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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2026

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: 001-43503

Retension Pharmaceuticals, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**93-2592788**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1104 West Broad Street #1029 Falls Church, Virginia (Address of principal executive offices)	**22046 (Zip Code)**

Registrant's telephone number, including area code: (703) 940-9761

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

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

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

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

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

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

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

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

As of November 16, 2026, the registrant had 8,894,547 shares of common stock, $0.0001 par value per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including 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"). All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations or financial condition, business strategy and plans, and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "can," "contemplate," "continue," "could," "design," "estimate," "expect," "intend," "may," "might," "objective," "plan," "potential," "predict," "project," "shall," "should," "target," "will," or "would," or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. These forward-looking statements include, among others, statements relating to our future financial performance, our business prospects and strategy, our market opportunity and the potential growth of that market, our anticipated financial position, our liquidity and capital needs and other similar matters. These forward-looking statements are based on management's current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict.

Our actual results may differ materially from those expressed in, or implied by, the forward-looking statements included in this Quarterly Report on Form 10-Q as a result of various factors, including, among others:

- our limited operating history, history of losses and expected continuing losses;
- the characteristics, safety and efficacy of RTN-001 and any future product candidates, and how they compare to alternative therapies;
- the implementation of our business model and strategic plans;
- the initiation, timing, progress and results of our research and development programs, preclinical studies and clinical trials;
- the timing, enrollment and results of our Phase 2b dose-ranging trial of RTN-001 in uncontrolled hypertension, including expected initial data in the first half of 2027, and our planned Phase 3 trial;
- the timing, scope and likelihood of regulatory filings and approvals, including our ability to use abbreviated regulatory pathways;
- our ability to obtain regulatory approval and to meet current or future regulatory standards;
- the potential market size for RTN-001, the patient populations we intend to treat and the number of patients we plan to enroll in our clinical trials;
- developments and projections relating to our competitors and industry;
- disruption of supply or shortage of raw materials;
- the rate and degree of market acceptance and therapeutic benefits of RTN-001, if approved;
- our ability to obtain, maintain, protect and enforce our intellectual property, including our licensed composition of matter patent that nominally expires in 2027 and our owned crystalline polymorph patent, and to avoid infringement claims;

- our ability to maintain our license agreements and to acquire or in-license additional product candidates on reasonable terms;
- our rights and royalty obligations under our license agreements and the upstream rights held through Sanofi S.A. ("Sanofi");
- our ability to maintain and establish strategic collaborations;
- our reliance on third parties to conduct clinical trials and manufacture RTN-001 and increase in costs under our agreements with contract research organizations ("CRO");
- our ability to establish marketing, sales and distribution capabilities;
- our ability to hire and retain key personnel and manage our growth;
- the commitments of our Chief Executive Officer ("CEO") and Chief Scientific Officer ("CSO") at other companies or business activities resulting in potential conflicts of interest and inability to devote sufficient time and attention to us;
- our estimates of expenses, revenue and capital requirements, and the need for additional financing;
- our ability to secure additional financing and continue as a going concern;
- government and third-party payor coverage and reimbursement;
- the volatility of the trading price of our common stock;
- evolving regulations in the United States and abroad;
- the costs of operating as a public company;
- the effectiveness of our internal control over financial reporting, remediation of the material weakness and the effects of the 2025 restatement;
- general economic conditions, including tariffs, import/export regulations and geopolitical events;
- the period during which we qualify as an emerging growth company or a smaller reporting company;
- our expected use of our existing cash and cash equivalents, including the net proceeds from our initial public offering; and
- other factors that may impact our financial results.

We caution you that the forward-looking statements highlighted above may not encompass all of the forward-looking statements made in this Quarterly Report on Form 10-Q.

We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations about future events and trends that we believe may affect our business, financial condition, results of operations, prospects, business strategy and financial needs. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, assumptions and other factors described in the section titled "Risk Factors" in our final prospectus dated October 8, 2026, filed with the Securities and Exchange Commission ("SEC") under Rule 424(b)(4) of the Securities Act on October 9, 2026 (the "IPO Prospectus"), and elsewhere in this Quarterly Report on Form

10-Q. Furthermore, new risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which such statements are made. Except as required by law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

RETENSION PHARMACEUTICALS, INC.

Condensed Consolidated Balance Sheets (Unaudited)

	September 30, 2026	December 31, 2025 (As Restated)
Assets		
Current Assets		
Cash and cash equivalents	$ 9,190,083	$ 18,901,024
Prepaid expenses and other current assets	2,470,521	2,346,077
Deferred offering costs	2,487,892	198,060
Total Current Assets	14,148,496	21,445,161
Total Assets	$ 14,148,496	$ 21,445,161
Liabilities, Preferred Stock and Stockholders' Deficit		
Current Liabilities		
Accounts payable	$ 3,886,011	$ 775,859
Accrued expenses	2,772,818	136,307
Total Current Liabilities	6,658,829	912,166
Total Liabilities	6,658,829	912,166
Commitments and Contingencies (Note 11)		
Convertible Preferred Stock		
Series A: $0.0001 par value; 11,000,000 shares authorized, 1,771,415 issued and outstanding (liquidation preference of $11,000,000 at September 30, 2026)	9,819,670	9,819,670
Series B: $0.0001 par value; 12,436,264 shares authorized, 2,002,704 issued and outstanding (liquidation preference of $20,000,000 at September 30, 2026)	18,334,099	18,496,248
Total Convertible Preferred Stock	28,153,769	28,315,918
Stockholders' Deficit		
Common stock, $0.0001 par value, 36,000,000 shares authorized, 807,928 and 805,154 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	81	81
Additional paid-in-capital	1,094,140	532,185
Accumulated deficit	(21,758,323)	(8,315,189)
Total Stockholders' Deficit	(20,664,102)	(7,782,923)
Total Liabilities, Preferred Stock and Stockholders' Deficit	$ 14,148,496	$ 21,445,161

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

RETENSION PHARMACEUTICALS, INC.

Condensed Consolidated Statements of Operations (Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating Expenses				
Research & development	$ 5,016,602	$ 1,365,256	$ 11,219,240	$ 2,542,254
General and administrative	990,759	299,574	2,574,495	1,231,791
Total Operating Expenses	6,007,361	1,664,830	13,793,735	3,774,045
Loss from Operations	(6,007,361)	(1,664,830)	(13,793,735)	(3,774,045)
Other Income (Expense)				
Exchange loss	—	—	(856)	—
Interest income	89,277	189,016	351,457	412,558
Total Other Income	89,277	189,016	350,601	412,558
Net Loss	$ (5,918,084)	$ (1,475,814)	$ (13,443,134)	$ (3,361,487)
Net loss per share – Basic and diluted	$ (7.33)	$ (1.83)	$ (16.65)	$ (4.17)
Weighted-average common shares outstanding	807,894	805,154	807,287	805,154

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

RETENSION PHARMACEUTICALS, INC.

Condensed Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit (Unaudited)

	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock			Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Number of Shares	Amount	Number of Shares	Amount	Total	Number of Shares	Amount			
December 31, 2024	1,771,415	$ 9,819,670	—	$ —	$ 9,819,670	805,154	$ 81	$ 287,147	$ (2,013,907)	$ (1,726,679)
Share-based compensation expense	—	—	—	—	—	—	—	33,109	—	33,109
Net loss	—	—	—	—	—	—	—	—	(656,497)	(656,497)
March 31, 2025	1,771,415	$ 9,819,670	—	$ —	$ 9,819,670	805,154	$ 81	$ 320,256	$ (2,670,404)	$ (2,350,067)
Share-based compensation expense	—	—	—	—	—	—	—	33,108	—	33,108
Issuance of Series B convertible preferred stock, net of issuance cost of $914,268	—	—	1,230,510	11,374,259	11,374,259	—	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	(1,229,176)	(1,229,176)
June 30, 2025	1,771,415	$ 9,819,670	1,230,510	$ 11,374,259	$ 21,193,929	805,154	$ 81	$ 353,364	$ (3,899,580)	$ (3,546,135)
Issuance of Series B convertible preferred stock, net of issuance cost of $206,333	—	—	260,988	2,400,029	2,400,029	—	—	—	—	—
Share-based compensation expense	—	—	—	—	—	—	—	33,109	—	33,109
Net loss	—	—	—	—	—	—	—	—	(1,475,814)	(1,475,814)
September 30, 2025	1,771,415	$ 9,819,670	1,491,498	$ 13,774,288	$ 23,593,958	805,154	$ 81	$ 386,473	$ (5,375,394)	$ (4,988,840)

	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock			Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Number of Shares	Amount	Number of Shares	Amount	Total	Number of Shares	Amount			
December 31, 2025 (As Restated)	1,771,415	$ 9,819,670	2,002,704	$ 18,496,248	$ 28,315,918	805,154	$ 81	$ 532,185	$ (8,315,189)	$ (7,782,923)
Exercise of stock options	—	—	—	—	—	2,326	—	3,322	—	3,322
Share-based compensation expense	—	—	—	—	—	—	—	93,868	—	93,868
Series B convertible preferred stock issuance cost	—	—	—	(1,025)	(1,025)	—	—	—	—	—
Fair value of warrants issued in connection with Series B financing	—	—	—	(140,947)	(140,947)	—	—	140,947	—	140,947
Net loss	—	—	—	—	—	—	—	—	(3,382,493)	(3,382,493)
March 31, 2026	1,771,415	$ 9,819,670	2,002,704	$ 18,354,276	$ 28,173,946	807,480	$ 81	$ 770,322	$ (11,697,682)	$ (10,927,279)
Share-based compensation expense	—	—	—	—	—			147,788		147,788
Net loss	—	—	—	—	—				(4,142,557)	(4,142,557)
June 30, 2026	1,771,415	$ 9,819,670	2,002,704	$ 18,354,276	$ 28,173,946	807,480	$ 81	$ 918,110	$ (15,840,239)	$ (14,922,048)
Exercise of stock options	—	—	—	—	—	448	—	639	—	639
Share-based compensation expense	—	—	—	—	—	—	—	175,391		175,391
Series B convertible preferred stock issuance cost	—	—	—	(20,177)	(20,177)	—	—	—		—
Net loss	—	—	—	—	—	—	—	—	(5,918,084)	(5,918,084)
September 30, 2026	1,771,415	$ 9,819,670	2,002,704	$ 18,334,099	$ 28,153,769	807,928	$ 81	$ 1,094,140	$ (21,758,323)	$ (20,664,102)

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

RETENSION PHARMACEUTICALS, INC.

