thousands of U.S. Dollars ("$"))		%
Clinical expenses	129	153	-16%
Preclinical expenses	59	5	1080%
Professional services	373	317	18%
Personnel compensation and related costs	347	325	7%
Facility and other expenses	94	29	224%
Total research and development	1,002	829	21%

General and Administrative Expenses

General and administrative (G&A) expenses were $0.9 million for the three months ended June 30, 2025, compared to $1.8 million for the three months ended June 30, 2024. The $0.9 million decrease was primarily due to lower professional service costs in consulting for business development and partnership initiatives, and lower salary expenses due to decrease in administrative headcount.

Other Income (Expenses)

Other income for the three months ended June 30, 2025 consisted primarily of foreign exchange gains and interest income. Other expenses for the three months ended June 30, 2024 consisted primarily of foreign exchange losses, offset by interest income.

Comparison of the Six Months Ended June 30, 2025 and 2024

The following table summarizes the results of our operations for the six months ended June 30, 2025 and 2024, respectively, together with the percentage changes in those items:

	Six Months Ended June 30,		
	2025	2024	Change
	(in thousands of U.S. Dollars ("$"))		%
Revenue	—	—	—
Operating expenses			
Research and development	(1,876)	(1,550)	21%
General and administrative	(2,683)	(3,146)	-15%
Loss from operations	(4,559)	(4,696)	-3%
Other income (expense)			
Foreign exchange gain (loss), net	76	(83)	-192%
Interest income	45	40	13%
Other income, net	18	8	125%
Total other income (expense), net	139	(35)	-497%
Net loss before income tax	(4,420)	(4,731)	-7%
Income tax expenses	(42)	—	—
Net loss from continuing operations	(4,462)	(4,731)	-6%

	Six Months Ended June 30,		
	2025	2024	Change
	(in thousands of U.S. Dollars ("$"))		%
Discontinued operations			
Loss from discontinued operations	(6,003)	(2,646)	127%
Gain on sale of subsidiary interests	6,986	—	—
Net income (loss) from discontinued operations	983	(2,646)	-137%
Net loss	(3,479)	(7,377)	-53%

Research and Development Expenses

Research and development (R&D) expenses were $1.9 million for the six months ended June 30, 2025 compared to $1.6 million for the six months ended June 30, 2024. The $0.3 million increase was primarily due to higher professional service fees in regulatory and CMC activities, and higher volume of Plinabulin combination therapy research to support strategic business development and partnership initiatives.

The following table summarizes the research and development expenses for the six months ended June 30, 2025 and 2024:

	Six Months Ended June 30,		
	2025	2024	Change
	(in thousands of U.S. Dollars ("$"))		%
Clinical expenses	181	221	-18%
Preclinical expenses	121	15	707%
Professional services	661	598	11%
Personnel compensation and related costs	760	620	23%
Facility and other expenses	153	96	59%
Total research and development	1,876	1,550	21%

General and Administrative Expenses

General and administrative (G&A) expenses were $2.7 million for the six months ended June 30, 2025, compared to $3.1 million for the six months ended June 30, 2024. The $0.4 million decrease was primarily due to lower salary expenses resulting from decrease in administrative headcount, and lower company overhead expenses mainly due to decrease in investor relations services and D&O insurance related costs.

Other Income (Expenses)

Other income for the six months ended June 30, 2025 consisted primarily of foreign exchange gains and interest income. Other expenses for the three months ended June 30, 2024 consisted primarily of foreign exchange losses, offset by interest income.

Non-Accelerated Filer

As a non-accelerated filer, we intend to rely on an exemption from the rule requiring us to provide an auditor's attestation report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and potential exemptions from the rule requiring us to comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis.

Liquidity and Capital Resources

Since inception, we have incurred negative cash flows from our operations. Substantially all of our negative cash flows have resulted from funding our research and development programs and general and administrative costs associated with our operations. We incurred consolidated net losses of $7.4 million and $3.5 million for the six months ended June 30, 2024 and 2025, respectively. As of June 30, 2025 and December 31, 2024, we had an accumulated deficit of $404.8 million and $407.4 million, respectively. Our primary use of cash is to fund research and development costs and for general and administrative costs. Our operating activities used $10.1 million and $12.3 million of cash, including $5.8 million and $6.9 million used in discontinued operating activities, during the six months ended June 30, 2025 and 2024, respectively. We have financed our operations with a combination of equity offerings, shareholder and third-party loans, including bank loans, sale of subsidiary interests and collaboration arrangements. In February 2025, we received approximately $7.4 million in cash as consideration for the first closing of the sale of a portion of our equity interests in SEED. As of June 30, 2025, our continuing operations had cash and cash equivalents of $9.5 million.

