Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 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: 001-42001

Contineum Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-1467257**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
3565 General Atomics Court, Suite 200 San Diego, California	**92121**
(Address of principal executive offices)	**(Zip Code)**

(858) 333-5280
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.001 par value per share	**CTNM**	**The Nasdaq Stock Market LLC (Nasdaq Global Select Market)**

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

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

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

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

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

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

As of July 24, 2026, the registrant had 37,621,132 total shares outstanding, of which there were 32,958,632 shares of Class A common stock, $0.001 par value per share, outstanding and 4,662,500 shares of Class B common stock, $0.001 par value per share, outstanding.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business, operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that are in some cases beyond our control and may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

The words "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "project," "should," "target," "will," or "would" or the negative of these terms or other similar expressions are intended to identify forward looking statements. Forward-looking statements contained in this report include, but are not limited to, statements about:

- the likelihood of our clinical trials demonstrating the safety and efficacy of our drug candidates;
- the timing and progress of our current clinical trials, the expected results of these clinical trials and the timing of initiation of our planned and future clinical trials;
- our plans relating to the clinical development of our current and future drug candidates, including the size, number and disease indications to be evaluated;
- Janssen Pharmaceutica NV, a Johnson & Johnson ("J&J") company's, plans related to the clinical development of PIPE-307;
- our clinical translational approach, and our ability to identify and develop drug candidates that can potentially treat inflammatory and fibrotic diseases by targeting biological pathways associated with specific clinical impairment to alter the course of disease;
- the size of the market opportunities for our drug candidates;
- the rate and degree of market acceptance and clinical utility of our drug candidates;
- our plans relating to commercializing our drug candidates, if approved;
- the success of competing therapies and technologies that are or may become available;
- the beneficial characteristics, safety, efficacy, therapeutic effects and potential advantages of our drug candidates;
- the timing or likelihood of regulatory filings and approval for our drug candidates;
- our ability to obtain and maintain regulatory approval of our drug candidates and our drug candidates to meet existing or future regulatory standards;
- our plans relating to the further development and manufacturing of our drug candidates, including additional indications for which we may pursue;
- our ability to successfully identify and complete transactions to in-license or otherwise acquire additional drug candidates, technologies, products or businesses;
- our ability to attract and to enter into commercial arrangements with third parties who have development, regulatory, manufacturing and commercialization expertise;
- our plans and ability to obtain or protect intellectual property rights, including extensions of existing patent terms where available, as well as our ability to secure and maintain intellectual property regulatory rights and regulatory protections;
- our ability to retain our senior management;
- the need to hire additional personnel and our ability to attract and retain such personnel;

- the accuracy of our estimates regarding our operating runway, expenses, capital requirements and needs for additional financing;
- the sufficiency of our existing capital resources to fund our future operating expenses, development plans and capital expenditure requirements;
- the period during which we expect we will qualify as an emerging growth company under the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act") or a smaller reporting company;
- our anticipated use of our existing cash, cash equivalents and marketable securities; and
- other risks and uncertainties, including those described under Part II, Item 1A, "Risk Factors" of this Quarterly Report on Form 10-Q.

Any forward-looking statements in this Quarterly Report on Form 10-Q reflect our current views with respect to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under Part II, Item 1A, "Risk Factors" of this Quarterly Report on Form 10-Q. Given these uncertainties, you should not place undue reliance on these forward-looking statements or rely on forward-looking statements as predictions of future events. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

Unless the context otherwise indicates, references in this Quarterly Report on Form 10-Q to the terms, "Contineum," the "Company," "we," "our," and "us" refer to Contineum Therapeutics, Inc. and references to our "common stock" refer to our voting Class A common stock.

CONTINEUM THERAPEUTICS, INC.

TABLE OF CONTENTS

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

CONTINEUM THERAPEUTICS, INC.
CONDENSED BALANCE SHEETS
(unaudited)
(in thousands, except share and par value data)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 14,711	$ 75,603
Marketable securities	221,840	187,293
Prepaid expenses and other current assets	6,029	5,021
Total current assets	242,580	267,917
Property and equipment, net	929	830
Other long-term assets	364	256
Operating lease right-of-use assets	6,494	7,639
Total assets	$ 250,367	$ 276,642
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 505	$ 1,016
Accrued expenses	3,628	6,387
Current portion of operating lease liabilities	2,393	2,341
Total current liabilities	6,526	9,744
Operating lease liabilities, net of current portion	4,181	5,909
Total liabilities	10,707	15,653
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Class A common stock, $0.001 par value; authorized shares—200,000,000 at June 30, 2026 and December 31, 2025; issued and outstanding shares—32,950,909 and 31,236,787 at June 30, 2026 and December 31, 2025, respectively.	33	31
Class B common stock, $0.001 par value; authorized shares—20,000,000 at June 30, 2026 and December 31, 2025; issued and outstanding shares—4,662,500 and 6,083,338 at June 30, 2026 and December 31, 2025, respectively.	5	6
Preferred stock, $0.001 par value; authorized shares—10,000,000 at June 30, 2026 and December 31, 2025; no shares issued or outstanding at June 30, 2026 and December 31, 2025.	—	—
Additional paid-in-capital	447,185	438,072
Accumulated deficit	(206,990)	(177,380)
Accumulated other comprehensive income (loss)	(573)	260
Total stockholders' equity	239,660	260,989
Total liabilities and stockholders' equity	$ 250,367	$ 276,642

