UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2024

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: 001-36421

Aurinia Pharmaceuticals Inc.

(Exact Name of Registrant as Specified in its Charter)

Alberta, Canada (State or other jurisdiction of incorporation or organization)		
#140, 14315 - 118 Avenue **Edmonton, Alberta T5L 4S6** (Address of principal executive offices)		**98-1231763** (I.R.S. Employer Identification Number)

(250) 744-2487

Registrant's telephone number, including area code

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, 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 ☒

Indicate the number of shares outstanding of each of the registrant's classes of common shares, as of the latest predictable date. As of May 1, 2024, the registrant had 143,019,365 of common shares outstanding.

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

Title of each class	Trading Symbol	Name of exchange on which registered
Common shares, no par value	AUPH	The Nasdaq Global Market LLC

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

AURINIA PHARMACEUTICALS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

(unaudited)	March 31, 2024	December 31, 2023
ASSETS		
Current assets		
Cash, cash equivalents and restricted cash	**$ 64,459**	$ 48,875
Short-term investments	**255,453**	301,614
Accounts receivable, net	**28,909**	24,089
Inventories, net	**39,761**	39,705
Prepaid expenses	**7,646**	9,486
Other current assets	**1,995**	1,031
Total current assets	**398,223**	424,800
Non-current assets		
Long-term investments	**199**	201
Other non-current assets	**1,502**	1,517
Property and equipment, net	**3,198**	3,354
Acquired intellectual property and other intangible assets, net	**4,760**	4,977
Finance right-of-use asset, net	**104,358**	108,715
Operating right-of-use assets, net	**4,394**	4,498
Total assets	**$ 516,634**	$ 548,062
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**50,270**	54,389
Deferred revenue	**4,909**	4,813
Other current liabilities (of which $0.8 million in 2024 and 2023 is due to a related party, respectively)	**1,150**	2,388
Finance lease liability	**13,724**	14,609
Operating lease liabilities	**999**	989
Total current liabilities	**71,052**	77,188
Non-current liabilities		
Finance lease liability	**67,475**	75,479
Operating lease liabilities	**6,339**	6,530
Deferred compensation and other non-current liabilities (of which $8.8 million in 2024 and $7.6 million in 2023 is due to a related party, respectively)	**12,292**	10,911
Total liabilities	**157,158**	170,108
Commitments and contingencies (Note 18)		
SHAREHOLDER'S EQUITY		
Common shares - no par value, unlimited shares authorized, 143,690 and 143,833 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	**1,207,982**	1,200,218
Additional paid-in capital	**105,419**	120,788
Accumulated other comprehensive loss	**(854)**	(730)
Accumulated deficit	**(953,071)**	(942,322)
Total shareholders' equity	**359,476**	377,954
Total liabilities and shareholders' equity	**$ 516,634**	$ 548,062

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

AURINIA PHARMACEUTICALS INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except per share data)

	Three months ended March 31,	
	2024	**2023**
	(unaudited)	
Revenue		
Product revenue, net	**$ 48,073**	$ 34,337
License, collaboration and royalty revenue	**2,230**	72
Total revenue, net	**50,303**	34,409
Operating expenses		
Cost of sales	**7,752**	421
Selling, general and administrative	**47,695**	50,124
Research and development	**5,551**	13,158
Restructuring expenses	**6,683**	—
Other (income) expense, net	**(4,125)**	290
Total cost of sales and operating expenses	**63,556**	63,993
Loss from operations	**(13,253)**	(29,584)
Interest expense	**(1,283)**	—
Interest income	**4,526**	3,814
Net loss before income taxes	**(10,010)**	(25,770)
Income tax expense	**739**	436
Net loss	**(10,749)**	(26,206)
Other comprehensive (loss) gain:		
Unrealized (loss) gain on available-for-sale securities, net of tax ofnil	**(124)**	73
Comprehensive loss	**(10,873)**	(26,133)
Basic and diluted loss per share	**$ (0.07)**	$ (0.18)
Weighted-average common shares outstanding used in computation of basic and diluted loss per share	**144,013**	142,641

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

AURINIA PHARMACEUTICALS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)
(unaudited)

	Common Shares					
Three Months Ended March 31, 2024	**Shares**	**Amount**	**Additional paid in capital**	**Accumulated Other Comprehensive (Loss) Income**	**Accumulated Deficit**	**Total Shareholders' Equity**
Balance at December 31, 2023	**143,833**	**$ 1,200,218**	**$ 120,788**	**$ (730)**	**$ (942,322)**	**$ 377,954**
Shares issued on exercise of stock options and vesting of restricted stock units	**2,231**	**21,134**	**(21,106)**	—	—	**28**
Shares repurchased and cancelled, inclusive of transaction costs	**(2,374)**	**(13,370)**	—	—	—	**(13,370)**
Share-based compensation	—	—	**5,737**	—	—	**5,737**
Unrealized loss on available-for-sale securities, net	—	—	—	**(124)**	—	**(124)**
Net loss	—	—	—	—	**(10,749)**	**(10,749)**
Balance at March 31, 2024	**143,690**	**$ 1,207,982**	**$ 105,419**	**$ (854)**	**$ (953,071)**	**$ 359,476**

	Common Shares					
Three Months Ended March 31, 2023	**Shares**	**Amount**	**Additional paid in capital**	**Accumulated Other Comprehensive (Loss) Income**	**Accumulated Deficit**	**Total Shareholders' Equity**
Balance at December 31, 2022	142,268	$ 1,185,309	$ 85,489	$ (1,061)	$ (864,302)	$ 405,435
Shares issued on exercise of stock options and vesting of restricted stock units	761	7,710	(6,071)	—	—	1,639
Shared-based compensation	—	—	9,467	—	—	9,467
Unrealized gain on available-for-sale securities, net	—	—	—	73	—	73
Net loss	—	—	—	—	(26,206)	(26,206)
Balance at March 31, 2023	143,029	$ 1,193,019	$ 88,885	$ (988)	$ (890,508)	$ 390,408

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

AURINIA PHARMACEUTICALS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
	2024	**2023**
(in thousands)	**(unaudited)**	
Cash flows used in operating activities:		
Net loss	**$ (10,749)**	$ (26,206)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	**4,847**	717
Net amortization of premiums and discounts on short-term investments	**(3,206)**	(2,611)
Share-based compensation expense	**5,737**	9,467
Foreign exchange on finance lease liability	**(6,025)**	—
Other, net	**1,559**	217
Net changes in operating assets and liabilities		
Accounts receivable, net	**(4,820)**	(5,559)
Inventories, net	**(56)**	(6,993)
Prepaid expenses and other current assets	**873**	3,588
Non-current operating assets	**17**	(17)
Accounts payable, accrued and other liabilities	**(6,594)**	(4,117)
Operating lease liabilities	**(181)**	(156)
Net cash used in operating activities	**(18,598)**	(31,670)
Cash flows used in investing activities:		
Purchase of investments	**(121,260)**	(142,397)
Proceeds from investments	**170,505**	167,766
Purchase of property and equipment	**—**	(347)
Capitalized patent costs	**(12)**	(162)
Net cash provided by investing activities	**49,233**	24,860
Cash flows from financing activities		
Repurchase of common shares, net of transaction costs	**(12,301)**	—
Finance lease payments	**(2,778)**	—
Proceeds from exercise of stock options	**28**	1,639
Cash (used in) provided by financing activities	**(15,051)**	1,639
Net increase (decrease) in cash, cash equivalents and restricted cash	**15,584**	(5,171)
Cash, cash equivalents and restricted cash, beginning of period	**48,875**	94,172
Cash, cash equivalents and restricted cash, end of period	**$ 64,459**	$ 89,001
Supplemental cash flow information		
Cash received for interest	**$ 861**	$ 1,595
Cash paid for income taxes	**$ —**	$ (1)
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheets		
Cash, cash equivalents	**$ 63,914**	$ 88,327
Restricted cash	**545**	674
Total cash, cash equivalents and restricted cash	**$ 64,459**	$ 89,001

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

1. Organization and Description of Business

Aurinia Pharmaceuticals Inc. (Aurinia or the Company) is a fully integrated biopharmaceutical company focused on delivering therapies to people living with autoimmune diseases with high unmet medical needs. In January 2021, the Company introduced LUPKYNIS® (voclosporin), the first U.S. Food and Drug Administration (FDA) approved oral therapy for the treatment of adult patients with active lupus nephritis (LN) and continues to conduct clinical and regulatory activities to support the LUPKYNIS development program. Aurinia contracted with Otsuka Pharmaceutical Co., Ltd. (Otsuka) as a collaboration partner for development and commercialization of LUPKYNIS in the European Union (EU), Japan, as well as the United Kingdom, Russia, Switzerland, Norway, Belarus, Iceland, Liechtenstein and Ukraine (collectively, the Otsuka Territories).

On February 15, 2024, the Company announced the conclusion of its strategic review process and actions designed to enhance shareholder value, including an exclusive focus on driving the commercial execution of the LUPKYNIS (voclosporin) business. Aurinia executed a corporate restructuring in the first quarter that reduced employee headcount by approximately 25%. The Company discontinued its AUR300 research and development program and is exploring alternative approaches for AUR200. The corporate restructuring involved the Company reaffirming its commitment to LUPKYNIS growth, while maintaining a sharp focus on operating efficiencies and maximizing cash flows. For further discussion, refer to Note 19, Restructuring.

Aurinia's head office and registered office is located at #140, 14315-118 Avenue, Edmonton, Alberta, Canada T5L 4S6. Aurinia also has a U.S. commercial office located at 77 Upper Rock Circle Suite 700, Rockville, Maryland, 20850 United States.

Aurinia is incorporated pursuant to the Business Corporations Act (Alberta). The Company’s common shares are traded on the Nasdaq Global Market (Nasdaq) under the symbol AUPH.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments considered necessary for fair presentation in accordance with U.S. GAAP. The condensed consolidated balance sheet as of March 31, 2024 was derived from audited annual consolidated financial statements but does not include all annual disclosures required by U.S. GAAP. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. The results of operations for the three months ended March 31, 2024 are not necessarily indicative of the results to be expected for the full year or any other future periods.

These unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Aurinia Pharma U.S., Inc. (Delaware incorporated) and Aurinia Pharma Limited (UK incorporated). All intercompany balances and transactions have been eliminated in consolidation and operate in one segment.