Condensed Consolidated Statements of Cash Flows (Unaudited)

	For the Nine Months Ended September 30,	
	2026	**2025**
Operating Activities		
Net loss	$ (13,443,134)	$ (3,361,487)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation	417,047	99,326
Increase (decrease) in cash from change in assets and liabilities:		
Prepaid expenses and other current assets	(134,444)	(518,205)
Accounts payable	3,072,152	1,006,062
Accrued expenses	672,045	80,779
Due to related parties	—	151,006
Net Cash Used in Operating Activities	(9,416,334)	(2,542,519)
Financing Activities		
Proceeds from exercise of stock options	3,961	—
Proceeds from issuance of Series B convertible preferred stock, net of issuance cost	(1,025)	13,774,288
Payments of deferred offering costs	(297,543)	—
Net Cash (Used in) Provided by Financing Activities	(294,607)	13,774,288
Net Increase (Decrease) in Cash and Cash Equivalents	(9,710,941)	11,231,769
Cash and Cash Equivalents, Beginning of Period	18,901,024	8,185,297
Cash and Cash Equivalents, End of Period	$ 9,190,083	$ 19,417,066
Supplemental disclosure of cash flow information		
Fair value of warrants issued in connection with Series B convertible preferred stock financing	$ 140,947	$ —
Reclassification of deferred offering costs to Series B convertible preferred stock issuance costs	$ 20,177	$ —
Deferred offering costs incurred but unpaid	$ 2,002,466	$ —

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

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Organization and Nature of Business

Retension Pharmaceuticals, Inc. (the "Company" or "Retension") was incorporated in Delaware on July 26, 2023 and is headquartered in Falls Church, Virginia. The Company is a pre-revenue, clinical-stage biopharmaceutical company focused on developing medicines for the treatment of hypertension and other cardiovascular diseases. Its only product candidate, RTN-001, is a next-generation, once-daily, oral small-molecule phosphodiesterase-5 (PDE-5) inhibitor which is currently in a randomized, double-blind, placebo-controlled Phase 2b dose-ranging trial in adults with uncontrolled hypertension. The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Retension IP Holding Company, LLC ("Retension IP"), which holds the Company's exclusive sublicense to RTN-001. All intercompany transactions have been eliminated.

Risks and uncertainties

The Company's results of operations involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to, rapid technological change, uncertainty of market acceptance of products, competition from other companies, the need to obtain additional financing, protection of proprietary technology, dependence on key individuals, and the ability to attract and retain qualified employees.

The Company's research requires submission of clinical study protocols to the FDA before study initiation and FDA approval prior to product commercialization. There can be no assurance that the Company's current ongoing research and future clinical development will result in an approved New Drug Application (NDA). If the Company is denied such approvals or such approvals are substantially delayed, they could have a material adverse effect upon the Company's future financial results and cash flows.

Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

Based on its current operating plan, the Company believes that its existing cash and cash equivalents, together with the net proceeds from its initial public offering ("IPO") completed in October 2026, will be sufficient to meet its anticipated cash requirements for at least twelve months from the date the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q are issued. The Company's estimate is based on assumptions regarding future expenditures and other factors that may prove to be incorrect, and the Company could utilize its available capital resources sooner than anticipated.

As disclosed in the Company's final prospectus dated October 8, 2026, filed with the Securities and Exchange Commission ("SEC") under Rule 424(b)(4) of the Securities Act on October 9, 2026 (the "IPO Prospectus"), management previously concluded that substantial doubt existed about the Company's ability to continue as a going concern. In October 2026, the Company completed its IPO, including the underwriters' exercise of their option to purchase additional shares of common stock in full, and received net proceeds of approximately $45.1 million, after deducting underwriting discounts and commissions and offering expenses. Based on the additional liquidity provided by the IPO proceeds and the Company's current operating plan, the Company concluded that substantial doubt about its ability to continue as a going concern has been alleviated.

Reverse Stock Split

On October 2, 2026, the Company effected a 1-for-6.21 reverse stock split of its issued and outstanding common stock and a proportional adjustment to the existing conversion ratios of each series of convertible preferred stock (the "Reverse Stock Split") by filing a Certificate of Amendment to its Second Amended and Restated Certificate of Incorporation with

the Secretary of State of the State of Delaware. No fractional shares were issued in connection with the Reverse Stock Split; fractional shares were rounded up to the nearest whole share. The par value per share and the number of authorized shares of common stock and convertible preferred stock were not adjusted. All share and per share amounts in these financial statements and the accompanying notes, including shares of common stock and convertible preferred stock, stock options, warrants, exercise prices and net loss per share, have been retroactively adjusted for all periods presented to reflect the Reverse Stock Split. In connection with the Reverse Stock Split, the reduction in the aggregate par value of common stock outstanding was reclassified from common stock to additional paid-in capital for all periods presented.

2. Summary of Significant Accounting Policies

Basis of presentation

The accompanying unaudited condensed consolidated financial statements as of September 30, 2026 and for the three and nine months ended September 30, 2026 and 2025 have been prepared in accordance with U.S. GAAP and SEC rules for interim financial information, and include the accounts of the Company and its subsidiary; intercompany balances and transactions have been eliminated. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete annual financial statements. In the opinion of management, they reflect all normal recurring adjustments necessary for a fair presentation. Results for the three and nine months ended September 30, 2026 are not necessarily indicative of results for the full year. The condensed consolidated balance sheet as of December 31, 2025 has been derived from the audited consolidated financial statements as of that date, as restated (see Note 3). These statements should be read with the audited consolidated financial statements for the year ended December 31, 2025 included in the IPO Prospectus.

Cash and cash equivalents

For purposes of financial statement presentation, the Company considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of expenses incurred during the reporting period. The Company believes that items subject to such estimates and assumptions include the estimates of the fair value of the Company's common stock and share-based instruments, including stock options and warrants, certain accrued expenses, and the valuation allowance associated with deferred tax assets. The Company evaluates its estimates and assumptions as facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ from these estimates and assumptions, and those differences could be material to the financial statements.

Reclassifications

Certain prior-period amounts have been reclassified to conform to the current presentation with no effect on total stockholders' deficit or net loss as previously reported.

Concentrations

The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Federal Deposit Insurance Corporation ("FDIC") provides a $250,000 guarantee per depositor for accounts held at insured banks. As of September 30, 2026, the Company had $9,190,083 of cash or cash equivalents held in a commercial bank insured only at the FDIC limit. Management believes that the Company is not exposed to significant credit risk in these accounts.

Segment information

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the Chief Operating Decision Maker ("CODM"), or decision-making group, in making decisions regarding resource allocation and assessing performance. The Company operates as a single operating and reportable segment focused on the development of treatments for hypertension and cardiovascular disease. The Company manages all business activities on a consolidated basis. The Company's CODM is its Chief Executive Officer. The CODM evaluates segment performance and allocates resources using consolidated net loss, which represents the measure of segment profit or loss used for internal reporting purposes. The significant expense categories regularly provided to and reviewed by the CODM are research and development ("R&D") expense, general and administrative ("G&A") expense and stock-based compensation expense. Clinical trial, preclinical, and manufacturing-related costs are included within R&D and are not separately reviewed by the CODM as distinct expense categories. The following table presents these significant segment expense categories and the resulting measure of segment and consolidated net loss. Stock-based compensation is not presented as a separate line item in the statements of operations. "Other segment items" include items not regularly reviewed by the CODM, such as interest income, interest expense, fair value adjustments, and other non-operating gains or losses, and are included in reconciling the segment measure of net loss to consolidated net loss. The Company had no revenues and no customers during the periods presented.

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Research and development	$ 5,016,602	$ 1,365,256	$ 11,219,240	$ 2,542,254
General and administrative (excluding stock-based compensation)	815,368	266,465	2,157,448	1,132,465
Stock-based compensation	175,391	33,109	417,047	99,326
Other segment items	(89,277)	(189,016)	(350,601)	(412,558)
Segment net loss	$ 5,918,084	$ 1,475,814	$ 13,443,134	$ 3,361,487

Research and development

The Company expenses research and development costs as incurred. R&D expenses primarily include third-party costs incurred to develop drug candidates, personnel-related expenses including salaries and benefits, lab supplies, preclinical and clinical trial costs, manufacturing for investigational drugs, and regulatory expenses. Upfront and milestone payments for licensing agreements are expensed unless they provide an alternative future benefit, in which case they are capitalized. Advance payments to contract research organizations, which include service fee and pass-through advances held until the final quarter of the trial and investigator grant funds held for payment to clinical sites, are recorded as prepaid expenses and other current assets and recognized as research and development expense as the related clinical trial activities are performed (see Note 3). The Company's agreement with the contract research organization conducting its Phase 2b trial represents the largest component of its research and development expenses.