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

CONTINEUM THERAPEUTICS, INC.
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)
(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating expenses:				
Research and development	$ 12,702	$ 14,063	$ 24,349	$ 27,775
General and administrative	4,726	3,839	9,983	8,237
Total operating expenses	17,428	17,902	34,332	36,012
Loss from operations	(17,428)	(17,902)	(34,332)	(36,012)
Other income (expense):				
Interest income	2,342	2,029	4,847	4,279
Other expense, net	(68)	(167)	(125)	(297)
Total other income, net	2,274	1,862	4,722	3,982
Net loss	$ (15,154)	$ (16,040)	$ (29,610)	$ (32,030)
Other comprehensive income (loss):				
Unrealized gain (loss) on marketable securities	(320)	(23)	(833)	76
Comprehensive loss	$ (15,474)	$ (16,063)	$ (30,443)	$ (31,954)
Net loss per share, basic and diluted [(a)]	$ (0.40)	$ (0.62)	$ (0.79)	$ (1.24)
Weighted-average shares of common stock outstanding, basic and diluted	37,467,840	25,895,996	37,403,789	25,882,540

(a) Basic and diluted per share amounts are the same for Class A and Class B shares.

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

CONTINEUM THERAPEUTICS, INC.
CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)
(in thousands, except share data)

	Class A and Class B Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2025	37,320,125	$ 37	$ 438,072	$ 260	$ (177,380)	$ 260,989
Exercise of stock options	66,252	—	198	—	—	198
Stock-based compensation	—	—	3,823	—	—	3,823
Net loss	—	—	—	—	(14,456)	(14,456)
Unrealized loss on marketable securities	—	—	—	(513)	—	(513)
Balance at March 31, 2026	37,386,377	$ 37	$ 442,093	$ (253)	$ (191,836)	$ 250,041
Exercise of stock options	106,275	—	473	—	—	473
Shares purchased through employee stock purchase plan	120,757	1	779	—	—	780
Stock-based compensation	—	—	3,840	—	—	3,840
Net loss	—	—	—	—	(15,154)	(15,154)
Unrealized loss on marketable securities	—	—	—	(320)	—	(320)
Balance at June 30, 2026	37,613,409	$ 38	$ 447,185	$ (573)	$ (206,990)	$ 239,660

	Class A and Class B Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2024	25,854,549	$ 26	$ 315,371	$ 71	$ (117,402)	$ 198,066
Exercise of stock options	17,000	—	24	—	—	24
Stock-based compensation	–	—	2,569	—	—	2,569
Net loss	–	—	—	—	(15,990)	(15,990)
Unrealized gain on marketable securities	–	—	—	99	—	99
Balance at March 31, 2025	25,871,549	$ 26	$ 317,964	$ 170	$ (133,392)	$ 184,768
Shares purchased through employee stock purchase plan	48,346	—	267	—	—	267
Stock-based compensation	–	—	2,418	—	—	2,418
Net loss	–	—	—	—	(16,040)	(16,040)
Unrealized loss on marketable securities	–	—	—	(23)	—	(23)
Balance at June 30, 2025	25,919,895	$ 26	$ 320,649	$ 147	$ (149,432)	$ 171,390

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

CONTINEUM THERAPEUTICS, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Six Months Ended June 30,	
	2026	**2025**
Operating activities		
Net loss	$ (29,610)	$ (32,030)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	217	157
Noncash operating lease expense	1,145	460
Stock-based compensation	7,663	4,987
Accretion of premiums/discounts on marketable securities, net	(1,246)	(692)
Loss on disposal of property and equipment	2	67
Gain on marketable securities	—	(6)
Changes in operating assets and liabilities		
Prepaid expenses and other current assets	(1,005)	273
Other long-term assets	—	(6)
Accounts payable	(500)	190
Accrued expenses	(2,757)	(2,964)
Operating lease liabilities	(1,676)	(509)
Net cash used in operating activities	(27,767)	(30,073)
Investing activities		
Purchase of property and equipment	(318)	(91)
Purchases of marketable securities	(142,902)	(59,128)
Sales and maturities of marketable securities	108,766	88,018
Net cash provided by (used in) investing activities	(34,454)	28,799
Financing activities		
Payments of deferred offering costs	(122)	(176)
Proceeds from exercise of stock options	671	24
Proceeds from employee stock purchase plan	780	267
Net cash provided by financing activities	1,329	115
Net decrease in cash and cash equivalents	(60,892)	(1,159)
Cash and cash equivalents at beginning of period	75,603	21,943
Cash and cash equivalents at end of period	$ 14,711	$ 20,784

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

CONTINEUM THERAPEUTICS, INC.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. Organization and Basis of Presentation

Organization and Nature of Operations

Contineum Therapeutics, Inc. (the "Company"), is a clinical-stage biopharmaceutical company pioneering differentiated small molecule therapies for inflammatory and fibrotic diseases with significant unmet need. The Company was incorporated in the state of Delaware in 2009, and in November 2023 changed its name from Pipeline Therapeutics, Inc. to Contineum Therapeutics, Inc.