Our liquidity is affected by financing activities, our clinical trials, and research and development and general and administrative expenses. We will need, among other things, additional capital resources. We anticipate that our current financial resources will allow us to meet our operational expenses and capital expenditures in the next 12 months after the date of this Quarterly Report on Form 10-Q. We are evaluating various financing alternatives to fund our operations in the medium to long term, including equity and debt financings, potential licensing and partnership arrangements, sale of subsidiary or investee interests, as well as other strategic transactions. There can be no assurance that capital will be available as necessary to meet our working capital requirements or, if the capital is available, that it will be on terms acceptable to us. The issuances of additional equity securities by us may result in dilution in the equity interests of our current shareholders. Obtaining commercial loans, assuming those loans will be available, will increase our liabilities and future cash commitments and may include financial covenants and restrictions. If we are unable to obtain financing in the amounts and on terms deemed acceptable, our business and future success will be materially and adversely affected.

The following table provides information regarding our consolidated cash flows for the six months ended June 30, 2025 and 2024:

	Six Months Ended June 30,	
	2025	2024
	(in thousands of U.S. Dollars ("$"))	
Net cash used in operating activities	(10,072)	(12,254)
Net cash provided by investing activities	17,154	—
Net cash provided by financing activities	—	3,000
Net effect of foreign exchange rate changes	(2)	(100)
Net increase (decrease) in cash and cash equivalents	7,080	(9,354)

The following table provides information regarding cash flows of discontinued operations for the six months ended June 30, 2025 and 2024:

	Six Months Ended June 30,	
	2025	2024
	(in thousands of U.S. Dollars ("$"))	
Net cash used in discontinued operating activities	(5,790)	(6,888)
Net cash provided by discontinued investing activities	9,800	—
Net cash provided by discontinued financing activities	—	—

Cash inflows generated by our discontinued operations were used to support their own operations, including funding their own R&D activities, rather than being transferred to or used by the continuing operations. As such, we believe the liquidity of our continuing operations will not be negatively affected by the absence of discontinued operation's cash flows.

Net Cash Used in Operating Activities

The cash used in operating activities for the six months ended June 30, 2025 and 2024 reflects adjustments to our net loss of $3.5 million and $7.4 million, respectively, for non-cash gains and charges, and changes in components of working capital. During the six months ended June 30, 2025, these non-cash adjustments mainly consisted of $7.0 million of gain on sale of subsidiary interests, $0.4 million of non-cash share-based compensation and $0.4 million of non-cash operating lease expenses. Net cash used in operating activities was $10.1 million for the six months ended June 30, 2025, compared to $12.3 million for the six months ended June 30, 2024. The $2.2 million decrease was primarily due to a decrease of operating cash expenditures during the quarter, partially offset by $0.3 million of cash proceeds from sale of short-term investments classified as trading securities.

The primary use of our cash in the periods presented was to fund our research and development, regulatory and other clinical trial costs and related administrative costs. Our advances to suppliers and other current assets, accounts payable and accrued expense balances in all periods presented were affected by the timing of vendor invoicing and payments.

Net Cash Used in Investing Activities

Net cash provided by investing activities for the six months ended June 30, 2025 was $17.2 million, consisting primarily of $14.9 million cash proceeds from maturity of time deposits, $7.4 million cash consideration received in February 2025 for the first closing of the sale of a portion of our equity interests in SEED, offset by $5.0 million used to purchase time deposits. There were no cash provided by or used in investing activities for the six months ended June 30, 2024.

Net Cash Provided by Financing Activities

There were no cash provided by financing activities for the six months ended June 30, 2025. Net cash provided by financing activities for the six months ended June 30, 2024 was the aggregate net cash proceeds of $3.0 million from the issuance of our equity securities.

Future Liquidity and Material Cash Requirements

We do not expect to generate significant revenue from product sales unless and until we obtain regulatory approval of and commercialize any of our current product candidates. We anticipate that we will continue to generate losses for the foreseeable future as we continue the development of, and seek regulatory approvals for, our current product candidates. In addition, as we have begun reporting with the SEC as a domestic issuer since January 1, 2025, we expect our general and administrative expenses to further increase. Accordingly, we anticipate that we will need additional funding in connection with our future operations.

Our liquidity is affected by financing activities, our clinical trials, and research and development and general and administrative expenses. We will need, among other things, additional capital resources to fund our business activities. There can be no assurance that capital will be available as necessary to meet our working capital requirements or, if the capital is available, that it will be on terms acceptable to us. If we are unable to obtain financing in the amounts and on terms deemed acceptable, our business and future success will be materially and adversely affected. We have based our estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development, regulatory approval and commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures necessary to complete the development, regulatory filing and commercialization of our product candidates.