Stock-based compensation

The Company accounts for stock-based compensation in accordance with ASC 718, Compensation – Stock Compensation, using the fair value method. The fair value of stock options, warrants and restricted stock units is estimated on the grant date using the Black-Scholes option pricing model, incorporating assumptions for expected volatility, risk-free interest rate, expected term and dividend yield. Compensation cost is recognized over the requisite service period, generally the vesting period, on a graded-vesting basis. Expected volatility is determined based on an average of the historical volatility of a peer group of similar public companies. The risk-free interest rate is based on the U.S. Treasury yield curve commensurate with the expected term at the time of grant or remeasurement. The expected term of options granted to employees is calculated using the simplified method, which represents the average of the contractual term of the option and the weighted-average vesting period, because the Company does not have sufficient exercise data on which to base its own estimate. The assumed dividend yield is based on the Company's expectation of not paying dividends in the foreseeable future. The Company recognizes forfeitures as they occur.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in FASB ASC 480, Distinguishing Liabilities from Equity, and ASC 815, Derivatives and Hedging. The assessment considers whether the warrants are freestanding financial instruments under ASC 480, whether they meet the definition of a liability under ASC 480, and whether they meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own stock and whether the holders could potentially require net cash settlement in a circumstance outside the Company's control, among other conditions. The Company also determines whether the warrants meet the definition of a derivative based on their contractual terms. This assessment requires professional judgment and is conducted at the time of warrant issuance and at each subsequent quarterly period end while the warrants are outstanding. Issued or modified warrants that meet all of the criteria for equity classification are recorded as a component of additional paid-in capital at the time of issuance. Warrants that do not meet all of the criteria are recorded at their initial fair value on the date of issuance and at each balance sheet date thereafter, with changes in fair value recognized as a noncash gain or loss in the statements of operations. The Company also evaluates whether changes in contractual terms or other considerations would result in the reclassification of outstanding warrants between liabilities and stockholders' equity. See Note 8.

Preferred stock

The Company's convertible preferred stock is redeemable upon the liquidation or winding up of the Company, a change in control, or a deemed liquidation event related to the sale of substantially all the assets of the Company. Based on the ownership of the Company's equity and associated board of director control, deemed liquidation events are not solely within the control of the Company. As a result, the shares of the Company's convertible preferred stock are considered contingently redeemable and are therefore presented within mezzanine equity in its balance sheets. In connection with the IPO, all outstanding convertible preferred stock was automatically converted into 3,774,119 shares of common stock. Following the closing of the IPO, no shares of preferred stock remain outstanding.

Patent costs

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the recovery of the expenditure. Amounts incurred are classified as general and administrative expenses.

Deferred offering costs

The Company capitalizes direct and incremental legal, accounting, underwriting and other third-party fees incurred in connection with the IPO and, upon closing, offsets them against the gross proceeds. Deferred offering costs were $2,487,892 and $198,060 as of September 30, 2026 and December 31, 2025, of which $2,006,496 was unpaid at September 30, 2026, including $1,964,466 in accrued expenses and $42,030 in accounts payable. Of the unpaid amount, $2,002,466 was incurred during the nine months ended September 30, 2026.

Fair value measurement

The Company follows ASC 820, Fair Value Measurement, which provides the framework for measuring fair value and establishes a fair value hierarchy that prioritizes the inputs used in pricing the asset or liability. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Fair value is defined as the exchange price, or an exit price, representing the amount that would be received upon the sale of an asset or payment to transfer a liability in an orderly transaction between market participants. As a basis for considering market participant assumptions in fair value measurements, the three-tier fair value hierarchy is used to prioritize the inputs in measuring fair value as follows: Level 1, quoted market prices for identical assets or liabilities; Level 2, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable, either directly or indirectly; and Level 3,

unobservable inputs that cannot be corroborated by market data. Carrying amounts of certain of the Company's financial instruments, including cash and cash equivalents, prepaid expenses and other current assets, accounts payable, and accrued liabilities approximate fair value due to their relatively short maturities. The fair value of the warrants is estimated using a Black-Scholes option-pricing model.

Foreign currency transactions

The Company's functional currency is the U.S. dollar. Transactions denominated in currencies other than the U.S. dollar are remeasured into U.S. dollars using the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in currencies other than the U.S. dollar are remeasured at the exchange rate in effect at each balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are remeasured at historical exchange rates. Gains and losses resulting from foreign currency transactions are recognized in the statements of operations in the period in which they occur.

Net loss per share

The Company computes basic and diluted net loss per share attributable to common stockholders using the two-class method. Series A and Series B preferred stock (see Note 5) met the definition of participating securities due to their non-cumulative dividend rights. During periods of net loss, no allocation is made to participating securities as they do not have a contractual obligation to absorb losses, and accordingly all undistributed losses are allocated to common stockholders. As the Company incurred losses for the three and nine months ended September 30, 2026 and 2025, basic and diluted net loss per share were the same for all periods presented. The following table summarizes the weighted-average number of potentially dilutive shares outstanding that were excluded from the computation of diluted net loss per share because their effect was antidilutive:

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Common stock options	1,229,950	413,849	1,056,539	413,849
Convertible preferred stock	3,774,119	3,200,366	3,774,119	2,568,417
Common stock warrants	349,930	177,139	332,147	177,139
Total	5,353,999	3,791,354	5,162,805	3,159,405

The following table presents the computation of basic and diluted net loss per share:

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Net loss	$ (5,918,084)	$ (1,475,814)	$ (13,443,134)	$ (3,361,487)
Weighted-average common shares outstanding – basic and diluted	807,894	805,154	807,287	805,154
Net loss per share – basic and diluted	$ (7.33)	$ (1.83)	$ (16.65)	$ (4.17)

Recently issued accounting pronouncements

On November 4, 2024, the FASB issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, to improve financial reporting by requiring that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. The amendments in this ASU do not change or remove current expense disclosure requirements; however, the amendments affect where such information appears in the notes to financial statements because entities are required to include certain current disclosures in the same tabular format disclosure as the other disaggregation requirements in the amendments. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the potential impact that the adoption of this standard will have on its financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements. The amendments clarify the form and content of interim financial statements and notes, add a disclosure principle for events and changes since the last annual period that have a material effect, and allow an entity to omit interim disclosures that substantively duplicate annual disclosures. For public business entities, the amendments are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Because the Company is an emerging growth company and has elected to use the extended transition period for complying with new or revised accounting standards, the Company expects to adopt the amendments for interim reporting periods within annual reporting periods beginning after December 15, 2028, the effective date applicable to entities other than public business entities, assuming the Company remains an emerging growth company at that date. Early adoption is permitted. The amendments may be applied prospectively or retrospectively to any or all prior periods presented.

The Company is currently evaluating the transition method and the effect of the amendments on its interim financial statement disclosures.

3. Restatement of Previously Issued Financial Statements

As previously disclosed in the IPO Prospectus, the Company identified an error in its accounting for advance payments made to a contract research organization ("CRO"). In 2025, the Company incorrectly recognized these advance payments as expense when the related invoices were paid, when they should have been recorded as prepaid expenses and other current assets and recognized as research and development expense as the related clinical trial activities were performed. The Company restated its previously issued consolidated financial statements as of and for the year ended December 31, 2025 to correct this error, as described in Note 3 to the consolidated financial statements in the Company's IPO Prospectus.

The correction had no effect on net cash used in operating activities or on cash and cash equivalents.

The following table presents the effect of the restatement on the affected balance sheet line items as of December 31, 2025:

Condensed Consolidated Balance Sheet as of December 31, 2025

	As Previously Reported	Adjustment	As Restated
Prepaid expenses and other current assets	$ 240,121	$ 2,304,016	$ 2,544,137
Total Current Assets	19,141,145	2,304,016	21,445,161
Total Assets	$ 19,141,145	$ 2,304,016	$ 21,445,161
Accumulated deficit	$ (10,619,205)	$ 2,304,016	$ (8,315,189)
Total Stockholders' Deficit	(10,086,939)	2,304,016	(7,782,923)
Total Liabilities, Preferred Stock and Stockholders' Deficit	$ 19,141,145	$ 2,304,016	$ 21,445,161

Prepaid expenses and other current assets, as restated, includes deferred offering costs of $198,060, which are presented separately on the condensed consolidated balance sheet as of December 31, 2025.

4. Accounts Payable and Accrued Expenses

As of September 30, 2026 and December 31, 2025, the Company had accounts payable of $3,886,011 and $775,859, and accrued expenses of $2,772,818 and $136,307, respectively. Accrued expenses as of September 30, 2026 included $631,427 of accrued clinical trial costs and $1,964,466 of accrued offering costs related to the Company's initial public offering.

5. Convertible Preferred Stock

As of September 30, 2026, the Company was authorized to issue 23,436,264 shares of preferred stock, consisting of 11,000,000 shares designated as Series A Convertible Preferred Stock and 12,436,264 shares designated as Series B

Convertible Preferred Stock, as approved under the Second Amended and Restated Certificate of Incorporation filed on April 17, 2025.

Series A Convertible Preferred Stock

As of September 30, 2026, 1,771,415 shares of Series A Convertible Preferred Stock ("Series A") were issued and outstanding. In connection with the IPO, all outstanding Series A shares were automatically converted into shares of common stock. Following the closing of the IPO, no shares of Series A remain outstanding.

Liquidation Preference: Upon any liquidation, dissolution, or winding-up of the company (including a Deemed Liquidation Event such as certain mergers or asset sales), each Series A share is entitled to receive $6.21 per share (the "Series A Original Issue Price") plus any declared but unpaid dividends before any distribution to common stockholders. In a liquidation event, each preferred share will receive the greater of (i) the fixed liquidation amount or (ii) the amount that would be received had it converted to common.

Conversion Rights: Series A Preferred Stock is convertible into common stock on a 1:1 basis at any time at the option of the holder, without additional payment. The initial conversion ratio is one common share for each preferred share, equivalent to the $6.21 issue price. This conversion rate is subject to standard anti-dilution adjustments for certain future issuances of stock at lower prices, stock splits, stock dividends, and similar recapitalizations to protect against dilution. All outstanding preferred shares will also automatically convert to common stock upon the occurrence of specific trigger events, notably a Qualified Public Offering of at least $25 million in gross proceeds or upon the written consent of a majority of preferred holders (the "Requisite Holders"). After such a mandatory conversion, the preferred shares cease to exist, and holders receive common shares (plus cash in lieu of any fractional shares and any declared but unpaid dividends).

Dividend Rights: Holders of Series A are entitled to dividends if and when declared by the Board of Directors (the "Board"), on a non-cumulative basis.