These unaudited condensed consolidated financial statements are presented in U.S. dollars, which is the Company's and all of its foreign subsidiaries' functional currency. Therefore, there is no currency translation adjustment upon consolidation as the remeasurement of gains or losses are recorded in the condensed consolidated statements of operations. All monetary assets and liabilities denominated in a foreign currency are remeasured into U.S. dollars at the exchange rate on the balance sheet date. Non-monetary assets and liabilities (along with their related expenses) are translated at the rate of exchange in effect on the date assets were acquired. Monetary income and expense items are translated at the average foreign currency rate. Foreign exchange gains and losses arising on translation or settlement of a foreign currency denominated monetary item are included in the consolidated statements of operations and recorded in other (income) expense, net.

Significant Accounting Policies

The Company's significant accounting policies have not changed from those previously described in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Product Revenues

We sell LUPKYNIS (voclosporin) primarily to specialty pharmacies and specialty distributors and directly to our ex-U.S. partner Otsuka. These customers subsequently distribute the Company's products to patients and healthcare providers. Revenues from product sales are recognized when the customer obtains control of the Company's product, which typically occurs upon delivery to the customer.

Reserves for discounts and allowances: Product sales are recorded at the net sales price, which includes estimates of variable consideration for which reserves are established. These reserves are based on estimates of the amounts earned or to be claimed on the related sales and are classified as reductions of accounts receivable (if the amount is payable to the customer) or a liability (if the amount is payable to a party other than the customer).

The Company's estimates of reserves established for variable consideration are calculated based upon utilizing the expected value method. The transaction price, which includes variable consideration reflecting the impact of discounts and allowances, may be subject to constraint and is included in the net sales price only to the extent that it is probable that a significant reversal of the amount of the cumulative revenues recognized will not occur in a future period. Amounts related to such items are estimated at contract inception and updated at the end of each reporting period as additional information becomes available.

Significant judgment is required in estimating variable consideration. In making these estimates, the Company considers historical data, including patient mix and inventory sold to customers that has not yet been dispensed. The Company uses a data aggregator and historical claims to estimate variable consideration for inventory sold to customers, including specialty pharmacies and specialty distributors, that has not yet been dispensed to patients. Actual amounts may ultimately differ from the Company's estimates. If actual results vary, the Company adjusts these estimates, which could have an effect on earnings in the period of adjustment. As of March 31, 2024, the Company did not have any material adjustments to variable consideration estimates based on actual results. These specific adjustments are detailed further in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Major Customers: The Company currently has two main specialty pharmacies for U.S. commercial sales of LUPKYNIS and a collaboration partnership with Otsuka for sales of semi-finished product and royalty, collaboration and manufacturing services revenue in the Otsuka Territories. The percentages of total revenues, net from our main customers were as follows:

	Three months ended March 31,	
	2024	**2023**
Two main specialty pharmacies	**91%**	99%
Collaboration partnership	**7%**	—%

In late March 2022, the Company provided a nominal additional discount to both of its two main U.S. specialty pharmacies, applicable for the 2022 calendar year, in connection with holding additional amounts of LUPKYNIS on hand due to supply chain concerns. In December 2022, the Company extended the nominal discount to the end of 2024. Such discounts, or any future discounts, may result in reduced sales to these customers in subsequent periods and substantial fluctuations in revenues from period to period. The Company monitors economic conditions, the creditworthiness of customers and government regulations and funding, both domestically and abroad. The Company regularly communicates with its customers regarding the status of receivable balances. Global economic conditions and customer specific factors may require the Company to periodically reevaluate the collectability of its receivables and based on this evaluation the Company could potentially incur credit losses. The Company has had no historical write-offs related to customers or receivables.

Accounts Receivable, net: Accounts receivable are stated at their net realizable value. The Company's accounts receivable primarily represent amounts due to the Company from product sales and from its Otsuka collaboration agreement (Note 12). As of March 31, 2024 and December 31, 2023, accounts receivable, net are $28.9 million and $24.1 million, respectively. The Company's standard credit terms range from 30 to 45 days. The Company does not assess whether a contract has a significant financing component if the expectation at contract inception is such that the period between the transfer of the promised good to

the customer and receipt of payment will be one year or less. The Company estimates the allowances using the current expected credit loss, or CECL, model. Under the CECL model, the allowances reflect the net amount expected to be collected from the account receivables. Aurinia evaluates the collectability of these cash flows based on the asset's amortized cost, the risk of loss even when that risk is remote, losses over an asset's contractual life, and other relevant information available to the Company. Accounts receivable balances are written off against the allowance when it is probable that the receivable will not be collected. Given the nature of the Company's accounts receivable, it determined that an allowance for current expected credit losses was nil as of March 31, 2024 and December 31, 2023.

Share-Based Compensation: The Company follows ASC Topic 718, *Compensation - Stock Compensation* (ASC 718), which requires the measurement and recognition of compensation expense, based on estimated fair values, for all share-based awards made to employees and directors. The Company records compensation expense based on the fair value on the grant date using the graded accelerated vesting method for all share-based payments related to stock options, performance awards (PAs), restricted stock units (RSUs) and purchases under the Company's 2021 Employee Share Purchase Plan (ESPP). The estimated fair value of performance-based awards is measured on the grant date and is recognized when it is determined that it is probable that the performance condition will be achieved. The Company has elected a policy for all share-based awards to estimate forfeitures based on historical forfeiture experience at the time of grant and revise in subsequent periods if actual forfeitures differ from those estimates.

Restructuring Expenses: Restructuring expense consists primarily of employee severance, contract termination costs and other costs. Liabilities for costs associated with a restructuring activity are recognized when the liability is incurred and are measured at fair value. According to ASC 420, *Exit or Disposal Cost Obligations*, one-time employee severance and termination benefits are expensed at the date the entity notifies the employee of the plan, unless the employee must provide future service, in which case the benefits are expensed in the period when the service ends. One-time termination benefits include severance, continuation of health insurance coverage for certain employees, and other benefits such as outplacement support services for a specified period of time.

Common Shares: The Company's shares have no par value or stated value and therefore, upon repurchase or issuance of shares, all amounts related to the shares are recorded under common shares on the balance sheet. The value of common shares includes cash amounts paid or received for the shares and the fair value of equity awards and warrants. Amounts for common shares are offset by share issue costs or transactions costs associated with repurchases or equity offerings.

Recent Accounting Pronouncements

In December 2023, the FASB issued final guidance in ASU No. 2023-09, Income Taxes (ASC 740): Improvements to Income Tax Disclosures requiring entities to provide additional information in the rate reconciliation and disclosures about income taxes paid. For public business entities, the guidance is effective for annual periods beginning after December 15, 2024. The Company is not early adopting, and therefore, this ASU is not adopted in the current period. The Company does not expect this ASU to have a material impact on the consolidated financial statements.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures which requires public entities to disclose significant segment expenses regularly provided to the chief operating decision-maker. Public entities with a single reporting segment have to provide all disclosures required by ASC 280, including the significant segment expense disclosures. For public business entities, the guidance is effective for annual periods beginning after December 15, 2023. This ASU does not have a material impact on the consolidated financial statements.

3. Fair Value Measurements

The Company's financial instruments consist primarily of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities. The carrying value of accounts receivable, accounts payable and accrued liabilities approximate their fair value because of their short-term nature. Estimated fair value of available-for-sale debt securities are generally based on prices obtained from commercial pricing services.

In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from sources independent from the Company) and to minimize the use of unobservable inputs (the Company's assumptions about how market participants would price assets and liabilities). As a basis for considering such assumptions, a three-tier fair value hierarchy has been established, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 - Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3 - Unobservable inputs that reflect the reporting entity's own assumptions.

The following table summarizes the financial assets (cash, cash equivalents, restricted cash and investments) measured at fair value on a recurring basis:

	March 31, 2024			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash, cash equivalents and restricted cash	**$ 64,459**	**$ —**	**$ —**	**$ 64,459**
Corporate bonds	**—**	**23,745**	**—**	**23,745**
Commercial paper	**—**	**38,243**	**—**	**38,243**
Treasury bills	**—**	**134,974**	**—**	**134,974**
Treasury bonds	**—**	**58,690**	**—**	**58,690**
Total financial assets	**$ 64,459**	**$ 255,652**	**$ —**	**$ 320,111**

	December 31, 2023			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash, cash equivalents and restricted cash	$ 48,875	$ —	$ —	$ 48,875
Corporate bonds	—	33,781	—	33,781
Commercial paper	—	39,304	—	39,304
Treasury bills	—	122,806	—	122,806
Treasury bonds	—	105,924	—	105,924
Total financial assets	$ 48,875	$ 301,815	$ —	$ 350,690

The Company's Level 1 instruments include cash, cash equivalents and restricted cash that are valued using quoted market prices. Aurinia estimates the fair values of investments in corporate debt securities, government and government related securities and certificates of deposits by taking into consideration valuations obtained from third-party pricing services. The fair value of the Company's investments classified within Level 2 is based upon observable inputs that may include benchmark yield curves, reported trades, issuer spreads, benchmark securities and reference data including market research publications. At March 31, 2024 and December 31, 2023, the weighted average remaining contractual maturities of Aurinia's Level 2 investments were approximately 6 months and 7 months, respectively. It is the Company's policy for these investments to have an overall rating of A-1, or higher, by Standard & Poor's, or an equivalent rating by Moody's or Fitch.

No credit loss allowance was recorded as of March 31, 2024 and December 31, 2023, as the Company does not believe the unrealized loss is a result of a credit loss due to the nature of the investments. Aurinia also considered the current and expected future economic and market conditions and determined that the estimate of credit losses was not significantly impacted.

Refer to Note 4, *Cash, Cash Equivalents, Restricted Cash and Investments*, for the carrying amount and related unrealized gains (losses) by type of investment.

4. Cash, Cash Equivalents, Restricted Cash and Investments

As of March 31, 2024 and December 31, 2023, the Company had $320.1 million and $350.7 million, respectively of cash, cash equivalents, restricted cash and investments summarized below. As of March 31, 2024 and December 31, 2023, $255.7 million and $301.8 million were available-for-sale debt securities which are carried at fair market value.