Liquidity and Capital Resources

Since its inception, the Company has devoted substantially all its resources to research and development activities, business planning, establishing and maintaining its intellectual property portfolio, hiring personnel, raising capital to support and expand such activities and providing general and administrative support for these operations. The Company incurred a net loss of $15.2 million and $29.6 million for the three and six months ended June 30, 2026, respectively. The Company had an accumulated deficit of $207.0 million as of June 30, 2026. From its inception through June 30, 2026, the Company has financed its operations primarily from the sale of equity securities and convertible equity securities, and a global license and development agreement (the "J&J License Agreement") the Company entered in February 2023 with Janssen Pharmaceutica NV, a Johnson & Johnson company.

In May 2025, the Company entered into a Sales Agreement with Leerink Partners LLC (the "ATM Sales Agreement") relating to the offer and sale of up to $75.0 million in shares of its Class A common stock, par value $0.001 per share ("Class A common stock") in an "at-the-market" offering program (the "ATM Program"). In March 2026, the Company entered into Amendment No. 1 to the ATM Sales Agreement (the "ATM Amendment") with Leerink Partners to increase the aggregate offering price of the shares of its Class A common stock that the Company may sell pursuant to the ATM Sales Agreement, as amended (the "Amended ATM Sales Agreement"). In connection with the ATM Amendment, the Company filed a prospectus supplement (the "ATM Prospectus Supplement") for the offer and sale of up to $100.0 million in shares of its Class A common stock under the Amended ATM Sales Agreement, exclusive of amounts previously sold under the ATM Sales Agreement. The Company did not sell any shares of its Class A common stock under the Amended ATM Sales Agreement during the three and six months ended June 30, 2026.

In December 2025, the Company completed a follow-on public offering in which 8,097,570 shares of its Class A common stock were sold at a public offering price of $12.25 per share resulting in aggregate net proceeds of $93.0 million.

As of June 30, 2026, the Company had cash, cash equivalents and marketable securities of $236.6 million. Management believes the Company's existing cash, cash equivalents and marketable securities will be sufficient to support its operations for at least 12 months from the issuance date of these unaudited condensed financial statements.

As the Company continues to pursue its business plan, it expects to finance its operations through both public and private sales of equity, debt financings or other commercial arrangements, which could include income from collaborations, strategic partnerships or marketing, distribution, licensing or other strategic arrangements with third parties. However, there can be no assurance that any additional financing or strategic transactions will be available to the Company on acceptable terms, if at all. If events or circumstances occur such that the Company does not obtain additional funding, it may need to delay, reduce or eliminate its product development or future commercialization efforts, which could have a material adverse effect on the Company's business, results of operations, financial condition and cash flows. Further, if the Company raises funds through licensing or other similar arrangements with third parties, it may be required to relinquish valuable rights to its technology, future revenue streams, research programs or drug candidates or may be required to grant licenses on terms that may not be favorable to it and/or may reduce the value of its common stock.

Unaudited Interim Condensed Financial Statements

The condensed balance sheet as of June 30, 2026, condensed statements of operations and comprehensive loss and condensed statements of stockholders' equity for the three and six months ended June 30, 2026 and 2025, and condensed statements of cash flows for the six months ended June 30, 2026 and 2025, and related notes to condensed financial statements are unaudited. These unaudited interim condensed financial statements have been prepared on the same basis as the Company's annual financial statements and, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) that are necessary for the fair statement of the Company's financial position, results of

operations and cash flows for the periods presented. The condensed results of operations for the three and six months ended June 30, 2026 are not necessarily indicative of the results to be expected for the full year or for any other future annual or interim period. The condensed balance sheet as of December 31, 2025 included herein was derived from the audited financial statements as of that date. These interim unaudited condensed financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2025 included in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission ("SEC") on March 5, 2026.

2. Summary of Significant Accounting Policies

During the six months ended June 30, 2026, there were no significant changes to the Company's significant accounting policies as described in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 5, 2026.

Basis of Presentation

The Company has prepared the accompanying condensed financial statements in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and the requirements of the SEC for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by U.S. GAAP can be condensed or omitted. The financial statements are presented in U.S. dollars. Any reference in these notes to applicable guidance is meant to refer to U.S. GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") promulgated by the Financial Accounting Standards Board ("FASB").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Company's financial statements and accompanying notes. Accounting estimates and management judgments reflected in the financial statements include: the accrual of research and development expenses; the incremental borrowing rate used to recognize the right-of-use assets and lease liabilities; the fair value of common stock; and stock-based compensation. Although these estimates are based on the Company's knowledge of current events and actions it may undertake in the future, actual results may materially differ from these estimates and assumptions.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). This standard requires a public entity to disaggregate certain income statement expenses. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its financial statements.