Voting Rights: Each share of Series A votes together with the common stock (and any other series of preferred) on an as-converted basis. In addition, as long as at least 161,031 preferred shares (Series A or combined), on an as-diluted basis, are outstanding, the preferred shareholders (voting as a separate class) have the right to elect one member of the Board of Directors (the "Preferred Director"). Any change to rights of the Series A (or creation of a new class of stock senior to it) also requires class approval by Series A holders.

Protective Provisions: The Series A Preferred Stock comes with certain protective provisions that require the consent of the preferred stockholders (typically a majority of them) before the Company can undertake specified significant actions. These rights protect the preferred investors by giving them a veto or approval right on actions that could adversely affect their position. According to the Certificate of Incorporation, as long as any Series A shares are outstanding, the Company shall not, without consent of the Requisite Holders (majority of Preferred):

• Liquidate, dissolve, or wind-up the company, or effect any merger, consolidation, or similar transaction that is deemed a liquidation, unless the treatment of the preferred in that event would produce a return of at least 3 times the original Series A price (i.e. at least $18.63 per Series A share) for the preferred holders. A sale of the Company yielding less than 3 times payoff to Series A cannot proceed without their approval.

• Amend the Certificate of Incorporation or bylaws in a way that adversely changes the rights, preferences, or powers of the preferred stock.

• Create or authorize any new class or series of capital stock (or issue additional shares) that would rank senior or on parity with the Series A Preferred, or increase the authorized number of preferred shares, without approval.

• Redeem or repurchase any shares of capital stock or pay any dividends on capital stock (other than dividends on the preferred itself, or stock dividends on common, or repurchases of stock from former employees at cost).

• Incur or guarantee indebtedness above a certain threshold.

• Create any subsidiaries that are not wholly owned, or sell or dispose of substantially all assets (including intellectual property licenses) of the company or any subsidiary, without approval.

• Change the size of the Board of Directors.

Redemption Rights: Series A Preferred Stock is not redeemable at the option of the holder; there is no mandatory redemption date or investor put right under normal circumstances. The shares are classified outside of permanent equity (in mezzanine) but without a fixed repayment obligation. Series A Preferred Stock charter includes a conditional redemption feature in the context of certain sale events: if the Company undergoes a Deemed Liquidation Event (e.g. a merger or sale of substantially all assets) and the Company does not dissolve and liquidate fully (i.e. it continues as a going concern or the sale is to a larger entity), then if a majority of preferred so elect, the Company must use the proceeds from that event to redeem the outstanding preferred shares at the liquidation preference price (to the extent proceeds are available).

The aggregate liquidation preference of the Series A Convertible Preferred Stock was $11.0 million as of September 30, 2026.

Series B Convertible Preferred Stock

Series B Convertible Preferred Stock was issued during the year ended December 31, 2025, pursuant to the Series B Preferred Stock Purchase Agreement dated April 22, 2025. As of September 30, 2026, 2,002,704 shares of Series B Convertible Preferred Stock ("Series B") were issued and outstanding. There were no issuances of Series B shares during the nine months ended September 30, 2026. In connection with the IPO, all outstanding Series B shares were automatically converted into shares of common stock. Following the closing of the IPO, no shares of Series B remain outstanding.

Liquidation Preference: On a liquidation, dissolution, or winding-up of the Company (including a deemed liquidation such as certain mergers or asset sales) or sale, each Series B share is entitled to $9.9869 per share (the "Series B Original Issue Price") preference before common shareholders receive anything. The Series B and Series A rank equally (pari passu) in liquidation. They would share in any liquidation proceeds alongside Series A according to their respective preference amounts if the available proceeds are insufficient to fully satisfy both.

Conversion Rights: Series B Preferred Stock is convertible into common stock at a 1:1 ratio as well, at the holder's discretion, any time. The initial conversion price is $9.9869 (one common share per Series B share) subject to the same anti-dilution protections and adjustments as Series A. Automatic conversion of Series B also occurs under the same triggers as Series A: upon the closing of a qualified public offering of at least $25 million in gross proceeds or upon the written consent of a majority of the combined preferred (Series A and Series B) holders (the "Requisite Holders").

Dividend Rights: Series B has the same dividend rights as Series A: no dividends are payable on junior or parity classes unless an equivalent dividend is first (or simultaneously) paid on Series B. Dividends are non-cumulative and payable only if, as, and when declared by the Board.

Voting Rights: Series B Preferred votes together with Series A and common stock as a single class, on an as-converted to common basis. Each Series B share has one vote. Series B and Series A vote collectively as "Preferred Stock" where applicable. Because Series B was created with "parity" rights, the two series vote together on general matters and also generally act together for protective provisions. The preferred-investor board seat described under Series A above is shared by all preferred holders (Series A + B): together they elect one director as a class. Any amendment to the rights of preferred stock requires approval of both Series A and B (usually by combined preferred vote).

Protective Provisions: Series B Preferred Stock was issued under the same protective provisions that Series A has.

Redemption Rights: Series B Preferred Stock is not redeemable at the holders' option, similar to Series A. It does not carry a fixed redemption date. The only redemption mechanism involving Series B is the same conditional right tied to a Deemed Liquidation Event: if the company is sold or merged in a change-of-control transaction and is not liquidating, the preferred (Series A and B together) can elect to have their shares redeemed (on a pro-rata basis) at their respective

liquidation preference amounts, to the extent proceeds are available. Series B participates in any such election alongside Series A. Series B has no optional or mandatory redemption feature.

The aggregate liquidation preference of the Series B Convertible Preferred Stock was approximately $20 million as of September 30, 2026.

Management has concluded that both series of convertible preferred stock are classified within mezzanine equity, as they are not mandatorily redeemable and do not embody an unconditional obligation to transfer assets at the holder's option in accordance with ASC 480, Distinguishing Liabilities from Equity. The Company also evaluated the conversion and anti-dilution features under ASC 815, Derivatives and Hedging, and determined that no embedded derivative bifurcation was required. The carrying amount of the convertible preferred stock was $28.2 million as of September 30, 2026.

6. Common Stock

As of September 30, 2026, the Company was authorized to issue 36,000,000 shares of common stock, $0.0001 par value under its Second Amended and Restated Certificate of Incorporation. As of September 30, 2026 and December 31, 2025, 807,928 and 805,154 shares of common stock were issued and outstanding, respectively. Holders are entitled to one vote per share, subject to the rights of the preferred stock.

7. Stock-Based Compensation

2024 Stock Incentive Plan

The Company adopted the 2024 Stock Incentive Plan (the "Plan"), under which officers, employees, directors, consultants and advisors of the Company may be granted incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock units or other stock-based awards. On April 17, 2025, the Board of Directors and the Company's stockholders approved a Second Amendment to the Plan, which increased the aggregate number of shares of common stock reserved for issuance from 459,169 to 1,025,276 shares. On May 1, 2026, the Board of Directors and the Company's stockholders approved a Third Amendment to the Plan, which increased the aggregate number of shares reserved for issuance from 1,025,276 to 1,232,837 shares.

As of September 30, 2026, 1,229,937 stock options were outstanding, and 126 shares remained available for future issuance under the Plan.

The following is a summary of stock option activity under the Plan for the nine months ended September 30, 2026:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in Years)
Outstanding at December 31, 2025	845,784	$ 1.94	7.58
Granted	402,583	2.43	10.01
Exercised	(2,774)	1.43	8.56
Forfeited or expired	(15,656)	2.43	9.74
Outstanding at September 30, 2026	1,229,937	$ 2.10	7.70
Exercisable at September 30, 2026	542,456	$ 1.72	6.47

The Company determined the fair value of stock options granted during the nine months ended September 30, 2026 and 2025 utilizing the Black-Scholes valuation model based upon the assumptions provided below.

	2026	2025
Risk free interest rate	4.18% – 4.39 %	—
Expected term (in years)	6.11 – 6.27	—
Expected volatility	57.5% – 60.25 %	—
Expected dividend yield	0 %	—

No stock options were granted during the nine months ended September 30, 2025. The weighted average grant-date fair value per option granted during the nine months ended September 30, 2026 was $1.43. The weighted average grant-date fair value per option vested during the nine months ended September 30, 2026 and 2025 was $1.24 and $0.93, respectively. As of September 30, 2026, there was $853,777 of unrecognized share-based compensation expense related to non-vested options, which is expected to be recognized over the weighted average period of 1.86 years.

Stock-based compensation expense related to stock options granted under the Plan was $168,161 and $33,109 for the three months ended September 30, 2026 and 2025, respectively, and $395,357 and $99,326 for the nine months ended September 30, 2026 and 2025, respectively. Stock-based compensation expense is included in general and administrative expenses in the accompanying condensed consolidated statements of operations. Stock-based compensation expense related to the CRS warrant was $7,230 and $21,690 for the three and nine months ended September 30, 2026, respectively.

During the year ended December 31, 2025, the Company granted equity-classified warrants to purchase 48,310 shares of common stock to CRS Capital Ventures I, LLC, an entity affiliated with a member of the Board of Directors, in exchange for certain services, including strategic expertise and advice, business development and financial introductions, consulting and guidance on operations, strategy and sales and marketing (the “Services”) pursuant to a consulting agreement, dated as of August 1, 2025, by and between the Company and CRS Capital Ventures I, LLC (the “CRS Consulting Agreement”). The warrant is a standalone instrument with its own dedicated share reservation and was not issued under, and does not draw shares from, the Plan. The warrant vests monthly over a 36-month service period and was accounted for as stock-based compensation under ASC 718. The grant-date fair value of the warrant was measured using an option pricing model, and compensation expense is recognized over the requisite service period.

There was no activity for the CRS warrant during the nine months ended September 30, 2026. As of September 30, 2026, the CRS warrant to purchase 48,310 shares of common stock at an exercise price of $2.43 per share was outstanding, with a weighted average remaining contractual term of 9.07 years, and 17,444 shares were exercisable.