	March 31, 2024			
(in thousands)	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Estimated Fair Value**
Cash, cash equivalents and restricted cash	**$ 64,459**	**$ —**	**$ —**	**$ 64,459**
Corporate bonds	**23,547**	**—**	**(3)**	**23,544**
Commercial paper	**38,273**	**—**	**(30)**	**38,243**
Treasury bills	**134,984**	**—**	**(9)**	**134,975**
Treasury bonds	**58,697**	**—**	**(7)**	**58,690**
Total cash, cash equivalents, restricted cash and short-term investments	**319,960**	**—**	**(49)**	**319,911**
Total long-term investment corporate bond	**199**	**1**	**—**	**200**
Total cash, cash equivalents, restricted cash and investments	**$ 320,159**	**$ 1**	**$ (49)**	**$ 320,111**

	December 31, 2023			
(in thousands)	**Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Estimated Fair Value**
Cash, cash equivalents and restricted cash	$ 48,875	$ —	$ —	$ 48,875
Corporate bonds	33,576	4	—	33,580
Commercial paper	39,305	—	(1)	39,304
Treasury bills	122,757	49	—	122,806
Treasury bonds	105,903	21	—	105,924
Total cash, cash equivalents, restricted cash and short-term investments	350,416	74	(1)	350,489
Total long-term investment corporate bond	200	1	—	201
Total cash, cash equivalents, restricted cash and investments	$ 350,616	$ 75	$ (1)	$ 350,690

As of March 31, 2024 and December 31, 2023, accrued interest receivable from investments was $1.0 million and $0.7 million, respectively. During the three months ended March 31, 2024 and 2023, the Company had $(124) thousand and $73 thousand of unrealized losses and gains on available-for-sale securities, net of tax, respectively, which are included as a component of comprehensive loss on the consolidated statements of operations. Currently, the Company does not intend to sell investments that are in an unrealized loss position, and it is unlikely the Company will be required to sell the investments before recovery of their amortized cost basis, which may be at maturity. The Company has determined that the gross unrealized losses on investments at March 31, 2024, were temporary in nature. Realized gains or losses were immaterial during the three months ended March 31, 2024 and 2023.

The Company's short-term investments as of March 31, 2024 mature at various dates through November 2024 and the longer-term investment matures in August 2025.

5. Inventories, net

Inventories are valued under a standard costing methodology on a first-in, first-out basis and are stated at the lower of cost or net realizable value. The Company capitalizes inventory costs related to products to be sold in the ordinary course of business. The Company makes a determination of capitalizing inventory costs for a product based on, among other factors, status of regulatory approval, information regarding safety, efficacy and expectations relating to commercial sales and recoverability of

costs. Capitalized costs of inventories for LUPKYNIS (voclosporin) mainly include third party manufacturing costs, transportation, storage, insurance, and allocated internal labor. Due to the nature of the Company's supply chain process, inventory that is owned by the Company, is physically stored at third-party warehouses, logistics providers, and contract manufacturers.

The Company assesses recoverability of inventory each reporting period to determine any write-down to net realizable value resulting from excess or obsolete inventories. As of March 31, 2024 and December 31, 2023, Aurinia recorded reserves of finished goods inventories of approximately $0.5 million and $0.8 million, respectively, which were primarily related to potential inventory obsolescence.

The components of inventory, net are as follows:

(in thousands)	March 31, 2024	December 31, 2023
Raw materials	**$ 1,702**	$ 1,746
Work in process	**35,994**	37,376
Finished goods, net of reserve	**2,065**	583
Total inventories, net	**$ 39,761**	$ 39,705

6. Prepaid Expenses

Prepaid expenses are as follows:

(in thousands)	March 31, 2024	December 31, 2023
Prepaid assets	**$ 4,707**	$ 6,892
Prepaid deposits	**2,376**	1,345
Prepaid insurance	**563**	1,249
Total prepaid expenses	**$ 7,646**	$ 9,486

7. Intangible Assets

The following table summarizes the carrying amount of intangible assets, net of accumulated amortization.

	March 31, 2024		
(in thousands)	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Patents	**$ 1,860**	**$ (1,307)**	**$ 553**
Acquired intellectual property and reacquired rights	**15,126**	**(10,937)**	**4,189**
Internal-use software implementation costs	**2,873**	**(2,855)**	**18**
	$ 19,859	**$ (15,099)**	**$ 4,760**

	December 31, 2023		
(in thousands)	Gross Carrying Value	Accumulated Amortization	Net Carrying Amount
Patents	$ 1,847	$ (1,297)	$ 550
Acquired intellectual property and reacquired rights	15,126	(10,737)	4,389
Internal-use software implementation costs	2,873	(2,835)	38
	$ 19,846	$ (14,869)	$ 4,977

Amortization expense for the three months ended March 31, 2024 and 2023 was approximately $0.2 million and $0.5 million, respectively.

8. Property and Equipment, net

Property and equipment, net are as follows:

(in thousands)	March 31, 2024	December 31, 2023
Leasehold improvements	**$ 3,243**	$ 3,243
Office equipment	**631**	631
Furniture	**1,155**	1,155
Computer equipment	**235**	235
	5,264	5,264
Less accumulated depreciation	**(2,066)**	(1,910)
Property and equipment, net	**$ 3,198**	$ 3,354

9. Lease Obligations

The Company has the following lease obligations:

Victoria, British Columbia

In December 2020, Aurinia entered into a lease for office space in Victoria, British Columbia. During September 2022, the fixed lease term ended on the Victoria lease and the Company exercised its right to enter into a short-term month to month lease, of which expenses are incurred in SG&A. On March 31, 2023, the Company terminated the Victoria lease.

Rockville, Maryland

During March 2020, the Company entered into a lease for its U.S. commercial office in Rockville, Maryland for a total of 30,531 square feet of office space. The lease has a remaining term of approximately seven years and has an option to extend for two five-year periods after the initial term of 11 years has elapsed and has an option to terminate after seven years. As of March 31, 2024, the Company had a right-of-use (ROU) asset of $4.4 million and lease liability of $7.2 million included in the condensed consolidated balance sheets. As of December 31, 2023, the Company had a right of use asset of $4.5 million and lease liability of $7.4 million included in the condensed consolidated balance sheets. The Company recorded leasehold improvement incentives in the amount of $2.3 million as additions to the lease liability.

The lease term commenced on March 12, 2020. When measuring the lease liability, the Company discounted lease payments using its incremental borrowing rate at March 12, 2020. The incremental borrowing rate applied to the lease liability on March 12, 2020 was 5.2% based on the financial position of the Company, geographical region and term of lease.

Edmonton, Alberta

During October 2022, the Company entered into a long term lease in Edmonton for a total of 4,375 square feet of office space. The lease is a six year lease and has an option to renew after five years at prevailing market rates. The lease commenced on November 1, 2022 and the Company recorded the lease as an operating lease. The lease is not material to the Company's financial position.

For all leases, the Company incurs variable lease costs. These costs include operation and maintenance costs included in SG&A and are expensed as incurred. The variable lease costs are not material to the Company's financial position.

The operating lease costs for all leases for the three months ended March 31, 2024 and March 31, 2023 were $0.2 million for both periods.

Monoplant

The Company, at lease inception, recorded an ROU asset of approximately $117.6 million and a corresponding lease liability of $94.1 million, which is the present value of the minimum lease payments beginning July 2023 and expiring in 2030. The incremental borrowing rate applied to value the lease liability at inception is 6.19%, which was based on the financial position of the Company, geographical region and term of lease.

As of March 31, 2024, the ROU asset, net and corresponding lease liability balance were $104.4 million and $81.2 million, respectively. As of December 31, 2023, the ROU asset, net and corresponding lease liability balance were $108.7 million and $90.1 million, respectively. For the three months ended March 31, 2024, ROU amortization was $4.4 million and interest expense was $1.3 million.

The following table represents the weighted-average remaining lease terms and discount rates as of March 31, 2024:

	As of March 31, 2024	
	Weighted Average Remaining Lease Term (years)	**Weighted Average Discount Rate**
Operating leases	7.4	5.28%
Finance lease	6.0	6.19%

Supplemental cash flow information related to leases are as follows:

	Three months ended March 31,	
	2024	**2023**
	(in thousands)	
Cash paid for amounts included in the measurement of lease liabilities		
Financing cash flows from finance lease	**$ (2,778)**	$ —
Operating cash flows from finance lease	**$ (1,370)**	$ —
Operating cash flows from operating leases	**$ (276)**	$ (263)
Supplemental disclosure of noncash transactions		
Finance right-of-use asset obtained in exchange for lease obligations (monoplant)	**$ 104,359**	$ —
Finance lease liability arising from obtaining right-of-use assets (monoplant)	**$ 81,199**	$ —

Future maturities of lease liabilities as of March 31, 2024 are as follows:

(in thousands)	Finance Lease Payments	Operating Lease Payments
Remainder of 2024	**$ 12,052**	**$ 838**
2025	**16,070**	**1,141**
2026	**16,070**	**1,169**
2027	**16,070**	**1,198**
2028	**16,070**	**1,227**
Thereafter	**20,087**	**3,303**
Total lease payments	**96,419**	**8,876**
Less: imputed interest	**(15,220)**	**(1,538)**
Total	**$ 81,199**	**$ 7,338**

Beinheim

The Company has entered into an equipment and facility finance lease for a backup manufacturing encapsulation site in Beinheim, France that has not yet commenced operations and is therefore, not included in the above table. As part of the agreement, the Company expects to make payments of approximately $1.0 million prior to lease commencement and the present value of minimum lease payments will total approximately $0.1 million.

10. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are as follows:

(in thousands)	March 31, 2024	December 31, 2023
Employee accruals	**$ 11,412**	$ 22,486
Commercial accruals	**20,078**	16,216
Accrued R&D projects	**2,665**	5,503
Trade payables	**5,672**	4,327
Restructuring accruals	**2,070**	—
Other accrued liabilities	**6,965**	5,190
Income taxes payable	**1,408**	667
Total accounts payable and accrued liabilities	**$ 50,270**	$ 54,389

As of March 31, 2024, liabilities related to restructuring costs of $2.1 million are included within accounts payable and accrued liabilities on the condensed consolidated balance sheets. Restructuring accruals primarily include employee severance and contract termination expenses.

11. Deferred Compensation and Other Non-current Liabilities

The Company recorded other non-current liabilities of $12.3 million and $10.9 million as of March 31, 2024 and December 31, 2023, respectively. The balance as of March 31, 2024 and December 31, 2023 primarily included deferred compensation arrangements whereby certain former executive officers as of March 8, 2012 were provided with future potential employee benefit obligations for remaining with the Company for a certain period of time. These obligations were also contingent on the occurrence of uncertain future events. One of the former officers, Dr. Robert T. Foster, is considered a related party following his appointment to the Board of Directors on September 21, 2023. For further discussion, refer to Note 17, Related Party Transactions.

12. License and Collaboration Agreements

Otsuka Contract

On December 17, 2020, the Company entered into a collaboration and license agreement with Otsuka for the development and commercialization of oral LUPKYNIS in the Otsuka Territories. For full description of the agreements the Company has entered into with Otsuka, please refer to the Annual Report on Form 10-K for the year ended December 31, 2023.