In December 2025, the FASB issued ASU No. 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements* ("ASU 2025-11"). This standard clarifies the applicability of interim reporting guidance under U.S. GAAP, provides a comprehensive list of interim disclosure requirements within Topic 270, and introduces a disclosure principle requiring entities to provide information about events and changes occurring after the end of the most recent annual reporting period that have a material impact on the entity. The ASU does not change the fundamental nature of interim reporting or expand or reduce existing interim disclosure requirements. ASU 2025-11 is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027 for public business entities, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its interim financial reporting and related disclosures.

In December 2025, the FASB issued ASU No. 2025-12, *Codification Improvements* ("ASU 2025-12"). This standard addresses suggestions received from stakeholders regarding the ASC and makes other incremental improvements to U.S. GAAP. The update represents changes to the Codification that clarify, correct errors in or make other improvements to a variety of topics that are intended to make it easier to understand and apply. ASU 2025-12 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual periods, with early adoption permitted. Entities are required to apply the amendments to ASC 260 retrospectively. All other amendments may be applied prospectively or retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of this guidance on its financial statements and related disclosures.

3. Cash Equivalents and Marketable Securities

The following table summarizes the amortized cost and fair value of the Company's cash equivalents and marketable securities by major investment category (in thousands):

		June 30, 2026			
			Unrealized		
	Maturity in Years	Amortized Cost	Gains	Losses	Fair Value
Cash equivalents	Less than 1	$ 12,564	$ —	$ (1)	$ 12,563
U.S. Government agency securities	3 years or less	46,789	9	(175)	46,623
Certificate of deposit	Less than 1	983	—	—	983
Corporate debt securities	3 years or less	127,521	3	(398)	127,126
Commercial paper	Less than 1	36,931	—	(12)	36,919
Yankee debt	Less than 1	3,607	—	(4)	3,603
Asset-backed securities	2 years or less	6,581	6	(1)	6,586
Total		$ 234,976	$ 18	$ (591)	$ 234,403

		December 31, 2025			
			Unrealized		
	Maturity in Years	Amortized Cost	Gains	Losses	Fair Value
U.S. Government agency securities	2 years or less	$ 41,238	$ 136	$ (1)	$ 41,373
Certificate of deposit	Less than 1	3,009	4	—	3,013
Corporate debt securities	2 years or less	81,614	84	—	81,698
Commercial paper	Less than 1	48,448	7	(2)	48,453
Yankee debt	Less than 1	4,463	2	—	4,465
Asset-backed securities	3 years or less	8,261	30	—	8,291
Total		$ 187,033	$ 263	$ (3)	$ 187,293

The Company regularly reviews the securities in an unrealized loss position and evaluates the current expected credit loss by considering factors such as historical experience, market data, issuer-specific factors, current and expected future economic conditions. The Company has no requirement or intention to sell these securities before maturity or recovery of their amortized cost basis. As of June 30, 2026 and December 31, 2025, the Company did not record an allowance for credit loss related to its investment portfolio. As of June 30, 2026, 135 out of 202 of the Company's cash equivalents and available-for-sale debt securities were in an aggregate gross unrealized loss position. The unrealized losses were broadly distributed across the portfolio and not concentrated in any one security. As of December 31, 2025, 7 out of 225 of the Company's available-for-sale debt securities were in an aggregate gross unrealized loss position. As of June 30, 2026 and December 31, 2025, all of the Company's available-for-sale debt securities in an unrealized loss position for which an allowance for credit losses has not been recorded had been in a continuous unrealized loss position for less than 12 months. Based on the Company's review of these investments as of June 30, 2026, the Company believes none of the unrealized loss positions were not other-than-temporary in nature.

The following tables summarize the Company's cash equivalents and available-for-sale debt securities in an unrealized loss position for which an allowance for credit losses has not been recorded, aggregated by major security type (in thousands):

	June 30, 2026	
	Fair Value	Unrealized Losses
Cash equivalents	$ 8,840	$ (1)
U.S. Government agency securities	29,258	(175)
Corporate debt securities	114,383	(398)
Commercial paper	36,919	(12)
Yankee debt	3,603	(4)
Asset-backed securities	3,350	(1)
Total	$ 196,353	$ (591)

	December 31, 2025	
	Fair Value	Unrealized Losses
U.S. Government agency securities	$ 1,771	$ (1)
Commercial paper	25,104	(2)
Total	$ 26,875	$ (3)

4. Fair Value Measurements

The accounting guidance defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the accounting guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2—Quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3—Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e. supported by little or no market activity).