As of September 30, 2026, there was $55,431 of unrecognized share-based compensation expense related to the non-vested warrant, which is expected to be recognized over the weighted average period of 1.84 years.

2026 Equity Incentive Plan and 2026 Employee Stock Purchase Plan

The 2026 Equity Incentive Plan and 2026 Employee Stock Purchase Plan were approved by the Board of Directors and the Company’s stockholders on August 13, 2026 and became effective on October 8, 2026, with 999,845 and 83,320 shares reserved, respectively.

8. Warrants

In 2024, in connection with the Series A financings that closed in 2023 and 2024, the Company issued warrants in connection with the Placement Agency Agreement (see Note 11) to purchase a total of 177,139 shares of the Company’s common stock, including the warrants that were granted but not issued in connection with 2023 Series A financings.

In February 2026, in connection with the Series B financings that closed in 2025, the Company issued warrants in connection with the 2025 Advisory Services Agreement (see Note 11) to purchase a total of 124,481 shares of the Company’s common stock.

The warrants for common stock issued in connection with the Series A and Series B financings were recorded as issuance costs of Series A and Series B convertible preferred stock, respectively, with the corresponding amount recorded in additional paid-in capital at the time of issuance. The warrants described in this note were issued in connection with equity financing transactions and are classified as equity instruments. These warrants are not within the scope of ASC 718, as they were not issued in exchange for goods or services. See Note 7 for information regarding the common stock warrant issued in exchange for certain services under the CRS Consulting Agreement, which is a standalone instrument with its own dedicated share reservation and was not issued under the Plan.

The following presents information about warrants issued in connection with financing transactions to purchase common stock outstanding at September 30, 2026:

Holder group and issuance	Year issued	Classification	Number of warrants	Exercise price	Date of expiration
Collage Venture Partners, LLC and its affiliates – Series A financing warrants	2024	Equity	167,375	$ 6.21	09/13/2034
Collage Venture Partners, LLC and its affiliates – Series A financing warrants	2024	Equity	9,764	6.21	12/16/2034
Collage Venture Partners, LLC and its affiliates – Series B financing warrants	2026	Equity	124,481	10.50	02/08/2036
Total warrants issued in connection with financings			301,620	7.98	
CRS Capital Ventures I, LLC – consulting warrant (ASC 718)	2025	Equity	48,310	2.43	10/23/2035
Total warrants outstanding			349,930	$ 7.21	
Weighted average remaining life (in years)					8.55

No warrants were exercised or forfeited during the nine months ended September 30, 2026.

9. Related Party Transactions

Response Pharmaceuticals, Inc. is a related party of the Company due to common ownership and shared management. During the nine months ended September 30, 2026, the Company did not engage in recurring operating or financing transactions with Response Pharmaceuticals, Inc. As of September 30, 2026, and December 31, 2025, the Company had no material outstanding balances with Response Pharmaceuticals, Inc.

Restor Pharmaceuticals, Inc. is a related party of the Company due to shared management. During the nine months ended September 30, 2026, the Company did not engage in recurring operating or financing transactions with Restor Pharmaceuticals, Inc. As of September 30, 2026, and December 31, 2025, the Company had no material outstanding balances with Restor Pharmaceuticals, Inc., a company managed by the same Chief Executive Officer.

Redux Therapeutics, LLC (“Redux”) is a related party of the Company due to common management. The Company’s Chief Executive Officer and Chief Scientific Officer each serve as managers of Redux. The Company, through its wholly-owned subsidiary Retension IP Holding Company, LLC, holds an exclusive sublicense to RTN-001 pursuant to a sublicense agreement with Redux. See Note 10 for a full description of the Redux sublicense arrangement and the related party transactions thereunder.

CRS Capital Ventures I, LLC

During September 2025, the Company granted a warrant to purchase 48,310 shares of common stock at $2.43 per share to CRS Capital Ventures I, LLC, an entity affiliated with Mr. Sincock, a former member of the Board of Directors, the manager of CRS Capital, LLC and the managing partner of Transhuman Capital, which was the lead investor in the Series B financing, under a consulting agreement dated August 1, 2025 (see Notes 7 and 8) in exchange for certain services, including strategic expertise and advice, business development and financial introductions, consulting and guidance on operations, strategy and sales and marketing. On August 12, 2026, Mr. Sincock resigned as a director

effective immediately. The consulting agreement was terminated upon the closing of the IPO, and the unvested portion of the warrant vested in full as of the closing of the IPO in accordance with the terms of the consulting agreement.

10. License and Sublicense Agreements

The Company, through its wholly-owned subsidiary Retension IP Holding Company, LLC ("Retension IP"), holds an exclusive sublicense to develop, manufacture and commercialize RTN-001 pursuant to a sublicense agreement dated November 17, 2023, with Redux Therapeutics, LLC ("Redux"), a related party (the "Redux Agreement"). Redux is a therapeutic asset acquisition and development company whose managers include the Company's Chief Executive Officer and Chief Scientific Officer. Retension IP was formerly a wholly-owned subsidiary of Redux prior to becoming a wholly-owned subsidiary of the Company in connection with the execution of the Redux Agreement. The Redux Agreement incorporates by reference the terms and conditions of the exclusive sublicense agreement between Kadmon Corporation, LLC ("Kadmon"), a subsidiary of Sanofi S.A. ("Sanofi") and an unrelated party, and Redux (the "Kadmon Agreement"), pursuant to which Kadmon granted Redux the rights to RTN-001 (formerly known as KD-027). The Redux Agreement also incorporates the diligence milestone obligations under the Kadmon Agreement, including the obligation to initiate a Phase 2 clinical trial. A non-refundable, one-time, lump sum payment of $150,000 was paid by Redux to Kadmon in connection with an extension of the diligence period, which was later reimbursed to Redux by Response Pharmaceuticals, Inc. The diligence milestone obligation was satisfied by the Company through the initiation of its Phase 2b clinical trial for RTN-001. No milestone payments were triggered by or paid in connection with the satisfaction of this diligence milestone.

The Company paid a license fee totaling $1.00 related to this agreement, which is effective until terminated upon mutual written notice or early terminated due to material breach, termination of the business or termination of the original license, as defined in the agreement. The sublicense agreement requires the Company to pay royalties to the sub-licensor, an unrelated party, within 45 days of the conclusion of each calendar quarter in which Net Sales are generated or Sublicense Revenue is received based on a low-teens percentage of each of (a) the Net Sales and (b) Sublicense Revenue for such calendar quarter, all capitalized terms are as defined in the sublicense agreement. For the nine-month periods ended September 30, 2026 and 2025, the Company has not paid any royalty expenses to the sub-licensor. The sublicense royalties shall be payable until the later of (a) expiration or invalidation of the last Valid Claim of a corresponding Licensed Patent covering such Licensed Product and (b) expiration of any Regulatory Exclusivity for such Licensed Product, all capitalized terms as defined in the sublicense agreement. Upon expiration of this agreement, the license granted to the Company shall become perpetual, fully-paid up, royalty-free and irrevocable.

In the event the Company pays royalties under the Redux Agreement, a portion of such royalties may ultimately be distributed to the Company's Chief Executive Officer and Chief Scientific Officer through their respective security holder interests in entities that are parties to the Kadmon Agreement, the Redux Agreement, the license agreement between NT Life Sciences, LLC ("NT Life") and Surface Logix, Inc. and the sub-license agreement between NT Life and Kadmon (collectively, the "Historical Agreements"). No royalties have been paid under the Redux Agreement or any of the Historical Agreements since inception. As of September 30, 2026, and December 31, 2025, there were no amounts due to or from Redux or Kadmon in connection with these license arrangements.

11. Advisory and Placement Agency Agreements

Advisory and placement agency agreements

The Company has entered into the placement agency and advisory services agreements described below, and an IPO engagement agreement that has since been terminated (see the section titled "IPO Engagement Agreement" below).

Placement Agency Agreement

The Company entered into a Placement Agency Agreement in May 2023 with a vendor to act as its exclusive placement agent for private securities offerings. The agreement includes cash compensation equal to 7% of the proceeds from each offering. No placement agent expenses were incurred during the three and nine months ended September 30, 2026. The Company incurred $159,039 and $834,250 in issuance expense to the placement agent during the three and nine months

ended September 30, 2025, respectively. The Company also agreed to issue warrants for 10% of Series A securities sold. Additionally, a 3.5% cash fee is due if an investor completes a sale transaction during a 24-month tail period. Upon termination, the agent is entitled to a tail fee matching prior compensation terms. Either party may terminate the agreement with a 30-day written notice.

2023 Advisory Services Agreement

In May 2023, the Company entered into an Advisory Services Agreement with a vendor to help find potential investors for private offerings or licensing transactions (the "2023 Advisory Services Agreement"). The 2023 Advisory Services Agreement includes various fees based on the amount of proceeds from equity financing and company transactions, as well as warrants for equity compensation. The fees decrease as the proceeds increase. The Company must pay a transaction fee if an investor introduced by the vendor completes a transaction during the term or a 15-month tail period. The fee is 3.5% of the first $50 million, 3% of the next $50 million, 2.5% of the next $150 million, and 2% of any amount over $250 million. Additionally, there are transaction fees for deals completed during the term or a 15-month tail period. The Company must pay a 2% cash fee for any licensing transaction completed during the term or tail period. If a FINRA-registered broker-dealer is involved, the fees are reduced by 50%. The agreement can be terminated with a 10-day written notice from either party. The 2023 Advisory Services Agreement was superseded in June 2024 by the 2024 Advisory Services Agreement described below.