As part of the agreement, the Company received an upfront cash payment of $50.0 million in 2020 for the license agreement and has received $40.0 million in regulatory and pricing approval related milestones. The Company provides semi-finished product of LUPKYNIS to Otsuka on a cost-plus basis, sharing capacity of the monoplant and receives tiered royalties ranging from 10 to 20 percent (dependent on territory and achievement of sale thresholds) on net product sales by Otsuka, along with additional milestone payments based on the attainment of certain annual sales. In addition, certain collaboration services are to be provided to Otsuka on agreed upon rates.

On November 13, 2023, Otsuka filed a new drug application (NDA) for voclosporin for the treatment of lupus nephritis (LN) with the Japanese Ministry of Health, Labour, and Welfare for the manufacture and sale in Japan of voclosporin. The Company is eligible to receive a payment of $10 million upon approval in Japan, which is anticipated in the second half of 2024, along with low double-digit royalties on net sales once launched.

For the three months ended March 31, 2024 and March 31, 2023, the Company recognized $2.2 million and $0.1 million, respectively of license, collaboration and royalty revenue from services provided under the Otsuka agreement.

Riptide License

On August 17, 2021, AUR300 (M2 macrophage modulation via CD206 binding) was secured through a global licensing and research agreement with Riptide Bioscience, Inc. (Riptide), a private company. Effective February 14, 2024 the Company is ceasing future development of AUR300.

13. Shareholder's Equity

On February 15, 2024, Aurinia announced that its Board of Directors had approved a share repurchase program of up to $150 million of common shares of the Company, affirming its confidence in the Company's growth prospects.

On February 29, 2024, Canadian securities regulators granted exemptive relief for the Company’s share repurchase program, authorizing the Company to purchase up to 15 percent of its issued and outstanding shares in any 12-month period for up to 36 months, including under the current program. This program may be implemented through open market or privately negotiated purchases, including under a plan intended to comply with the affirmative defense under Rule 10b5-1, Rule 10b-18 or an automatic securities purchase plan, an accelerated share repurchase program, or other mechanisms. The timing and amount of repurchase transactions will be determined by management based on its evaluation of market conditions, share price, legal requirements, including applicable blackout period restrictions, and other factors. The purchase price of any Common Shares will be determined in accordance with applicable U.S. securities laws and subject to receiving the Exemptive Relief, the value of the consideration offered per Common Share will not exceed the market price of the Common Shares calculated pursuant to applicable Canadian securities regulation.

As of March 31, 2024, the Company had repurchased approximately 2.4 million of Aurinia's common shares for $13.4 million (including transaction costs which consist of commissions and excise tax). The cost of repurchased shares are reported as a reduction in common stock and under Alberta law, the shares were cancelled and not reissued.

14. Net Loss per Common Share

Basic and diluted net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding. Since the Company was in a loss position for all periods presented, diluted net loss per share is the same as basic net loss per share. The numerator and denominator used in the calculation of basic and diluted net loss per common share are as follows:

(in thousands, except per share data)	Three months ended March 31, 2024	2023
Net loss	**$ (10,749)**	$ (26,206)
Weighted average common shares outstanding	**144,013**	142,641
Net loss per common share (expressed in $ per share)	**$ (0.07)**	$ (0.18)

The Company did not include the securities in the following table in the computation of the net loss per common share because the effect would have been anti-dilutive during each period:

(in thousands)	Three months ended March 31, 2024	2023
Stock options	**11,081**	12,678
Unvested performance awards	**1,503**	921
Unvested restricted stock units	**7,326**	6,983
	19,910	20,582

15. Share-based Compensation

The Company's Amended and Restated Equity Incentive Plan (the Plan), which was adopted and approved by the Company's shareholders in June 2021, allows for an issuance of up to an aggregate of 23.8 million shares (inclusive of then outstanding awards) and provides for grants of stock options, performance awards (PAs), and restricted stock units (RSUs) that may be settled in cash and common shares. Also in June 2021, the Company's shareholders adopted and approved the Company's Employee Stock Purchase Plan (2021 ESPP), which allows for the issuance of up to 2.5 million shares. The 2021 ESPP is intended to qualify as an “employee stock purchase plan” under Section 423 of the Internal Revenue Code but also permits the Company to include the employees, including non-United States employees, in offerings not intended to qualify under Section 423. The purpose of the 2021 ESPP is to provide eligible employees with opportunities to purchase the Company’s common shares at a discounted price. As of March 31, 2024, 0.7 million shares were purchased under the ESPP.

In addition to stock options, PAs and RSUs granted under the Plan, the Company has granted certain stock options and RSUs as inducements material to new employees entering employment in accordance with Nasdaq Listing Rule 5635(c)(4). The inducements were granted outside of the Plan.

Stock Options

The Plan requires the exercise price of each option not to be less than the closing market price of the Company’s common shares on the business day immediately prior to the date of grant. The Board of Directors approves the vesting criteria and periods at its discretion. The options issued under the Plan are accounted for as equity-settled share-based payments.

The Company used the Black-Scholes option pricing model to estimate the fair value of the options granted. The assumptions used for the annual volatility and expected life of the options are reviewed and updated annually. The Company considers historical volatility of its common shares in estimating its future stock price volatility. The risk-free interest rate for the expected life of the options was based on the yield available on government benchmark bonds with an approximate equivalent

remaining term at the time of the grant. The expected life is based upon the contractual term, taking into account expected employee exercise and expected post-vesting employment termination behavior.

The following weighted average assumptions were used to estimate the fair value of the options granted during the three months ended March 31, 2024 and March 31, 2023:

	2024	2023
Annualized volatility	**77 %**	71 %
Risk-free interest rate	**4.04 %**	4.08 %
Expected life of options in years	**5.0 years**	5.0 years
Estimated forfeiture rate	**13.1 %**	12.7 %
Dividend rate	**0.0 %**	0.0%
Fair value per common share option	**$ 4.62**	$ 5.44

The following table summarizes the option award activity for the three months ended March 31, 2024:

	March 31, 2024	
	Number of shares (in thousands)	Weighted average exercise price $
Outstanding - December 31, 2023	**11,556**	**$ 10.63**
Granted	**63**	**7.12**
Exercised	**(6)**	**4.85**
Forfeited or cancelled	**(532)**	**11.62**
Outstanding - March 31, 2024	**11,081**	**$ 10.57**

Restricted Stock Units and Performance Awards

The Company has granted RSUs and PAs under the Plan, as well as inducements for certain new hires as discussed above. The RSUs and PAs are fair valued based on the previous business days' market price of common shares on the date of the grant.

The following table summarizes the RSU and PA activity for the three months ended March 31, 2024:

	March 31, 2024	
	Number of shares (in thousands)	Weighted average fair value price $
Unvested balance, December 31, 2023	**7,807**	**$ 9.29**
Granted	**4,491**	**6.94**
Vested	**(2,225)**	**9.48**
Forfeited	**(1,244)**	**9.12**
Unvested balance, March 31, 2024	**8,829**	**$ 8.07**

Share-based Compensation Expense

The Company recognized share-based compensation expense for the three months ended March 31, 2024 and March 31, 2023 as follows:

	Three months ended March 31,	
(in thousands)	**2024**	**2023**
Research and development	**$ (2,166)**	$ 1,590
Selling, general and administrative	**7,537**	7,589
Capitalized under inventories	**366**	288
Share-based compensation expense	**$ 5,737**	$ 9,467

As of March 31, 2024, there was $40.4 million of unrecognized share-based compensation expense related to unvested awards granted which is expected to be recognized over a weighted-average period of approximately 1.6 years.

16. Income Taxes

The effective tax rates for the three months ended March 31, 2024 and March 31, 2023 differed from the federal statutory rate applied to losses before income taxes primarily as a result of the mix of income, losses and valuation allowances.

The Company recognized an income tax expense of approximately $739 thousand and $436 thousand for the three months ended March 31, 2024 and March 31, 2023, respectively. The expense recognized for these periods is a result of income in certain jurisdictions. This tax expense was not offset by a tax benefit as the Company had losses that are fully offset by a valuation allowance in its significant jurisdictions.

17. Related Party Transactions

On September 21, 2023, the Company appointed Dr. Robert T. Foster to the Board of Directors. Dr. Foster is considered a related party since he is one of the former executive officers of the Company who, as of March 8, 2012 was provided with future potential employee benefit obligations for remaining with the Company for a certain period of time. These obligations are contingent on the occurrence of uncertain future events. Dr. Foster was not a related party of the Company between his resignation from the Company in 2014, and his appointment to the Board of Directors on September 21, 2023. As of March 31, 2024, the Company had $0.8 million and $8.8 million of current and non-current liabilities related to Dr. Foster, respectively. As of December 31, 2023, the Company had $ 0.8 million and $7.6 million of current and non-current liabilities related to Dr. Foster, respectively. As of March 31, 2024 and December 31, 2023 the Company had made payments of $ 0.1 million to him for each period as a related party for the deferred compensation.

18. Commitments and Contingencies

The Company may, from time to time, be subject to claims and legal proceedings brought against it in the normal course of business. Such matters are subject to many uncertainties. Management believes the ultimate resolution of such contingencies will not have a material adverse effect on the consolidated financial position of the Company. The Company's material commitments and contingencies have not changed in any material manner from those previously described in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Other Funding Commitments

In the normal course of business, the Company enters into agreements with contract research organizations, contract manufacturing organizations and other third parties for services to be provided to the Company. Generally, these agreements provide for termination upon notice, with specified amounts due upon termination based on the timing of termination and the terms of the agreement. The actual amounts and timing of payments under these agreements are uncertain and contingent upon the initiation and completion of services to be provided to the Company.

19. Restructuring

On February 15, 2024, the Company announced the conclusion of its strategic review process and actions designed to enhance shareholder value, including an exclusive focus on driving the commercial execution of the LUPKYNIS (voclosporin) business. Aurinia executed a corporate restructuring in the first quarter that reduced employee headcount by approximately 25%. The Company discontinued its AUR300 research and development program and is exploring alternative approaches for AUR200. The corporate restructuring involved the Company reaffirming its commitment to LUPKYNIS growth ensuring product quality and patient safety, while maintaining a sharp focus on operating efficiencies and maximizing cash flows. The Company also announced it plans to reduce employee headcount by at least 25% by the end of the first quarter of 2024.

As of March 31, 2024, the restructuring expenses recorded by the Company were as follows:

(in thousands)

		Three months ended March 31, 2024
Employee severance and one time benefits	**$**	**5,207**
Contract terminations		**919**
Other costs		**557**
Total	**$**	**6,683**

During the first quarter of 2024, restructuring expenses of approximately $6.7 million were recorded in connection with this program and are included within operating expenses on the condensed consolidated statements of operations and comprehensive loss.