Our future capital requirements will depend on many factors, including:

- the costs, timing and outcome of regulatory reviews and approvals;
- the ability of our product candidates to progress through clinical development successfully;
- the initiation, progress, timings, costs and results of studies in animals and clinical trials for our other programs and potential product candidates;
- the number and characteristics of the product candidates we pursue;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the extent to which we acquire or in-license other products and technologies;
- our ability to establish and maintain arrangements partnership with other pharmaceutical companies for the development, licensing and commercialization of our assets; and
- our ability to maintain and establish collaboration arrangements on favorable terms, if at all.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity and debt financing, potential licensing and partnership arrangements, sale of subsidiary or investee interests, or other strategic transactions. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our shareholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our shareholders. Debt financing, if available, will increase our liabilities and future cash commitments and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends and may require the issuance of warrants, which could potentially dilute the ownership interest of our shareholders. If we raise additional funds through collaborations, strategic alliances, marketing or distribution arrangements or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams or research programs or to grant licenses on terms that may not be favorable to us. Sale of subsidiary or investee interests, such as the sale of our Series A-1 Preferred Shares of SEED as described under "—Discontinued Operations," will cause our controlling power over such subsidiary or investee to diminish and limit our ability to benefit from potential growth of its business. If we are unable to 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 products or product candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations

Lease commitments

The principal commitments from continuing operations consist of obligations under our operating leases for office space.

We lease all of our facilities and believe our current facilities are sufficient to meet our needs. Our principal executive offices are located in New Jersey, and we also have offices in Beijing and Dalian, China.

We currently lease office space in New Jersey, with total space of 9,727 square feet. The lease expires in February 2027. Our current rent is $26,344 per month. Starting in August 2026, our annual rent will increase by $0.50 per square foot leased. We additionally pay for the cost of utilities, as well as our share of building real estate taxes and building operating expenses. Payments under the lease are expensed on a straight-line basis over the period of the lease.

We lease office space in Dalian, China, with total space of 210.65 square meters and a monthly rent of $1,404. The lease is set to expire on December 31, 2027. Payments under the lease are expensed on a straight-line basis over the period of the lease. We are entitled to receive rent subsidy in the amount of RMB 220,000 (approximately $31,000) from the local government office of Dalian, China, with respect to our prior office lease in Dalian, China.

Other contractual obligations

We enter into agreements in the normal course of business with CROs and institutions to license intellectual property. These contracts are cancelable at any time by us with prior written notice.

Our subsidiary Wanchunbulin has entered into a government grant agreement with specific local authorities in the PRC. Wanchunbulin commits to staying within designated districts, maintaining current tax jurisdictions, and retaining its registered capital, until 2033. Wanchunbulin also undertakes not to establish additional entities in other jurisdictions within Greater China for the purposes of conducting research, development, and commercialization activities related to Plinabulin, provided such activities fall within the scope of the government grant agreement. Otherwise, Wanchunbulin may be required to refund the grants.

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses. We evaluate our estimates and judgments on an ongoing basis, and our actual results may differ from these estimates. We base our estimates on historical experience, known trends and events, contractual milestones and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

There have been no material changes to our critical accounting estimates as of and for the three months ended June 30, 2025, as compared to those described in the section titled "Part I—Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Recent Accounting Pronouncements

See Note 2 to our condensed consolidated financial statements included in this Quarterly Report for recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management has evaluated, with the participation of our Chief Executive Officer, who performs the functions of Principal Executive and Financial Officer under Rule 13a-15 under the Exchange Act, the effectiveness of our disclosure controls and procedures as of the end of the fiscal quarter ended June 30, 2025, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our Principal Executive and Financial Officer has concluded that during the period covered by this report, our disclosure controls and procedures were effective.

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial and accounting officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended June 30, 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

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
31.1 (1)	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 (2)	Certification of Principal Executive Officer and 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
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)

(1) Filed with this Quarterly Report on Form 10-Q.

(2) Furnished with this Quarterly Report on Form 10-Q.

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.

BeyondSpring Inc.

Date: August 13, 2025

/s/ Lan Huang

Name: Lan Huang
Title: Chief Executive Officer
(Duly Authorized Officer and Principal Financial and Accounting Officer)

Exhibit 31.1

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

I, Lan Huang, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BeyondSpring Inc. (the "Company");

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 Company as of, and for, the periods presented in this report;

4. I am 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 Company 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 Company, 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 Company'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 Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company'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 Company'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 Company's internal control over financial reporting.

Date: August 13, 2025

By: /s/ Lan Huang
Name: Lan Huang
Title: Chief Executive Officer (Principal Executive Officer and Principal Financial and Accounting Officer)

Exhibit 32.1

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

I, Lan Huang, Chief Executive Officer of BeyondSpring Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Company's quarterly report on Form 10-Q for the three months ended June 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 13, 2025

By: /s/ Lan Huang
Name: Lan Huang
Title: Chief Executive Officer (Principal Executive Officer and Principal Financial and Accounting Officer)