Assets and liabilities measured at fair value on a recurring basis are as follows (in thousands):

		Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2026:				
Assets:				
Cash equivalents [1]	$ 12,563	$ 12,563	$ —	$ —
U.S. Government agency securities	46,623	46,623	—	—
Certificates of deposits	983	—	983	—
Corporate debt securities	127,126	—	127,126	—
Commercial paper	36,919	—	36,919	—
Yankee debt	3,603	—	3,603	—
Asset-backed securities	6,586	—	6,586	—
Total financial assets	$ 234,403	$ 59,186	$ 175,217	$ —
December 31, 2025:				
Assets:				
Cash equivalents	$ 75,051	$ 75,051	$ —	$ —
U.S. Government agency securities	41,373	41,373	—	—
Certificates of deposits	3,013	—	3,013	—
Corporate debt securities	81,698	—	81,698	—
Commercial paper	48,453	—	48,453	—
Yankee debt	4,465	—	4,465	—
Asset-backed securities	8,291	—	8,291	—
Total financial assets	$ 262,344	$ 116,424	$ 145,920	$ —

(1) Cash equivalents includes $12.2 million in short-term investments and $0.4 million in other cash equivalents.

The carrying amounts of the Company's financial instruments, including cash, cash equivalents, prepaid and other current assets, accounts payable, and accrued liabilities, approximate fair value due to their short maturities. Included in cash and cash equivalents at June 30, 2026 and December 31, 2025 are money market funds with a carrying value and fair value of $3.3 million and $6.5 million, respectively, based upon a Level 1 fair value assessment.

5. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	June 30, 2026	December 31, 2025
Accrued compensation expenses	$ 2,413	$ 4,796
Accrued research and development expenses	939	1,195
Accrued professional and consulting expenses	98	342
Other accrued expenses	178	54
Total accrued expenses	$ 3,628	$ 6,387

6. Stockholders' Equity

Common Stock

The Company has two classes of common stock: Class A common stock and Class B common stock. Class A common stock has one vote per share and Class B common stock has no votes per share.

The following table summarizes the changes in Class A common stock and Class B common stock for the six months ended June 30, 2026 (in shares):

	Common Stock	
	Class A	**Class B**
Balance at December 31, 2025	31,236,787	6,083,338
Exercise of stock options	66,252	—
Conversion of Class B common stock into Class A common stock	1,420,838	(1,420,838)
Balance at March 31, 2026	32,723,877	4,662,500
Exercise of stock options	106,275	—
Shares purchased through employee stock purchase plan	120,757	—
Balance at June 30, 2026	32,950,909	4,662,500

The following table summarizes the changes in Class A common stock and Class B common stock for the six months ended June 30, 2025 (in shares):

	Common Stock	
	Class A	**Class B**
Balance at December 31, 2024	19,125,377	6,729,172
Exercise of stock options	17,000	—
Balance at March 31, 2025	19,142,377	6,729,172
Shares purchased through employee stock purchase plan	48,346	—
Balance at June 30, 2025	19,190,723	6,729,172

Class A common stock reserved for future issuance consisted of the following:

	June 30, 2026	**December 31, 2025**
Common stock options granted and outstanding	7,656,913	5,548,320
Shares available for issuance under the 2024 Equity Incentive Plan	2,042,449	1,707,563
Common stock warrant	15,764	15,764
Common stock reserved under the 2024 Employee Stock Purchase Plan	595,549	436,306
Shares available for issuance under the 2026 Inducement Plan	472,000	—
Convertible Class B common stock	4,662,500	6,083,338
Total common stock reserved for future issuance	15,445,175	13,791,291

There are no shares of Class B common stock reserved for future issuance as of June 30, 2026 and December 31, 2025.

Follow-On Public Offering

In December 2025, the Company completed a follow-on public offering in which 8,097,570 shares of its Class A common stock were sold at a public offering price of $12.25 per share resulting in aggregate net proceeds of $93.0 million

Sales Agreement

In May 2025, the Company entered into the ATM Sales Agreement relating to the offer and sale of up to $75.0 million in shares of its Class A common stock in the ATM Program. In March 2026, the Company entered into the ATM Amendment with Leerink Partners to increase the aggregate offering price of the shares of its Class A common stock that the Company may sell pursuant to the ATM Sales Agreement. In connection with the ATM Amendment, the Company filed the ATM Prospectus Supplement for the offer and sale of up to $100.0 million in shares of its Class A common stock under the Amended ATM Sales Agreement, exclusive of amounts previously sold under the ATM Sales Agreement. The Company did not sell any shares of its Class A common stock under the Amended ATM Sales Agreement during the three and six months ended June 30, 2026.

Equity Incentive Plans

As of June 30, 2026, there were 2,042,449 shares of the Company's Class A common stock available for issuance under the 2024 Equity Incentive Plan (the "2024 Plan").

In January 2026, the Company's board of directors adopted and approved the 2026 Employment Inducement Equity Incentive Plan (the "2026 Inducement Plan"). The terms of the 2026 Inducement Plan are substantially similar to the terms of the Company's 2024 Equity Incentive Plan with the exception that incentive stock options may not be issued under the Inducement Plan and awards under the Inducement Plan may only be issued to eligible recipients under the applicable Nasdaq rules. The 2026 Inducement Plan was adopted by the board of directors without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules. Under the 2026 Inducement Plan, the Company may grant non-qualified stock options, restricted stock, restricted stock units, stock appreciation rights, and other stock or cash-based awards to an employee in connection with his or her commencement of employment with the Company. The number of shares initially reserved for issuance under the 2026 Inducement Plan was 750,000. Options granted were pursuant to Nasdaq Listing Rule 5635(c)(4) and are subject to service-based vesting conditions. As of June 30, 2026, there were 472,000 shares of the Company's Class A common stock available for issuance under the 2026 Inducement Plan.