20. Subsequent Events

From April 1, 2024 through April 30, 2024 the Company has repurchased approximately 1.0 million of additional Aurinia common shares for $5.2 million (including transaction costs). The cost of repurchased shares will be reported as a reduction in common stock and subsequently canceled.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q. The information in this discussion contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended, (the Exchange Act), which are subject to the "safe harbor" created by those sections, as well as "forward-looking information" as defined in applicable Canadian securities laws. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, future financial position, future revenues, projected costs, prospects and plans; objectives of management; the key potential benefits of LUPKYNIS; our estimate, based on our patient-specific estimated glomerular filtration rate (eGFR) dosing regimens, the average utilization in our clinical trials, and accounting for factors including mandatory rebates, channel discounts, and anticipated patient adherence, that we expect our average annualized net realizable revenue per patient to be approximately $70,000 to $75,000; our belief that we have sufficient financial resources to fund our current plans for at least the next few years; our potential to receive certain payments and royalties under our agreement with Otsuka Pharmaceuticals Co. Ltd., or Otsuka. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "project," "predict," "propose," "intend," "continue," "potential," "possible," "foreseeable," "likely," "unforeseen" and similar expressions intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance, time frames or achievements to be materially different from any future results, performance, time frames or achievements expressed or implied by the forward-looking statements. We have made numerous assumptions about the forward-looking statements and information contained herein, including among other things, assumptions about: the accuracy of reported data from third-party studies and reports; that our IP rights are valid and do not infringe the IP rights of third parties; our assumptions relating to the capital required to fund operations for the next few years; the assumption that our current good relationships with our suppliers, service providers and other third parties will be maintained; assumptions relating to the burn rate of our cash for operations; assumptions relating to the capital required to fund operations for the next few years; assumptions relating to the progress of our pre-clinical activities that our third party service providers will comply with their contractual obligations. Even though management believes that the assumptions made, and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. We discuss many of these risks, uncertainties and other factors in greater detail under the heading "Risk Factors" in Part I, Item 1A of our 2023 Annual Report on Form 10-K, as filed with the U.S. Securities and Exchange Commission on February 15, 2024 and with applicable Canadian securities regulatory authorities. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this filing. You should read this discussion completely and with the understanding that our actual future results may be materially different from what we expect. We hereby qualify our forward-looking statements by our cautionary statements. Except as required by law, we assume no obligation to update our forward-looking statements publicly, or to update the reasons that actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Overview

Aurinia is a fully integrated biopharmaceutical company focused on delivering therapies to people living with autoimmune diseases with high unmet medical needs. In January 2021, we introduced LUPKYNIS (voclosporin), the first FDA-approved oral therapy for the treatment of adult patients with active LN. We continue to conduct clinical and regulatory activities to support the LUPKYNIS development program. We contracted with Otsuka as a collaboration partner for the development and commercialization of LUPKYNIS in the Otsuka Territories.

On February 15, 2024, the Company announced the conclusion of its strategic review process and actions designed to enhance shareholder value, including an exclusive focus on driving the commercial execution of the LUPKYNIS business. Aurinia executed a corporate restructuring in the first quarter that reduced employee headcount by approximately 25%. The Company discontinued its AUR300 research and development program and is exploring alternative approaches for AUR200. The corporate restructuring involved the Company reaffirming its commitment to LUPKYNIS growth, while maintaining a sharp focus on operating efficiencies and maximizing cash flows. For further discussion, refer to Note 19, Restructuring.

LUPKYNIS is an orally administered CNI immunosuppressant that has been demonstrated to improve near and long-term outcomes in LN when used in combination with MMF (although MMF is not currently approved as such) and steroids. By inhibiting calcineurin, LUPKYNIS reduces cytokine activation and blocks interleukin IL-2 expression and T-cell mediated immune responses. LUPKYNIS also potentially stabilizes podocytes, which can protect against proteinuria.

Voclosporin, the active ingredient in LUPKYNIS, is made by a modification of a single amino acid of the cyclosporine molecule. The mechanism of action of LUPKYNIS has been validated with certain earlier generation CNIs for the prevention of rejection in patients undergoing solid organ transplants and in several autoimmune indications, including uveitis, keratoconjunctivitis sicca, psoriasis, rheumatoid arthritis, and for LN in Japan. We believe that LUPKYNIS possesses pharmacologic properties with the potential to demonstrate best-in-class differentiation

Recent Developments

Conclusion of Strategic Review Process

Effective February 14, 2024, the Board of Directors elected to conclude its strategic review process.

Aurinia executed a corporate restructuring in the first quarter that reduced employee headcount by approximately 25%. The Company discontinued its AUR300 research and development program and is exploring alternative approaches for AUR200. As previously reported, the Company expects to recognize $50 million to $55 million in annual cost savings, with 75% of those savings recognized in 2024, excluding a one-time restructuring charge of approximately $7 million incurred in the first quarter. The Board of Directors also approved a share repurchase program of up to $150 million worth of our common shares, affirming its confidence in the Company's growth prospects. For further discussion, refer to Note 13, Shareholder's Equity and Note 19, Restructuring.

The price of LUPKYNIS is based on one unit of 60 capsules we refer to as a “wallet”. As of January 1, 2024, the wholesale acquisition cost (WAC) of a LUPKYNIS wallet is $4,898. Based on our patient-specific eGFR dosing regimens, the average utilization in our clinical trials, and accounting for factors including mandatory rebates, channel discounts, and anticipated patient adherence, duration of therapy and compliance, we are adjusting our expected average annualized net realizable revenue per patient for us to be approximately $70,000 - $75,000. When determining the price of LUPKYNIS, we considered the burden of LN disease in the context of value that LUPKYNIS offers to patients and the U.S. healthcare system.

Policies and Significant Judgments and Estimates

There have been no material changes to our critical accounting policies and significant judgments and estimates as described in our Annual Report on Form 10-K for the year ended December 31, 2023.

Product Revenues

We sell LUPKYNIS (voclosporin) primarily to specialty pharmacies and specialty distributors and directly to our ex-U.S. partner Otsuka. These customers subsequently distribute our products to patients and health care providers. Revenues from product sales are recognized when the customer obtains control of our product, which typically occurs upon delivery to the customer.

Reserves for discounts and allowances: Product sales are recorded at the net sales price, which includes estimates of variable consideration for which reserves are established. These reserves are based on estimates of the amounts earned or to be claimed on the related sales and are classified as reductions of accounts receivable (if the amount is payable to our customer) or a liability (if the amount is payable to a party other than our customer).

Our estimates of reserves established for variable consideration are calculated based upon utilizing the expected value method. The transaction price, which includes variable consideration reflecting the impact of discounts and allowances, may be subject to constraint and is included in the net sales price only to the extent that it is probable that a significant reversal of the amount of the cumulative revenues recognized will not occur in a future period. Amounts related to such items are estimated at contract inception and updated at the end of each reporting period as additional information becomes available.

Significant judgment is required in estimating variable consideration. In making these estimates, we consider historical data, including patient mix to accrue for variable consideration related to inventory sold to our customers that has not yet been dispensed to patients. We use a data aggregator and historical claims to estimate variable consideration for inventory sold to our customers, including specialty pharmacies, that has not yet been dispensed. Actual amounts may ultimately differ from our estimates. If actual results vary, we adjust these estimates, which could have an effect on earnings in the period of adjustment. As of March 31, 2024, we did not have any material adjustments to variable consideration estimates based on actual results. These specific adjustments are detailed further in our Annual Report on Form 10-K for the year ended December 31, 2023.

Results of Operations

Three Months ended March 31, 2024 compared to Three Months ended March 31, 2023

The following table sets forth our results of operations for the three months ended March 31, 2024 and March 31, 2023.

	Three months ended March 31,		
(in thousands)	**2024**	**2023**	**Change**
Revenue			
Product revenue, net	**$ 48,073**	$ 34,337	$ 13,736
License, collaboration and royalty revenue	**2,230**	72	2,158
Total revenue, net	**50,303**	34,409	15,894
Operating expenses			
Cost of sales	**7,752**	421	7,331
Selling, general and administrative	**47,695**	50,124	(2,429)
Research and development	**5,551**	13,158	(7,607)
Restructuring expenses	**6,683**	—	6,683
Other (income) expense, net	**(4,125)**	290	(4,415)
Total cost of sales and operating expenses	**63,556**	63,993	(437)
Loss from operations	**(13,253)**	(29,584)	16,331
Interest expense	**(1,283)**	—	(1,283)
Interest income	**4,526**	3,814	712
Net loss before income taxes	**(10,010)**	(25,770)	15,760
Income tax expense	**739**	436	303
Net loss	**$ (10,749)**	$ (26,206)	$ 15,457

Total Revenue, Net

Total net revenue was $50.3 million and $34.4 million for the three months ended March 31, 2024 and March 31, 2023, respectively.

We currently sell to two main specialty pharmacies for U.S. commercial sales of LUPKYNIS and a collaboration partnership with Otsuka for sales of semi-finished product and license, collaboration and royalty revenue in the Otsuka Territories.

The percentage of total revenues, net from our main customers were as follows:

	Three months ended March 31,	
	2024	**2023**
Two main specialty pharmacies	**91%**	99%
Collaboration partnership	**7%**	—%

Product Revenue, Net

Net product revenue was $48.1 million and $34.3 million for the three months ended March 31, 2024 and March 31, 2023, respectively. The increase is primarily due to an increase of sales of LUPKYNIS to our two main specialty pharmacies, driven predominantly by further penetration of the LN market.

This penetration can be demonstrated by a total of approximately 2,178 patients on therapy as of March 31, 2024, compared to approximately 1,731 patients on therapy as of March 31, 2023. The increase in patients was driven by 448 additional patient start forms and 148 new patients who were either restarting LUPKYNIS or receiving it through a hospital pharmacy during the three months ended March 31, 2024, compared to 466 PSFs received during the three months ended March 31, 2023.

Additionally, our 12-month persistency rate has increased to 56% at March 31, 2024 from approximately 51% at March 31, 2023.

License, Collaboration and Royalty Revenue

License, collaboration and royalty revenue was $2.2 million and $0.1 million for the three months ended March 31, 2024 and March 31, 2023, respectively. The increase is due to manufacturing services revenue from Otsuka related to shared capacity services that commenced in the third quarter of 2023.

Cost of Sales

Cost of sales was $7.8 million and $0.4 million for the three months ended March 31, 2024 and March 31, 2023, respectively. The increase is primarily due to increased sales of LUPKYNIS (voclosporin), coupled with the amortization of the monoplant finance right of use asset, which was placed into service in late June 2023.

Gross Margin

Gross margin for the three months ended March 31, 2024 and March 31, 2023 was approximately 85% and 99%, respectively. The decrease in gross margin is due to the increase in cost of sales.