2024 Advisory Services Agreement

In June 2024, the Company entered into a new Advisory Services Agreement (the "2024 Advisory Services Agreement"), which superseded the 2023 Advisory Services Agreement. The vendor provided non-exclusive investor introduction services for private offerings and licensing transactions. The 2024 Advisory Services Agreement includes a $20,000 monthly advisory fee for nine months, credited against other fees. Financing fees are tiered, starting at 7% for the first $7 million and decreasing for higher amounts. Equity compensation for warrants is also tiered. The Company Transaction Fee structure remains similar, with a reduced 15-month tail period. The vendor is not a placement agent or underwriter unless separately agreed. The Company can engage other firms while it remains responsible to handle U.S. Blue Sky filings. Either party can terminate the agreement with written notice, with tail fees applicable during the tail period. The 2024 Advisory Services Agreement was superseded effective September 1, 2025 by the 2025 Advisory Services Agreement described below.

2025 Advisory Services Agreement

On September 1, 2025, the Company entered into a new Advisory Services Agreement (the "2025 Advisory Services Agreement") with the same vendor, which superseded the 2024 Advisory Services Agreement. The 2025 Advisory Services Agreement provides for non-exclusive advisory services, including investor introductions for private offerings and licensing transactions. The 2025 Advisory Services Agreement includes a $30,000 monthly advisory fee for six months, creditable against other fees owed under the agreement, subject to certain limitations. Financing fees are tiered, starting at 7% for the first $5.1 million of proceeds and decreasing to 3% for proceeds above $37 million. Equity compensation in the form of warrants is also tiered based on proceeds, with warrants having an exercise price equal to a 5% premium to the price per share of securities sold and a ten-year term. Company Transaction Fees are tiered from 3.5% to 2%, and a Licensing Transaction Fee of 2% applies to aggregate licensing transaction payments. The 2025 Advisory Services Agreement includes a 15-month tail period and may be reduced by up to 50% if a FINRA-registered broker-dealer is retained. Either party may terminate the agreement upon 15 days' written notice.

In connection with the Series B financings, the Company issued to the vendor and its designees an aggregate of 124,481 warrants to purchase shares of common stock during the nine months ended September 30, 2026. The warrants have an exercise price of $10.50 per share and expire on February 8, 2036. The fair value of these warrants of $140,947, measured using a Black-Scholes option pricing model, was recorded as an issuance cost of the Series B Convertible Preferred Stock during the nine months ended September 30, 2026, with a corresponding increase to additional paid-in capital. See Note 8 for additional information regarding these warrants.

The 2025 Advisory Services Agreement excludes securities issued in an IPO, and the tail period and its terms only apply to private offerings. Nothing has been billed or accrued by the vendor since the February 2026 advisory fee.

IPO Engagement Agreement

In December 2024, the Company signed an IPO Engagement Agreement with Titan Partners Group LLC, a division of American Capital Partners, LLC as its exclusive lead managing underwriter for a firm commitment IPO and listing on a U.S. national securities exchange. This agreement was terminated effective June 22, 2025. No termination fees were paid in connection with this termination.

12. Subsequent Events

Reverse stock split

On October 2, 2026, the Company effected the Reverse Stock Split described in Note 1. All share and per-share amounts in these unaudited condensed consolidated financial statements have been retroactively adjusted to reflect the Reverse Stock Split.

Equity incentive plans

The 2026 Equity Incentive Plan and the 2026 Employee Stock Purchase Plan, approved by the Board of Directors and the Company's stockholders on August 13, 2026, became effective on October 8, 2026, with 999,845 and 83,320 shares reserved, respectively (see Note 7).

Initial public offering

On October 13, 2026, the Company completed its IPO of 3,750,000 shares of common stock at an initial public offering price of $12.00 per share. On October 22, 2026, the underwriters exercised their option in full to purchase an additional 562,500 shares of common stock at $12.00 per share. The Company received aggregate net proceeds of approximately $45.1 million after deducting underwriting discounts and commissions and offering expenses. In connection with the IPO, the Company's common stock began trading on the Nasdaq Capital Market under the symbol "RTSN." In connection with the IPO, the Company's Third Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws became effective October 13, 2026. The Company's unaudited condensed consolidated financial statements as of September 30, 2026 and for the three and nine months ended September 30, 2026 and 2025, including share and per-share amounts, do not give effect to the IPO and related actions because the IPO closed after September 30, 2026.

Conversion of convertible preferred stock

Immediately prior to the closing of the IPO, all outstanding shares of Series A and Series B convertible preferred stock automatically converted into 3,774,119 shares of common stock. Warrants to purchase 349,930 shares of common stock at a weighted-average exercise price of $7.21 remain outstanding. Following the closing, no shares of preferred stock were outstanding.

Appointment of Chief Accounting Officer

On October 21, 2026, the Board of Directors appointed Robert Wong as Vice President, Chief Accounting Officer of the Company, effective November 2, 2026.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements as of September 30, 2026, and for the three and nine months ended September 30, 2026 and 2025 and related notes included elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes for the years ended December 31, 2025 and 2024 included in our final prospectus dated October 8, 2026, filed with the Securities and Exchange Commission ("SEC") under Rule 424(b)(4) of the Securities Act on October 9, 2026 (the "IPO Prospectus"). This discussion contains forward-looking statements that involve risks and uncertainties and actual results may differ materially from those anticipated. See "Special Note regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q and "Risk Factors" in the IPO Prospectus. Our historical results are not necessarily indicative of future results.

Overview

We are a clinical-stage biopharmaceutical company focused on developing medicines for the treatment of hypertension and other cardiovascular diseases. Our product candidate, RTN-001, is a next-generation, once-daily, oral small-molecule phosphodiesterase-5 ("PDE-5") inhibitor designed to reduce blood pressure by potentiating nitric oxide signaling, a key mechanism underlying the development and severity of hypertension. While first-generation PDE-5 inhibitors, such as sildenafil, were originally studied in cardiovascular indications such as hypertension and angina, we believe they did not have adequate bioavailability and tissue penetration to impact the smooth muscle cells of the central vascular and cardiac tissues and thus failed to achieve clinically meaningful reductions in blood pressure. RTN-001 differs from first-generation PDE-5 inhibitors as it has been specifically engineered to have increased bioavailability and an increased distribution to the muscular arteries in the body such as the aorta and its branches in the central vasculature.

In two Phase 2 pilot trials, RTN-001 achieved clinically meaningful placebo-adjusted reductions in systolic blood pressure ("SBP") and diastolic blood pressure ("DBP") in patients with hypertension and was generally well tolerated, with no drug-related serious adverse events ("SAEs") reported. We believe RTN-001 has the potential to be an effective treatment for hypertension with a favorable safety profile and thus be part of an anti-hypertensive treatment approach.

In October 2025, we initiated a randomized, multicenter, double-blind, placebo-controlled Phase 2b dose-ranging trial of a modified-release formulation of RTN-001 in adults with uncontrolled hypertension taking two to five antihypertensive medications. The primary endpoint is the change in peripheral office-seated SBP at Week 4 compared to placebo. We expect topline data in the first half of 2027.

Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, in-licensing RTN-001, establishing our intellectual property, and conducting research and development, including nonclinical and clinical testing. We have no products approved for commercial sale and have not generated any revenue from product sales. We have historically funded our operations primarily through sales of convertible preferred stock, which generated approximately $31.0 million in aggregate gross proceeds through September 30, 2026.

In connection with our initial public offering ("IPO"), on October 2, 2026 we effected a 1-for-6.21 reverse stock split of all issued and outstanding common stock and a proportional adjustment to the existing conversion ratios of each series of our convertible preferred stock then outstanding (the "Reverse Stock Split"). All share and per-share information in this Quarterly Report on Form 10-Q has been adjusted to reflect the Reverse Stock Split. In connection with the IPO, all outstanding convertible preferred stock was automatically converted into 3,774,119 shares of common stock. Following the closing of the IPO, no shares of preferred stock remain outstanding. We also restated our financial statements as of and for the year ended December 31, 2025, as described in the IPO Prospectus.

As of September 30, 2026, we had cash and cash equivalents of $9.2 million. In October 2026, we completed our IPO of 4,312,500 shares of common stock at an initial public offering price of $12.00 per share, which includes the exercise in full of the underwriters' option to purchase additional shares of our common stock. The Company received aggregate net proceeds of approximately $45.1 million after deducting underwriting discounts and commissions and offering expenses. In connection with the IPO, our common stock began trading on the Nasdaq Capital Market under the symbol "RTSN." Based on our current operating plan, management has concluded that there is no longer a substantial doubt about the

Company's ability to continue as a going concern and believes that our cash and cash equivalents will be sufficient to meet the Company's anticipated cash requirements for at least twelve months from the date the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q are issued. We have based this estimate on assumptions that may prove wrong, and we could utilize our available capital resources sooner than we currently expect, which would have a material impact on our operations. See "— Liquidity and Capital Resources" below.

We have incurred significant operating losses since inception and expect to continue to incur substantial losses for the foreseeable future. Our net losses were approximately $5.9 million and $1.5 million for the three months ended September 30, 2026, and 2025, and approximately $13.4 million and $3.4 million for the nine months ended September 30, 2026 and 2025. We had an accumulated deficit of approximately $21.8 million as of September 30, 2026. We anticipate that our expenses and operating losses will increase substantially as we complete the Phase 2b trial, prepare for and conduct a Phase 3 trial, add personnel, protect our intellectual property, and incur the costs of operating as a public company. We will not generate revenue from product sales unless and until we successfully complete clinical development and obtain regulatory approval for RTN-001, which may not occur for several years, if at all. If we obtain regulatory approval for any of our product candidates and do not enter into a commercialization partnership, we expect to incur significant expenses related to developing our commercialization capability to support product sales, manufacturing, marketing, market access and distribution.