Stock Options

Stock option activity is as follows:

	Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Balance at December 31, 2025	5,548,320	$ 9.46	7.28	$ 18,235
Options granted	2,357,857	14.15	—	—
Options exercised	(172,527)	3.90	—	—
Options cancelled and forfeited	(76,737)	12.47	—	—
Options expired	—	—	—	—
Balance at June 30, 2026	7,656,913	$ 10.99	7.54	$ 41,694
Options vested and expected to vest as of June 30, 2026	7,656,913	$ 10.99	7.54	$ 41,694
Options exercisable as of June 30, 2026	3,841,761	$ 8.93	6.20	$ 28,845

The aggregate intrinsic value of options exercised during the six months ended June 30, 2026 and 2025 was $1.8 million and $0.2 million, respectively, determined as of the date of exercise.

The Company estimated the fair value of stock options using the Black-Scholes valuation model. The Company accounts for any forfeitures of options when they occur. Previously recognized compensation expense for an award is reversed in the period that the award is forfeited. The fair value of stock options expected to vest was estimated using the following weighted-average assumptions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Assumptions:				
Expected term (in years)	5.84	5.69	6.00	5.96
Expected volatility	97%	95%	110%	94%
Risk free interest rate	4.15%	3.91%	3.93%	4.26%
Dividend yield	—	—	—	—

The weighted-average grant-date fair value per share of stock options granted and expected to vest as of their grant date during the three months ended June 30, 2026 and 2025 was $10.64 and $3.33 per share, respectively. The weighted-average grant-date fair value per share of stock options granted and expected to vest as of their grant date during the six months ended June 30, 2026 and 2025 was $11.90 and $6.37 per share, respectively.

Stock-based compensation

Stock-based compensation has been reported in the condensed statements of operations and comprehensive loss as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Research and development	$ 1,806	$ 1,094	$ 3,512	$ 2,177
General and administrative	2,034	1,324	4,151	2,810
Total	$ 3,840	$ 2,418	$ 7,663	$ 4,987

As of June 30, 2026, there was approximately $40.1 million of total unrecognized stock-based compensation related to stock-based compensation arrangements, which is expected to be recognized over a weighted-average period of approximately 2.7 years.

Employee Stock Purchase Plan

As of June 30, 2026, there were 595,549 shares of the Company's Class A common stock reserved and available for issuance under the 2024 Employee Stock Purchase Plan ("2024 ESPP"). During the six months ended June 30, 2026, there were 120,757 shares purchased under the 2024 ESPP and the recorded expense was $0.4 million. During the six months ended June 30, 2025, there were 48,346 shares purchased under the 2024 ESPP and the recorded expense was $0.1 million.

7. License Agreement

In February 2023, the Company entered into the J&J License Agreement, pursuant to which the Company granted J&J an exclusive, worldwide license to develop, manufacture and commercialize PIPE-307 in all indications. The J&J License Agreement allowed the Company to elect, at its sole discretion and cost, to conduct a Phase 2 trial of PIPE-307 for patients with multiple sclerosis which the Company completed during the year ended December 31, 2025. With the completion of this trial, J&J may, at its sole discretion, further develop PIPE-307 for patients with multiple sclerosis. Additionally, upon J&J deciding to conduct a first Phase 3 clinical trial for a product using PIPE-307, the J&J License Agreement allows the Company the option to co-fund a portion of all Phase 3 and subsequent development costs for PIPE-307, with such costs capped annually. If the Company opts to fund such development costs, then the royalties the Company is eligible to receive will increase. Pursuant to the terms of the J&J License Agreement, the Company received an upfront, non-refundable and non-creditable payment of $50.0 million upon transferring the license and know-how, existing inventory and manufacturing technology. The Company is also eligible to receive approximately $1.0 billion in non-refundable, non-creditable milestone payments. Additionally, the Company is eligible to receive tiered royalties in the low-double digit to high-teen percent range on net sales of products containing PIPE-307.

In August 2023, the Company elected to conduct a Phase 2 trial using PIPE-307 for patients with multiple sclerosis, which was considered a contract modification under the accounting guidance that added promised goods or services that are distinct at a price that is below the standalone selling price. As of June 30, 2026, the Company had completed the Phase

2 trial, and subsequently there were no remaining unsatisfied performance obligations from the J&J License Agreement. All variable consideration remained fully constrained as of June 30, 2026.

There was no revenue recognized for the three and six months ended June 30, 2026 and 2025. The Company does not have any products approved for sale and have not yet generated any revenue from product sales.

8. Commitments and Contingencies

Operating Lease

In October 2023, the Company executed a noncancelable operating lease for new premises to be used for office, research and development and laboratory purposes ("General Atomics Court Lease"). The General Atomics Court Lease has a five-year term with an option to extend for another three-year period subject to certain conditions, which the Company is not reasonably certain to exercise and therefore was not considered in determining the right-of-use ("ROU") assets and lease liabilities balance.