Selling, General and Administrative Expenses

SG&A expenses decreased to $47.7 million for the three months ended March 31, 2024 compared to $50.1 million for the three months ended March 31, 2023. SG&A expenses consisted of the following:

	Three Months Ended March 31,	
(in thousands)	**2024**	**2023**
Salaries, incentive pay and employee benefits	**$ 21,661**	$ 22,298
Professional fees and services	**12,954**	13,258
Share-based compensation expense	**7,537**	7,589
Other public company costs, facility costs, insurance, information technology, amortization of property and equipment	**2,842**	3,822
Travel, trade shows and sponsorships	**2,701**	3,157
	$ 47,695	$ 50,124

The primary drivers for the decrease were lower employee costs due to the reduction in general and administrative headcount, which occurred late in the first quarter of 2024, lower corporate costs related to insurance and information technology and lower spend for travel and business meetings.

Research and Development Expenses

R&D expenses were $5.6 million and $13.2 million for the three months ended March 31, 2024 and March 31, 2023, respectively. R&D expenses consisted of the following:

	Three Months Ended March 31,	
(in thousands)	**2024**	**2023**
Contract research organizations (CRO) and developmental expenses	**$ 3,116**	$ 4,230
Clinical supply and distribution	**915**	3,273
Salaries, incentive pay and employee benefits	**3,492**	3,825
Share-based compensation expense	**(2,166)**	1,590
Other costs	**194**	240
	$ 5,551	$ 13,158

The primary drivers for the decrease were due to a reduction in share-based compensation related to the reduction in headcount, which occurred late in the first quarter of 2024 and a decrease of clinical supply and distribution costs related to ceasing development of our AUR200 and AUR300 programs.

Restructuring Expenses

During the first quarter of 2024, restructuring expenses were approximately $6.7 million which includes employee severance, one-time benefit payments and contract termination expenses. The company recognized the majority of the planned restructuring costs in the first quarter.

Other (Income) Expense, net

Other (income) expense, net was $(4.1) million and $0.3 million for the three months ended March 31, 2024 and March 31, 2023, respectively. The increase was primarily due to the foreign exchange remeasurement of the monoplant lease liability, which commenced in June 2023 and is denominated in CHF.

Interest Expense

Interest expense was $1.3 million and nil for the three months ended March 31, 2024 and March 31, 2023, respectively. The interest expense is due to the monoplant finance lease, which commenced in June 2023 and is denominated in CHF.

Interest Income

Interest income was $4.5 million and $3.8 million for the three months ended March 31, 2024 and March 31, 2023, respectively. The increase is due to higher yields on our investments as a result of increased interest rates.

Liquidity and Capital Resources

As of March 31, 2024, we had cash, cash equivalents and restricted cash of approximately $64.5 million and investments of $255.7 million compared to cash, cash equivalents and restricted cash of $48.9 million and investments of $301.8 million at December 31, 2023. The decrease is primarily related to the continued investment in commercialization activities and post approval commitments of our approved drug, LUPKYNIS, monoplant payments, share repurchases and restructuring related payments partially offset by an increase in cash receipts from sales of LUPKYNIS and payments from Otsuka. Cash, cash equivalents and restricted cash and investments are primarily held in U.S. dollars. As of March 31, 2024 and December 31, 2023, we had working capital of $327.2 million and $347.6 million, respectively.

We are devoting the majority of our operational efforts and financial resources towards the commercialization and post- approval commitments of our approved drug, LUPKYNIS. Taking into consideration the cash and cash equivalents and investments as of March 31, 2024, we believe that our cash position is sufficient to fund our current plans which include funding commercial activities, such as our FDA related post approval commitments, manufacturing and packaging commercial drug supply, funding our supporting commercial infrastructure, funding our working capital obligations and share repurchases for at least the next few years.

Cash Flow Summary

The following table summarizes our cash flows for the three months ended March 31, 2024 and March 31, 2023:

	Three Months Ended March 31,	
(in thousands)	**2024**	**2023**
Net cash (used in) provided by:		
Operating activities	**$ (18,598)**	$ (31,670)
Investing activities	**49,233**	24,860
Financing activities	**(15,051)**	1,639
Net increase (decrease) in cash and cash equivalents	**$ 15,584**	$ (5,171)

Net cash used in operating activities was $18.6 million for the three months ended March 31, 2024 compared to $31.7 million for the three months ended March 31, 2023. The decrease is primarily due to an increase in cash receipts from sales of LUPKYNIS and cash receipts from Otsuka. See "Total Revenue" above for further discussion regarding our increased sales of LUPKYNIS.

Cash provided by investing activities was $49.2 million during the three months ended March 31, 2024 compared to $24.9 million during the three months ended March 31, 2023. The increase was primarily related to the timing of proceeds of investments.

Cash used in financing activities was $15.1 million during the three months ended March 31, 2024 compared to cash provided by financing activities of $1.6 million during the three months ended March 31, 2023. The decrease was primarily due to share repurchases which began in February 2024 and quarterly lease payments for our monoplant finance lease, which commenced during the third quarter of 2023.

Share Repurchase Program

In February 2024, our Board of Directors approved a share repurchase program of up to $150 million of our common shares. On February 29, 2024, Canadian securities regulators granted exemptive relief for the Company’s share repurchase program, authorizing the Company to purchase up to 15 percent of its issued and outstanding shares in any 12-month period for up to 36 months, including under the current program.

As of March 31, 2024, we had repurchased approximately 2.4 million of our common shares for $13.4 million (including transaction costs which consist of commissions and excise tax). The cost of repurchased shares is reported as a reduction in common stock and the repurchased shares were subsequently canceled.

Off-Balance Sheet Arrangements

During the periods presented, we did not have, nor do we currently have, any off-balance sheet arrangements as such term is defined in Item 303(a)(4)(ii) of Regulation S-K under the Securities Act.

Contractual Obligations

There have been no material changes outside the ordinary course of business to our contractual obligations and commitments as described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risks

Our activities can expose us to market risks which include interest rate risk, foreign currency risk, inflation risk and credit risk. Risk management is carried out by management under policies approved by our Board of Directors, with oversight provided by

the Audit Committee of our Board of Directors. Our overall risk management program seeks to minimize adverse effects on our financial performance.

Interest Rate Risk

Financial assets and financial liabilities with variable interest rates expose us to cash flow interest rate risk. We manage our interest rate risk by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct
operations on a day-to-day basis. As of March 31, 2024, our investment portfolio includes cash, cash equivalents, restricted cash and investments of $320.1 million that earn interest at various rates. Our investment portfolio is maintained in accordance with our investment policy, which defines allowable investments, specifies credit quality standards and limits the credit exposure of any single issuer. Our investments held during the year were comprised of highly rated instruments such as certificates of deposits, money market instruments, obligations issued by the U.S. government and U.S. government agencies as well as corporate debt securities. As of March 31, 2024, these instruments primarily have a maturity of less than a year.

As of March 31, 2024, a hypothetical decrease of 100 basis points on the interest rates of our investments would result annually in $2.6 million less interest in our portfolio. We do not believe that the results of operations or cash flows would be affected to any significant degree by a sudden change in market interest rates relative to our investment portfolio, due to the short-term nature of the investments and our current ability to hold these investments to maturity.

Accounts receivable, accounts payable and accrued liabilities bear no interest. We do not believe that our results of operations or cash flows would be affected to a significant degree by a sudden change in market interest rates relative to our investment portfolio.

Foreign Currency Risk

We are exposed to financial risk related to the fluctuation of foreign currency exchange rates. Foreign currency risk for the Company is the risk variations in exchange rates between the U.S. dollar and foreign currencies, primarily with the Swiss Franc, Canadian dollar and Great British Pound, which could affect our operating and financial results.

As of March 31, 2024, we had an $81.2 million finance lease liability on our balance sheet related to the monoplant. An assumed 10% fluctuation in the Swiss Franc would have an approximate $8.1 million fluctuation in the valuation of the lease liability.

There were no other foreign currency fluctuations that would have had a material impact on our financial condition or results of operations as of March 31, 2024.

Inflation Risk

Inflation has been increasing in recent periods and is expected to continue to be volatile in the future. Inflation generally affects us by increasing our cost of labor, commercial support, manufacturing and clinical trial expenditures. In addition, inflation also impacts our government and payer rebates as it pertains to the consumer price index (CPI) penalty. Our investment portfolio may experience the risk of realized losses on our investments if we were to sell before maturity due to the market volatility caused by increased interest rates.

Credit Risk

Our exposure to credit risk generally consists of cash and cash equivalents, investments and accounts receivable. We place our cash and cash equivalents with highly rated financial institutions and invest the excess cash in highly rated investments. It is the
Company's intent for these investments to have an overall rating of A-1, or higher, by Standard & Poor’s, or an equivalent rating by Moody’s or Fitch. Our investment policy limits investments to certain types of debt and money market instruments issued by institutions primarily with investment grade credit ratings and places restriction on maturities and concentrations by asset class and issuer.

We are subject to credit risk in connection with our accounts receivable due from our two main specialty pharmacies for U.S. commercial sales and collaboration partnership with Otsuka which accounted for the majority of our accounts receivable, net balances as of March 31, 2024. We monitor economic conditions, including the creditworthiness of our customers and collaboration partner. We regularly communicate with our customers regarding the status of receivable balances and have not experienced and issues with collectability. The timing between the recognition of revenue for product sales and the receipt of

payment is not significant. Our standard credit terms range from 30 to 45 days. During the quarter ended March 31, 2024, we did not recognize any allowance for credit losses related to credit risk for our customers or write any amounts off.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our principal executive officer and principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of March 31, 2024, have concluded that, based on such evaluation, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, and is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarter ended March 31, 2024 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 be involved in various claims and legal proceedings relating to claims arising out of our operations. 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. For further discussion, refer to Note 18, Commitments and Contingencies.

There are no material developments to report in respect of the litigation described in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Item 1A. Risk Factors.

Under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023 we identified important factors that could affect our financial performance and could cause our actual results for future periods to differ materially from our anticipated results or other expectations, including those expressed in any forward-looking statements made in this Quarterly Report. There has been no material change in our risk factors subsequent to the filing of our prior reports referenced above except as mentioned below. However, the risks described in our reports are not the only risks we face. Additional risks and uncertainties that we currently deem to be immaterial or not currently known to us, as well as other risks reported from time to time in our reports to the SEC, also could cause our actual results to differ materially from our anticipated results or other expectations.

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

Issuer Purchases of Equity Securities

The following table summarizes our common share activity of our repurchased shares under our share repurchase program announced on February 15, 2024. Refer to Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" for further details of the share repurchase program.