Under the sublicense agreement (the "Redux Agreement") dated November 17, 2023 that our wholly-owned subsidiary Retension IP Holding Company, LLC ("Retension IP") entered into with Redux Therapeutics, LLC ("Redux"), we assumed the regulatory milestones royalty obligations owed by Redux to Kadmon Corporation, LLC ("Kadmon"), a subsidiary of Sanofi S.A. ("Sanofi"), under the exclusive sublicense agreement, dated February 13, 2019, as amended, by and between Kadmon and Redux (the "Kadmon Agreement"). Such royalty obligations consist of a low-teens percentage of royalties on net sales of RTN-001 and a low-teens percentage of royalties on sublicensing revenue, subject to customary deductions, to be paid each quarter in which net sales are generated or sublicense revenue is received. We cannot estimate the timing or likelihood of achieving milestones or realizing sales. For more information regarding the Redux Agreement, the Kadmon Agreement and other related agreements, see "Business — Intellectual Property — Key Agreements" in our IPO Prospectus.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of equity or debt instruments, collaborations or other strategic transactions. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed or on favorable terms, or at all. If we fail to raise capital or enter into such agreements as, and when, needed, we may have to significantly delay, scale back or discontinue the development and commercialization of our product candidate.

Components of Our Results of Operations

Operating expenses

Research and development expenses. The largest component of our operating expenses has been research and development, which is expensed as incurred and consists, or may in the future consist, primarily of: external costs under agreements with clinical research organizations ("CROs"), clinical sites and consultants to conduct our clinical trials; chemistry, manufacturing and controls costs for clinical supply; license fees and milestone payments; compensation and benefits for R&D personnel; regulatory costs; and costs of developing, prosecuting and maintaining our intellectual property. Advance payments to CROs are recorded as prepaid expenses and expensed as clinical activities are performed. We track external costs by program but do not allocate internal costs across programs. R&D expenses will increase substantially as we continue clinical development.

General and administrative expenses. G&A expenses consist primarily of compensation and benefits, including stock-based compensation, for administrative personnel and consultants, legal, accounting, audit and tax fees, insurance, and facilities and information technology costs. We expect G&A expenses to increase as we add staff and incur public-company, internal control and compliance costs.

Other income (expense)

Other income (expense) consists of interest income earned on cash and cash equivalents, and foreign exchange gains and losses.

Results of Operations

Comparison of the three months ended September 30, 2026 and 2025

(in thousands)	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Change
Research and development	$ 5,017	$ 1,365	$ 3,652
General and administrative	990	300	690
Total operating expenses	6,007	1,665	4,342
Total other income (expense), net	89	189	(100)
Net loss	$ (5,918)	$ (1,476)	$ (4,442)

Research and development expenses

The following table summarizes R&D expenses for the periods indicated.

(in thousands)	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Change
Clinical trial and CRO costs (Phase 2b: CROs, sites, central laboratories)	$ 4,096	$ 446	$ 3,650
CMC and drug manufacturing costs	138	172	(34)
Scientific consulting and advisory costs	322	556	(234)
Preclinical and other research and development costs	461	191	270
Total research and development	$ 5,017	$ 1,365	$ 3,652

R&D expenses increased by $3.7 million, from $1.4 million to $5.0 million, primarily due to Phase 2b trial costs, which began in October 2025, partly offset by lower scientific consulting costs of $0.2 million. R&D personnel costs were $0.4 million, as we had no R&D employees in the prior-year period.

General and administrative expenses

G&A expenses increased by $0.7 million, from $0.3 million to $1.0 million, primarily due to higher personnel costs as we added administrative staff, higher stock-based compensation, recruiting fees and higher information technology costs.

Other income (expense)

Interest income decreased by $0.1 million, from $0.2 million to $0.1 million, due to lower average cash balances. There were no foreign exchange gains or losses in either period.

Comparison of the nine months ended September 30, 2026 and 2025

(in thousands)	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025	Change
Research and development	$ 11,219	$ 2,542	$ 8,677
General and administrative	2,575	1,232	1,343
Total operating expenses	13,794	3,774	10,020
Total other income (expense), net	351	413	(62)
Net loss	$ (13,443)	$ (3,361)	$ (10,082)

Research and development expenses

The following table summarizes R&D expenses for the periods indicated.

(in thousands)	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025	Change
Clinical trial and CRO costs (Phase 2b: CROs, sites, central laboratories)	$ 9,075	$ 728	$ 8,347
CMC and drug manufacturing costs	396	673	(277)
Scientific consulting and advisory costs	874	950	(76)
Preclinical and other research and development costs	874	191	683
Total research and development	$ 11,219	$ 2,542	$ 8,677

R&D expenses increased by $8.7 million, from $2.5 million for the nine months ended September 30, 2025 to $11.2 million for the nine months ended September 30, 2026, primarily due to Phase 2b trial costs, which began in October 2025, partly offset by lower CMC and drug manufacturing costs of $0.3 million. R&D personnel costs were $0.8 million, as we had no R&D employees in the prior-year period.

General and administrative expenses

G&A expenses increased by $1.3 million, from $1.2 million for the nine months ended September 30, 2025 to $2.6 million for the nine months ended September 30, 2026, primarily due to higher personnel costs as we added administrative staff, higher stock-based compensation, recruiting fees and higher audit, tax and information technology costs, partly offset by lower corporate legal fees.

Other income (expense)

Interest income decreased by $61,000, from $413,000 to $351,000, due to lower cash balances in the third quarter of 2026. Foreign exchange gains and losses were not material in either period.

Liquidity and Capital Resources

Sources of liquidity

Since inception we have incurred significant operating losses and negative cash flows from operations and expect to continue to do so for the foreseeable future. Before our IPO, we funded operations primarily through sales of convertible preferred stock, which generated approximately $31.0 million in aggregate gross proceeds through September 30, 2026. As of September 30, 2026 and December 31, 2025, we had approximately $9.2 million and $18.9 million in cash and cash equivalents, respectively. We have not generated revenue from product sales and do not expect to in the foreseeable future, if at all.

In October 2026, we completed our IPO of 4,312,500 shares of common stock at an initial public offering price of $12.00 per share, which includes the exercise in full of the underwriters' option to purchase additional shares of our common

stock. The Company received aggregate net proceeds of approximately $45.1 million after deducting underwriting discounts and commissions and offering expenses. Our unaudited condensed consolidated balance sheet as of September 30, 2026, included elsewhere in this Quarterly Report on Form 10-Q does not reflect these net proceeds because the IPO closed after the quarter ended September 30, 2026. In connection with the IPO, our common stock began trading on the Nasdaq Capital Market under the symbol "RTSN."

Future funding requirements

Our plan of operation is to continue implementing our business strategy, continue development of RTN-001 and continue to expand our research pipeline and our internal research and development capabilities. We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance the clinical trials of RTN-001 and related research and development activities. In addition, we will incur additional costs associated with operating as a public company. Our future capital requirements will depend on many factors, including:

- the scope, timing, progress, costs, and results of discovery, preclinical development, and clinical trials for RTN-001 and any future product candidates;
- the number of clinical trials required for regulatory approval of RTN-001 and any future product candidates;
- the costs, timing, and outcome of regulatory review of RTN-001 and any future product candidates;
- the cost of manufacturing clinical and, if approved, commercial supplies of RTN-001 and any future product candidates; the costs and timing of future commercialization activities, including manufacturing, marketing, sales, and distribution, for any of our product candidates for which we receive marketing approval;
- the costs and timing of preparing, filing, and prosecuting patent applications, maintaining and enforcing our intellectual property rights, and defending any intellectual property-related claims, including any claims by third parties that we are infringing upon their intellectual property rights;
- our ability to maintain existing, and establish new, strategic collaborations, licensing, or other arrangements and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty, or other payments due under any such agreement;
- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
- expenses to attract, hire and retain, skilled personnel;
- the potential increase in the number of our employees and establishment of physical facilities to support preclinical studies and clinical trials;
- the costs of operating as a public company, including expenses related to legal, accounting, and regulatory activities, as well as costs associated with director and officer insurance premiums, investor relations support, and maintaining compliance with exchange listing and SEC requirements;
- our ability to establish a commercially viable pricing structure and obtain approval for coverage and adequate reimbursement from third-party and government payors;
- patients' willingness to pay out-of-pocket for any approved products in the absence of coverage and/or adequate reimbursement from third-party payors;
- the costs associated with potential product liability claims, including the costs associated with obtaining insurance against such claims and with defending against such claims

- the effect of competing technological and market developments;
- the timing and amount of any milestone, royalty or other payments under the Redux sublicense and the related agreements;
- the extent to which we acquire or invest in businesses, products and technologies; and
- the impact of inflation and tariffs, as well as other factors, including economic uncertainty and geopolitical tensions, which may exacerbate the magnitude of the factors discussed above.

A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and timing associated with the development of that product candidate.

As of September 30, 2026, we had cash and cash equivalents of $9.2 million. In connection with the closing of our IPO in October 2026, we received aggregate net proceeds of approximately $45.1 million after deducting underwriting discounts and commissions and offering expenses. Based on our current operating plan, management has concluded that there is no longer a substantial doubt about the Company's ability to continue as a going concern and believes that our cash and cash equivalents will be sufficient to meet the Company's anticipated cash requirements for at least twelve months from the date the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q are issued. We have based this estimate on assumptions that may prove wrong, and we could utilize our available capital resources sooner than we currently expect, which would have a material impact on our operations.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of equity or debt instruments, collaborations or other strategic transactions. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed or on favorable terms, or at all. If we fail to raise capital or enter into such agreements as, and when, needed, we may have to significantly delay, scale back or discontinue the development and commercialization of our product candidate.

Cash flows

The following table summarizes the cash flows for the periods indicated.

(in thousands)	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Net cash used in operating activities	$ (9,416)	$ (2,543)
Net cash used in investing activities	—	—
Net cash provided by (used in) financing activities	(295)	13,774
Net increase (decrease) in cash and cash equivalents	$ (9,711)	$ 11,231

Cash flows from operating activities

Net cash used in operating activities for the nine months ended September 30, 2026 was approximately $9.4 million, primarily due to a net loss of approximately $13.4 million, adjusted for non-cash charges of $0.4 million and changes in operating assets and liabilities of $3.6 million, including prepaid clinical costs, accounts payable and accrued expenses. Net cash used in operating activities for the nine months ended September 30, 2025 was approximately $2.5 million, primarily due to a net loss of approximately $3.4 million, partly offset by changes in operating assets and liabilities of $0.7 million and non-cash charges of $0.1 million.