In August 2025, the Company signed an amendment to the General Atomics Court Lease for additional space ("General Atomics Court Lease Expansion"). The General Atomics Court Lease Expansion commenced for accounting purposes in October 2025. The General Atomics Court Lease Expansion expires in December 2027 with an option to extend through October 2029, which the Company is not reasonably certain to exercise and therefore was not considered in determining the ROU assets and lease liabilities balance. Upon commencement of the General Atomics Court Lease Expansion, the Company recorded an additional ROU asset and lease liability of approximately $1.4 million.

In November 2025, the Company leased certain equipment used in connection with its on-going Phase 2 clinical trial of PIPE-791 for the treatment of IPF. The leases are accounted for as operating leases and have lease terms expiring in 2028. The Company recorded an ROU asset and lease liability of approximately $1.9 million.

Below is a summary of the Company's operating lease right-of-use assets and lease liabilities as of June 30, 2026 and December 31, 2025 (in thousands, except for years and %):

	June 30, 2026	December 31, 2025
Operating lease right-of-use assets	$ 6,494	$ 7,639
Operating lease liability obligations, current	$ 2,393	$ 2,341
Operating lease liability obligations, less current portion	4,181	5,909
Total lease liability obligations	$ 6,574	$ 8,250
Weighted-average remaining lease term	3.0	3.4
Weighted-average discount rate	8.9 %	8.9 %

During the three months ended June 30, 2026 and 2025, the Company recognized $0.7 million and $0.4 million, respectively, in operating lease expenses, which are included in operating expenses in the Company's statements of operations and comprehensive loss. During the six months ended June 30, 2026 and 2025, the Company recognized $1.2 million and $0.8 million, respectively, in operating lease expenses, which are included in operating expenses in the Company's statements of operations and comprehensive loss.

Supplemental cash flow information related to operating leases are as follows (in thousands):

	Six Months Ended June 30,	
	2026	2025
Cash paid for amounts included in the measurement of lease liabilities	$ 1,866	$ 756

Future minimum lease payments for the Company's operating lease liabilities as of June 30, 2026 were as follows (in thousands):

2026	$	1,239
2027		2,636
2028		2,000
2029		1,556
Total minimum lease payments		7,431
Less: Amount representing interest		857
Total lease liability obligations		6,574
Less: Current portion of operating lease liabilities		2,393
Operating lease liabilities, net of current portion	$	4,181

Litigation

From time to time, the Company may become involved in various legal proceedings and claims that arise in the ordinary course of the Company's business activities. As of June 30, 2026, the Company was not a party to any material legal proceedings.

Other Commitments

The Company has various manufacturing, clinical, research and other contracts with vendors in the conduct of the normal course of its business. Such contracts are generally terminable with advanced written notice and payment for any products or services received by the Company through the effective time of termination and any non-cancelable and non-refundable obligations incurred by the vendor at the effective time of the termination. In the case of terminating a clinical trial agreement at a particular site, the Company would also be obligated to provide continued support for appropriate medical procedures at that site until completion or termination.

9. Net Loss Per Share

For the three and six months ended June 30, 2026 and 2025, net loss is attributable equally to each share of Class A common stock and Class B common stock and is determined based on the weighted-average number of the respective class of common stock outstanding. Weighted-average common shares include shares of the Company's Class A common stock and Class B common stock. The basic and diluted net loss per share amounts are the same for Class A common stock and Class B common stock.

The Company's potentially dilutive securities, which include common stock options and a common stock warrant have been excluded from the computation of diluted net loss per share for the three and six months ended June 30, 2026 and 2025, as the effect would reduce the net loss per share. Therefore, the weighted-average number of shares of common stock outstanding used to calculate both basic and diluted net loss per share attributable to common stockholders is the same.

The following potentially dilutive securities have been excluded from the diluted per share calculation for the periods presented as they would be anti-dilutive:

	June 30, 2026	June 30, 2025
Common stock options	7,656,913	5,580,612
Common stock warrant	15,764	15,764
Total potentially dilutive securities	7,672,677	5,596,376

10. Segment Reporting

The Company operates in one reportable segment, pioneering differentiated small molecule therapies inflammatory and fibrotic diseases with significant unmet need.

The Company's chief operating decision maker ("CODM") is its President and Chief Executive Officer, Carmine Stengone. The CODM makes decisions on resource allocation, assesses performance of the business, and monitors budget versus actual results of the Company as a whole using operating expenses, as reported on the Company's statements of operations and comprehensive loss. Net loss is also a measure that is considered in monitoring budget versus actual results.

The CODM does not review assets in evaluating the results of the Company, and therefore, such information is not presented.

Significant segment expenses within net loss include research and development related to PIPE-791, PIPE-307, CTX-343, discovery programs and unallocated internal costs, general and administrative and interest income.