Period	Total number of shares purchased	Average price paid per share in $	Total number of shares purchased as part of publicly announced program	Approximate dollar value of shares that may yet be purchased under program (in thousands)[1][2]
2/21/2024-3/21/2024	1,732,787	$5.77	1,732,787	$140,000
3/22/2024-3/28/2024	640,587	$4.98	640,587	$136,809
Total	2,373,374		2,373,374	

(1) The approximate value of shares that may yet be purchased under the program does not include commissions that may be paid to brokers in connection with such purchases.

(2) As of March 28, 2024, if calculated under the exemptive relief, value of shares that may yet be repurchased would be approximately $96.8 million. The calculation is based on 15% of our common shares outstanding before the repurchase program began less shares repurchased multiplied by the close price as of March 28, 2024.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

The following exhibits are filed as part of this report:

Exhibit Number	Description
3.1	Articles of Amalgamation, as amended, as currently in effect (filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K with the SEC on February 24, 2021 and incorporated herein by reference)
3.2	Amended and Restated By-Law No. 2 amended as of April 23, 2021 (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on April 27, 2021 and incorporated herein by reference)
3.4#	Separation Agreement between Aurinia Pharma U.S. Inc. and Volker Knappertz dated March 4, 2024
31.1*	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

\# Certain portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K because they are not material and are the type that Aurinia treats as private or confidential.

** Furnished herewith. Exhibits 32.1 and 32.2 are being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall such exhibit be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise specifically stated in such filing.

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.

AURINIA PHARMACEUTICALS INC.

May 1, 2024 By: /s/ Peter Greenleaf

Peter Greenleaf
Chief Executive Officer, Director
(Principal Executive Officer)

May 1, 2024 By: /s/ Joseph Miller

Joseph Miller
Chief Financial Officer
(Principal Financial and Accounting Officer)

March 4, 2024

CONFIDENTIAL – NOT FOR DISCLOSURE VIA ELECTRONIC MAIL

Volker Knappertz, M.D.
[redacted]

Re: Severance Agreement, Release, and Covenant Not To Sue

Dear Volker:

As we have discussed, your employment with Aurinia Pharma U.S., Inc. ("Corporation") will terminate today, March 4, 2024 ("Termination Date").

Effective as of the Termination Date, you are to cease all efforts on behalf of the Corporation – you are not to hold yourself out as an employee, agent, or authorized representative of the Corporation, negotiate or enter into any agreements on behalf of the Corporation, or otherwise bind the Corporation in any way.

Following the Termination Date, regardless of whether you sign this letter agreement, you will receive your final paycheck, which will include wages, the 2024 merit increase retroactive to January 1, 2024 through the Termination Date and all accrued but unused vacation through the Termination Date. Also, regardless of whether you sign this letter agreement, you also will receive under separate cover information regarding your right, at your own cost, to continuation health care coverage under the Consolidated Omnibus Budget Reconciliation Act. You will receive information regarding any conversion, distribution, or other rights relating to these benefits under separate cover from the applicable plan provider.

To ensure an amicable and smooth transition, the Corporation offers you the following severance package pursuant to the terms of this letter agreement, as stated below:

1. **Severance Payments**. In exchange for your agreement to the release and covenant not to sue set forth below, provided you do not timely revoke your signature, and consistent with the Employment Agreement you signed dated July 11, 2022, the Corporation will provide you with:

   (a) A payment of $542,062.50 (FIVE HUNDRED FORTY-TWO THOUSAND SIXTY-TWO DOLLARS AND FIFTY CENTS) less all
   required withholdings, representing twelve months of your base salary. The severance payment will be paid in a lump sum on the second payroll date following the Effective Date of the letter agreement;

Certain identified information has been excluded from this exhibit because it both (i) is not material and (ii) would be competitively harmful if publicly disclosed.

(b) A payment of $327,819.00 (THREE HUNDRED TWENTY-SEVEN THOUSAND EIGHT HUNDRED NINETEEN DOLLARS AND ZERO
CENTS), less all required withholdings, representing the 2023 Discretionary Bonus Payment pursuant to Section 5 of the Employment Agreement dated July 11, 2022, paid in a lump sum, no later than the second payroll date following the Effective Date of this letter agreement;

(c) If you properly elect to continue coverage in the Corporation's medical, dental, and vision plan(s) pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") and the applicable terms of the plan, the Corporation will pay all COBRA premiums (at the same level of coverage or less for you in effect immediately prior to the Termination Date) for the first twelve (12) months of such coverage unless your COBRA coverage period ends earlier or you obtain no less favorable health insurance coverage through new employment using commercially reasonably efforts to obtain such coverage (the "COBRA Payment Period"). Any further coverage beyond this COBRA Payment Period will be at your expense.

Should the COBRA policy lapse due to your non-payment of any employee premiums and/or your failure to submit required COBRA forms, it shall be your responsibility to cure such defects, and the Corporation will not be held liable for any lapses in coverage and will not be required to make any payments for continued healthcare coverage for you during any lapse in COBRA coverage.

Should you, during the COBRA Payment Period, become eligible to receive health insurance benefits from another employer, you must notify the Corporation within ten (10) business days of such event. Upon such notification, the COBRA Payment Period will immediately terminate if such coverage is no less favorable, and the Corporation will have no further obligation to pay the COBRA premiums for you.

If the Corporation, in its sole discretion, determines the payments of any COBRA premiums would violate the nondiscrimination rules or cause the reimbursement of claims to be taxable under the Patient Protection and Affordable Care Act of 2010, together with the Health Care and Education Reconciliation Act of 2010 (collectively, the "Act") or Section 105(h) of the Internal Revenue Code, the premium payments will be imputed as income and treated as taxable to you to the extent necessary to eliminate any discriminatory treatment or taxation under the Act or Section 105(h) of the Code.

(d) Outplacement services in the amount of $52,000 for twelve (12) months through LHH Programs paid by the Corporation to LHH on your behalf. This must be initiated by you within 90 days of the Effective Date.

In connection with the above severance payments, the Corporation will issue you a Form W-2. You acknowledge and agree that the Corporation has made no representations to you regarding the tax consequences of any financial consideration provided to you under this letter agreement, and that you are solely and entirely responsible for the payment and discharge of any additional federal, state, and local taxes, if any, that may, at any time, be found to be due on, or as a result of, any amount that is provided to you under this letter agreement. In that regard, you agree to indemnify, defend, and hold the Corporation, or any of its parent corporations, subsidiaries, or related entities, harmless from any claim or liability for any such taxes and related penalties and/or interest owed by you, in the event such taxes, penalties, and/or interest are assessed by the United States Internal Revenue Service or any other taxing authority.

You acknowledge and agree that, absent this letter agreement, you have no legal, contractual, or other entitlement to the payments set forth in this paragraph 1, and such payments and other benefits constitute valid and sufficient consideration for your release of claims and other obligations set forth below and that the payments constitute at least the full amount to which you are entitled under the Employment Agreement dated July 11, 2022 and you acknowledge that you are not entitled to any further payments under the Corporation's Severance Pay Policy.

You agree that the Employment Agreement is terminated, is of no further force and effect, and that, other than as spelled out below, you are not entitled to any further payments or benefits under the Employment Agreement, including any further severance payments or incentive compensation. Notwithstanding the prior sentence, you and the Corporation agree that the restrictions in, and requirements of, Paragraphs 19, 20, 21, 24, 25, 26, 27, 28, 29, 30, 31, 34, 36, 38, Schedule B and Schedule D of the Employment Agreement shall remain in full force and effect and be enforceable and shall survive the ending of your employment.

You acknowledge and agree that, should you breach any of your commitments in this letter agreement, the Corporation may, in addition to pursuing all legal and equitable rights and remedies that might be available to it, without limitation, terminate any payment or any other obligations otherwise due and owing to you under this letter agreement.

2. **No Other Compensation Or Benefits.** Except as provided above, you shall not be entitled to any other or further compensation, remuneration, benefits, reimbursement, or payments from the Corporation.

3. **No Admission Of Liability.** This letter agreement is a result of a compromise and shall never be construed as, and is not, an admission by the Corporation (or its parent corporations, subsidiaries, and/or affiliates) of any liability, wrongdoing, or responsibility on their part.

4. **Release & Covenant Not To Sue.** In exchange for the consideration outlined in paragraph 1 above, you hereby waive and release any and all claims you have or might have against the Corporation and any of its predecessors, subsidiaries, affiliates, and related entities or any of their past and present officers, directors, shareholders, agents, attorneys, employees, successors, and all other related or affiliated persons, firms, or entities ("Released Parties"), arising from or related to your employment with and/or the termination of your employment from

the Corporation. These claims include, but are not limited to, all claims arising under federal, state, and local statutory or common law; those covered by the Americans With Disabilities Act, the Age Discrimination In Employment Act ("ADEA"), Title VII of the Civil Rights Act, and the Family and Medical Leave Act ("FMLA"); and all other claims for breach of contract, tort, wrongful termination, unpaid wages, and relating to any other law prohibiting employment discrimination or relating to employment. **This is a general release.** You expressly acknowledge that this general release includes, but is not limited to, any and all claims arising out of or related to your employment with and separation from the Corporation.

By signing this letter agreement, you expressly acknowledge and represent that (a) you have suffered no injuries or occupational diseases arising out of or in connection with your employment with the Corporation; (b) you have received all wages to which you were entitled as an employee of the Corporation; (c) you received all leave to which you were entitled under the FMLA; and (d) you are not aware of any facts or circumstances constituting a violation of the FMLA, the Fair Labor Standards Act, or any applicable state leave or wage payment law.

You expressly state, understand, intend, and agree that this letter agreement forever precludes you from bringing, instituting, maintaining, further pursuing, or participating in any lawsuit against the Released Parties for any causes or claims released in this paragraph 4, other than to enforce its terms and/or compliance with the Older Workers Benefit Protection Act ("OWBPA"). You specifically waive any right to become, and promise not to become, a representative or member of any class, collective or multi-party action or proceeding in which a claim against the Released Parties is made in which the Corporation or any Released Parties identified in this letter agreement is a party.

You represent that you have not filed or otherwise initiated any lawsuit, charge, claim, or demand against any of the Released Parties. Nothing in this letter agreement is intended to impair your rights under whistleblower laws or cause you to disclose your participation in any governmental whistleblower program or any whistleblowing statute(s) or regulation(s) allowing for anonymity.