Cash flows from investing activities

There were no investing activities in either period.

Cash flows from financing activities

Net cash used in financing activities for the nine months ended September 30, 2026 was approximately $0.3 million, consisting primarily of payments of offering costs related to the IPO. Net cash provided by financing activities for the nine months ended September 30, 2025 was approximately $13.8 million, consisting of net proceeds from the issuance of Series B convertible preferred stock.

Contractual Obligations and Commitments

Leases.

We have no lease obligations.

Milestone and Royalty Obligations.

Under the Redux Agreement, we assumed the regulatory milestones and royalty obligations owed by Redux to Kadmon under the Kadmon Agreement. Such royalty obligations consist of a low-teens percentage of royalties on net sales of RTN-001 and a low-teens percentage of royalties on sublicensing revenue, subject to customary deductions, to be paid each quarter in which net sales are generated or sublicense revenue is received. We cannot estimate the timing or likelihood of achieving milestones or realizing sales. For more information regarding the Redux Agreement, the Kadmon Agreement and other related agreements, see "Business — Intellectual Property — Key Agreements" in our IPO Prospectus. As of September 30, 2026, no regulatory milestones had been achieved and no royalties had been paid under the Redux Agreement.

Other Obligations.

We also enter into contracts in the normal course of business with third-party CROs, clinical manufacturing organizations and clinical sites. These contracts do not contain minimum purchase commitments and are cancellable by us upon written notice.

Off-Balance Sheet Arrangements

During the periods presented we did not have, and we do not currently have, any off-balance sheet arrangements as defined in SEC rules.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially affect our financial position, results of operations or cash flows is disclosed in Note 2 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Critical Accounting Estimates

Our critical accounting estimates are described in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates" in our IPO Prospectus. There were no material changes to our critical accounting estimates as of and for the three and nine months ended September 30, 2026. Following the closing of our IPO, the fair value of our common stock used to measure stock-based awards is based on the closing price of our common stock on the Nasdaq Capital Market.

Emerging Growth Company and Smaller Reporting Company Status

The Jumpstart Our Business Startups Act (the "JOBS Act") permits an "emerging growth company" to take advantage of the extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have elected to use the extended transition period under

the JOBS Act. Accordingly, our consolidated financial statements may not be comparable to the financial statements of public companies that comply with such new or revised accounting standards. The JOBS Act also exempts us from having to provide an auditor attestation of internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act.

We expect to retain our "emerging growth company" status until the earliest of: the last day of the fiscal year in which we have more than $1.235 billion in annual revenue; the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; the issuance, in any three-year period, by us of more than $1.0 billion in non-convertible debt securities; and the last day of the fiscal year ending after the fifth anniversary of our IPO.

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700 million and our annual revenue is less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company after this offering if either (i) the market value of our stock held by non-affiliates is less than $250 million or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies, which include reduced disclosure about our executive compensation arrangements and presentation of only two years of audited financial statements in addition to any required unaudited interim financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Item 4. Controls and Procedures

Limitations on Effectiveness of Controls

We maintain "disclosure controls and procedures" as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, designed to ensure that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls.

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2026. Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2026, our disclosure controls and procedures were not effective at a reasonable assurance level due to the material weakness described below. Although we implemented improvements to our control environment and business processes during the quarter ended September 30, 2026, this material weakness had not been remediated as of September 30, 2026. The material weakness will not be considered remediated until the enhanced controls have operated for a sufficient period and management has concluded, through testing, that they are operating effectively. This evaluation process, including testing the effectiveness of the remediation efforts, may be concluded prior to December 31, 2026, but may extend into 2027.

Identified Material Weakness in Internal Control over Financial Reporting

In connection with the preparation of our interim financial statements for the six months ended June 30, 2026, we identified a material weakness in the design of our internal control over financial reporting related to accounting for advance payments to a CRO. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The advance payments to the CROs were incorrectly recognized as expense when the related invoices were paid rather than recorded as prepaid expenses and recognized as research and development expense as the related activities were performed. As a result, we restated our consolidated financial statements as of and for the year ended December 31, 2025.

Remediation Plan

Since December 31, 2025, we have taken steps to improve our internal control over financial reporting, including hiring a Chief Financial Officer, Chief Accounting Officer, retaining additional accounting and finance personnel and formalizing and documenting our internal control framework. We have implemented, and continue to implement additional remediation measures to address the material weakness, including (i) hiring and retaining additional accounting and finance personnel with appropriate public company reporting and internal control expertise, (ii) enhancing and documenting our internal control framework, including risk assessment and monitoring activities, (iii) engaging third-party advisors to assist in the review of CRO arrangements and related accruals and prepaid balances, and (iv) designing and implementing enhanced review, oversight and approval controls. During the quarter ended September 30, 2026, we implemented (i) a monthly review of contracts with CROs and other research and development vendors, (ii) a monthly roll-forward of prepaid and accrued research and development balances, and (iii) a monthly review of our financial statements. The material weakness will not be considered remediated until the enhanced controls have operated for a sufficient period and management has concluded, through testing, that they are operating effectively.

Changes in Internal Control over Financial Reporting

Except for the remediation measures described above, there were no changes in our internal control over financial reporting during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in litigation or other legal proceedings in the ordinary course of our business. We are not currently a party to any litigation or legal proceedings that, in the opinion of management, would have a material adverse effect on our business, financial condition or results of operations. Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity, reputational harm and other factors.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties discussed in the section titled "Risk Factors" in our IPO Prospectus, together with all other information in this Quarterly Report on Form 10-Q, including our unaudited condensed consolidated financial statements and related notes, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Special Note Regarding Forward-Looking Statements," and our audited financial statements and related notes for the year ended December 31, 2025 included in our IPO Prospectus, before investing in our common stock.

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

Recent Sales of Unregistered Securities

During the three months ended September 30, 2026, we issued 448 shares of common stock upon the exercise of stock options at an exercise price of $1.43 per share, for aggregate proceeds of $639. The shares were issued under the 2024 Stock Incentive Plan in reliance on Rule 701 under the Securities Act. We did not grant any stock options or issue any other unregistered securities during the period.

Use of Proceeds from Registered Securities

We did not receive any proceeds from registered offerings during the three months ended September 30, 2026. Subsequent to September 30, 2026, we completed our IPO.

On October 8, 2026, registration statements on Form S-1 (File Nos. 333-299024 and 333-299378) filed in connection with our IPO were declared effective by the SEC. Our common stock began trading on the Nasdaq Capital Market on October 9, 2026. On October 13, 2026, we sold 3,750,000 shares of common stock at an initial public offering price of $12.00 per share. On October 22, 2026, the underwriters exercised their option in full to purchase an additional 562,500 shares of common stock at $12.00 per share, upon which the offering closed, for aggregate gross proceeds of $51.75 million. Leerink Partners LLC and Guggenheim Securities, LLC acted as representatives of the underwriters and as bookrunning managers, and Oppenheimer & Co. Inc. and Titan Partners Securities LLC acted as underwriters. We received aggregate net proceeds of approximately $45.1 million after deducting underwriting discounts and commissions and offering expenses. We incurred underwriting discounts and commissions of approximately $3.62 million and estimated other offering expenses of approximately $3.0 million. No direct or indirect payments were made to our directors, officers, persons owning 10% or more of any class of our common stock, or their respective affiliates in connection with the IPO. As described in the IPO Prospectus, we intend to use the net proceeds, together with our existing cash and cash equivalents, as follows: approximately $18 million to complete the Phase 2b clinical trial of RTN-001 in uncontrolled hypertension; approximately $10 million to prepare for, support and advance the planned Phase 3 clinical trial of RTN-001; and the remainder for general corporate purposes and other operating expenses. There has been no material change in the planned use of proceeds from our IPO as described in the IPO Prospectus.

Issuer Purchases of Equity Securities

We did not repurchase any shares of our common stock during the three months ended September 30, 2026.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

		Incorporated by Reference			
Exhibit Number	**Exhibit Description**	**Form**	**Exhibit**	**Filing Date**	**Filed / Furnished Herewith**
10.1#	Offer of Employment, dated October 12, 2026, by and between the Registrant and Robert Wong	8-K	10.1	10/23/2026	
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				*
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				*
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				**
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				**
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document				*
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents				*

104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	*

* Filed herewith.

** Furnished herewith. Not deemed to be "filed" for purposes of Section 18 of the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

# Indicates a management contract or compensatory plan or arrangement.

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.

DATE: November 18, 2026

RETENSION PHARMACEUTICALS, INC.

By: /s/ Eric Keller
Eric Keller
Chief Executive Officer
Principal Executive Officer

By: /s/ Alex Schwartz
Alex Schwartz
Chief Financial Officer
Principal Financial Officer and Principal Accounting Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO

RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,

AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric Keller, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended September 30, 2026 of Retension Pharmaceuticals, Inc.;

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

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

4. The registrant's other certifying officer(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) [Reserved];

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

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

5. The registrant's other certifying officer(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: November 18, 2026

/s/ Eric Keller
Eric Keller
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO

RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,

AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Alex Schwartz, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended September 30, 2026 of Retension Pharmaceuticals, Inc.;

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

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

4. The registrant's other certifying officer(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) [Reserved];

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

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

5. The registrant's other certifying officer(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: November 18, 2026

/s/ Alex Schwartz

Alex Schwartz
Chief Financial Officer
(Principal Financial Officer and Principal 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 on Form 10-Q for the quarterly period ended September 30, 2026 of Retension Pharmaceuticals, Inc. (the "Company") filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Eric Keller

Name: Eric Keller
Chief Executive Officer
Title: (Principal Executive Officer)
Date: November 18, 2026

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 on Form 10-Q for the quarterly period ended September 30, 2026 of Retension Pharmaceuticals, Inc. (the "Company") filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Alex Schwartz

Name: Alex Schwartz
Title: Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
Date: November 18, 2026