Additionally, nothing in this letter agreement prohibits, prevents, or otherwise limits you from filing a charge or complaint with or participating, testifying, or assisting in any investigation, hearing, or other proceeding before any federal, state, or local government agency (e.g., EEOC, NLRB, SEC) or in any legislative or judicial proceeding nor does anything in this letter agreement preclude, prohibit or otherwise limit, in any way, your rights and abilities to contact, communicate with or report unlawful conduct, or provide documents, to federal, state, or local officials for investigation or participate in any whistleblower program administered by any such agencies. However, to the maximum extent permitted by law, you agree that if such an administrative claim is made with the EEOC, NLRB or any state or local government agency equivalent, you shall not be entitled to recover any individual monetary relief or other individual remedies. In addition, nothing in this letter agreement, including but not limited to the release of claims nor the confidentiality, non-disparagement, affirmations, liquidated damages, cooperation, and/or return of property clauses, prohibits you from: (1) reporting possible violations of federal or other law or regulations, including any possible securities laws violations, to any governmental agency or entity, including but not limited to the U.S. Department of Justice, the U.S. Securities and

Exchange Commission, the Commodity Futures Trading Commission, the U.S. Congress, or any agency Inspector General; (2) making any other disclosures that are protected under the whistleblower provisions of federal or other law or regulations; or (3) filing a charge or complaint or otherwise fully participating in any governmental whistleblower programs, including but not limited to any such programs managed or administered by the U.S. Securities and Exchange Commission, the Commodity Futures Trading Commission and/or the Occupational Safety and Health Administration. You are not required to notify or obtain permission from the Corporation when filing a governmental whistleblower charge or complaint or engaging or participating in protected whistleblower activity. Moreover, nothing in this letter agreement prohibits or prevents you from receiving individual monetary awards or other individual relief by virtue of participating in such governmental whistleblower programs.

Additionally, nothing in this letter agreement will waive, relinquish, diminish, or in any way affect (i) any vested rights you may have under any Corporation retirement plan; (ii) any rights or claims that, as a matter of law, cannot be released or waived; or (iii) your right to challenge the validity and enforceability of this letter agreement's release of claims under the ADEA.

5 . **Confidentiality Of Letter Agreement And Business Information .** You represent and warrant that you will keep the terms of this letter agreement strictly confidential, and that you will not disclose them to anyone, unless such disclosure is (a) lawfully required by any governmental agency, including government taxing authorities; (b) subpoenaed; (c) otherwise required to be disclosed by law (including legally required financial reporting); or (d) necessary in any legal proceeding in order to enforce any provision of this letter agreement. You agree to provide the Corporation five days' written notice prior to any such required or necessary disclosure. You and the Corporation acknowledge and agree that the provisions of this paragraph 5 create no liability for disclosures made: (a) prior to your execution of this letter agreement; (b) by persons from public information released prior to your execution of this letter agreement; (c) pursuant to paragraph 8 to enforce the terms of this letter agreement; or (d) as otherwise compelled by operation of law.

The foregoing notwithstanding, you and the Corporation acknowledge that you may discuss the contents of this letter agreement with your spouse, attorney, and/or tax advisor, and you shall be liable for the actions of your spouse, attorney, and/or tax advisor with respect to their compliance with the confidentiality obligation of this paragraph.

You acknowledge and affirm your continuing obligation to keep confidential any and all confidential or proprietary information that you acquired during your employment with the Corporation. You agree not to disclose any such information to any person or entity outside of the Corporation at any time in the future or to use any such information for the benefit of anyone other than the Corporation. You agree to continue to be bound by any other preexisting agreement relating to the Corporation's proprietary information and your obligation to maintain the confidentiality of such information. *Even if you do not execute this letter agreement, these confidentiality obligations continue to apply to you*.

You understand and agree that this letter agreement shall not be admissible as evidence in any court or administrative proceeding; provided, however, that either party may submit this letter agreement to an appropriate legal forum in the event of an alleged breach of any of its terms.

6. **No Disparagement.** You agree not to make any disparaging, or defamatory statements or communications about the Corporation or any of the other Released Parties.

7. **Return of Corporation Property.** As of the Termination Date, you shall return to the Corporation all of the Corporation's property in your possession including, but not limited to: computers; cellular phones; credit cards; files, notes, books, binders, manuals, and other printed material; computer disks and software; client files; and all other tangible and intangible property belonging to the Corporation and obtained by you in connection with your employment with the Corporation, including all copies of such property, in any form, electronic or otherwise. *You agree to provide the Corporation with any password(s) you installed and/or used on any Corporation computer or other Corporation property.*

8. **Remedy.** Failure to abide by the terms of this letter agreement, including those of paragraphs 5, 6, 7, and/or 9, shall constitute a breach of this letter agreement and shall entitle the Corporation and the Released Parties, where appropriate, to immediate injunctive relief to enjoin further breaches of the aforementioned paragraphs, consequential damages, and reimbursement of all fees and costs actually incurred in bringing such legal action.

9. **Future Cooperation.**

(a) At any time following the Termination Date, you agree to cooperate fully and completely with the Corporation, its advisors, and its legal counsel and respond to questions candidly and truthfully with respect to any internal inquiry or investigation, any federal, state, or local agency investigation, or any legal proceeding involving the Corporation or any parent, predecessor, subsidiary, affiliate, or related entity (collectively for this paragraph 9 only, "the Corporation Entities"). Such cooperation shall include being available at reasonable times and places for interviews, reviewing documents, testifying in depositions or legal or administrative proceedings, and otherwise meeting with the Corporation in connection with the preparation of defenses to any pending or potential future claims against any of the Corporation Entities. The Corporation agrees to reimburse you for all reasonable out-of-pocket expenses incurred in connection with rendering such services. If you are legally required to appear or participate in any non-criminal proceeding that involves or is brought against any of the Corporation Entities, you agree to disclose to the Corporation no later than ten business days prior to the date that such disclosure is to be made, what you plan to produce, and otherwise to cooperate fully with the Corporation as set forth herein.

(b) In the event of receipt by you of a subpoena issued at the request of any private sector person or entity at any time following the Termination Date regarding any matter related to or involving any of the Corporation Entities, you agree to notify the Corporation promptly before complying with the subpoena, so that the Corporation may take appropriate action to protect its interests, including moving to quash the subpoena, as long as provision of such notice does not violate any applicable law, rule, or court order. If the Corporation seeks to prevent disclosure in accordance with applicable legal procedures and provides you with notice before the deadline for compliance with a subpoena, you shall not make any such disclosure until either such objections are withdrawn or the objections are finally adjudicated by the tribunal.

10. **OWBPA. Pursuant to the OWBPA, you acknowledge and understand that:**

(a) You are waiving claims for age discrimination under the ADEA in exchange for the payments described above;

(b) You have received consideration beyond that to which you would be entitled without signing this letter agreement;

(c) You have been advised in writing of the right to consult with an attorney before signing this letter agreement;

(d) You have a period of at least forty-five (45) days from the Termination Date within which to review and consider this letter agreement before signing it;

(e) You may revoke this letter agreement by providing written notice to the Corporation within seven days following its execution, and that the letter agreement shall not become effective and enforceable until such seven-day period has expired.

Any notice of revocation of this letter agreement shall not be effective unless given in writing and received by the Corporation within the seven-day revocation period via email, personal delivery, or overnight courier, postage prepaid, addressed as follows:

Lucy Alexis Shieh, SPHR, SHRM-SCP
Vice President, HR Operations
77 Upper Rock Circle, Suite 700
Rockville, MD 20870
[redacted]

The Effective Date of this letter agreement is the eighth day after which you have signed this letter agreement provided you have not timely revoked your signature.

11. **Eligibility Requirements/ Applicable Data.** All U.S. employees in the Corporation ("Decisional Unit") were eligible to be selected for separation as part of the reduction program. Eligible employees were selected for separation based on various considerations including but not limited to work/job elimination, tenure, job performance, skill sets and/or roles/responsibilities. Attached as Exhibit "A" are the job titles and ages of all eligible U.S. employees selected for the separation as part of the program, along with the job titles and ages of all eligible employees in the Decisional Unit who were not selected for separation as part of the program.

12. **Voluntary & Entire Agreement; Choice Of Law.** Your signature below will indicate that you are entering into this letter agreement freely and with a full understanding of its terms and not in reliance upon any representations other than those explicitly set forth in this letter agreement. No changes to this letter agreement will be valid unless in writing and signed by both you and me. This letter agreement constitutes the entire understanding and agreement of the parties related to the matters discussed herein and supersedes any prior agreement regarding the subject

matter hereof. Notwithstanding the above, any other any invention, confidentiality, non- competition, and/or non-solicitation agreements/provisions between you and Aurinia are hereby incorporated in this letter agreement and remain enforceable notwithstanding this letter agreement, including 19, 20, 21, 24, 25, 26, 27, 28, 29, 30, 31, 34, 36, 38, Schedule B and Schedule D of the Employment Agreement, which shall remain in full force and effect and be enforceable and shall survive the ending of your employment. This letter agreement shall be interpreted and enforced in accordance with the laws of the State of Maryland.

* * *

If you are voluntarily willing to enter into this letter agreement, please signify your acceptance in the space indicated below and return to me **within 45 days.** Bear in mind that you are not able to sign this letter agreement until March 4, 2024 and you shall not be entitled to commencement of the severance payments until you have executed this letter agreement.

Sincerely,

/s/ Max Donley
Executive Vice President, Operations and Strategy

I, VOLKER KNAPPERTZ, HAVE READ AND UNDERSTAND THIS LETTER AGREEMENT, AND I ACCEPT AND AGREE TO ALL OF ITS TERMS AND CONDITIONS. I ENTER INTO THIS LETTER AGREEMENT VOLUNTARILY, WITH FULL KNOWLEDGE OF ITS EFFECT.

04-Mar-2024

/s/ Volker Knappertz, M.D.

Signature Date

Exhibit 31.1

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

'eter Greenleaf, certify that:

I have reviewed this quarterly report on Form 10-Q of Aurinia Pharmaceuticals Inc.;

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;

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

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

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

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

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

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

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

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

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

Date: May 1, 2024

By: /s/ Peter Greenleaf

Peter Greenleaf
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

oseph Miller, certify that:

I have reviewed this quarterly report on Form 10-Q of Aurinia Pharmaceuticals Inc..;

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;

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

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

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

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

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

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

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

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

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

Date: May 1, 2024

By: /s/ Joseph Miller

Joseph Miller

Chief Financial Officer

(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

In connection with the Quarterly Report of Aurinia Pharmaceuticals Inc. (the "Company") on Form 10-Q for the period ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter Greenleaf, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

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

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

Date: May 1, 2024

By: /s/ Peter Greenleaf

Peter Greenleaf
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

In connection with the Quarterly Report of Aurinia Pharmaceuticals Inc. (the "Company") on Form 10-Q for the period ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph Miller, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

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

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

Date: May 1, 2024

By: /s/ Joseph Miller

Joseph Miller
Chief Financial Officer
(Principal Financial and Accounting Officer)