The following table provides the operating financial results of the Company's single reportable segment (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Significant segment expenses				
Research and development				
PIPE-791	$ 7,127	$ 6,178	$ 13,178	$ 11,732
PIPE-307	(259)	2,160	(8)	4,775
CTX-343	341	1,059	614	2,437
Discovery programs	1,317	1,328	2,743	2,710
Unallocated internal costs[1]	4,176	3,338	7,822	6,121
General and administrative	4,726	3,839	9,983	8,237
Total operating expenses	17,428	17,902	34,332	36,012
Loss from operations	(17,428)	(17,902)	(34,332)	(36,012)
Interest income	2,342	2,029	4,847	4,279
Other segment items[2]	(68)	(167)	(125)	(297)
Net loss	$ (15,154)	$ (16,040)	$ (29,610)	$ (32,030)

(1) Unallocated internal research and development costs include employee-related expenses that cannot be directly attributable to a specific research project, stock-based compensation for employees engaged in research and development functions, facilities, depreciation and other related expenses.

(2) Other segment items include other expense, net which primarily consists of non-operating items.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed financial statements and related notes included in this Quarterly Report on Form 10-Q and our audited financial statements and related notes thereto as of and for the year ended December 31, 2025 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are included in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 5, 2026.

This Quarterly Report on Form 10-Q may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such forward-looking statements, which represent our intent, belief, or current expectations, involve risks and uncertainties. We use words such as "may," "will," "expect," "anticipate," "estimate," "intend," "plan," "predict," "potential," "believe," "should" and similar expressions to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Such statements may include, but are not limited to, statements concerning projections about our accounting and finances, our clinical trial and product development plans and timelines, the indications, anticipated benefits of, and market opportunities for our drug candidates, our operating runway, our business strategies and plans, and other statements regarding future performance. Although we believe the expectations reflected in these forward-looking statements are reasonable, such statements are inherently subject to risk and we can give no assurances that our expectations will prove to be correct. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Quarterly Report on Form 10-Q. As a result of many factors, including without limitation those set forth under "Risk Factors" under Item 1A of Part II below, and elsewhere in this Quarterly Report on Form 10-Q, our actual results may differ materially from those anticipated in these forward-looking statements. Except as required by law, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this report or to reflect actual outcomes.

Overview

We are a clinical-stage biopharmaceutical company pioneering structurally differentiated small molecule therapies for inflammatory and fibrotic diseases with significant unmet need. We target biological pathways associated with specific clinical impairments that we believe, once modulated, will demonstrably alter the course of disease.

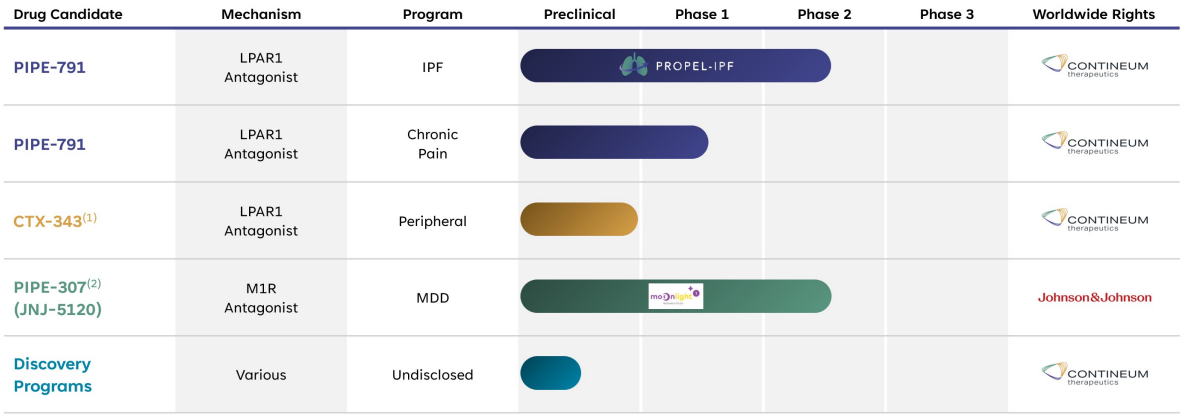
We focus on developing selective compounds targeting challenging molecular pathways and have built a portfolio of small molecule drug candidates. We believe our two clinical stage, internally-discovered drug candidates, PIPE-791 and PIPE-307, will have broad applicability across multiple indications. We are developing PIPE-307 in collaboration with J&J.

Our wholly-owned lead asset, PIPE-791, is a novel, brain penetrant, small molecule inhibitor of the lysophosphatidic acid receptor 1 ("LPAR1") in development for idiopathic pulmonary fibrosis ("IPF") and chronic pain. LPAR1 antagonism is a clinically validated mechanism in IPF, and we believe that our preclinical studies, Phase 1 healthy volunteer data, and Phase 1 positron emission tomography ("PET") data support the development of PIPE-791 for IPF, chronic pain and other fibrotic diseases. Specifically, based on its high bioavailability, high selectivity, low plasma protein binding, and long receptor residence time, we believe PIPE-791 has the potential to be a differentiated LPAR1 therapy with broad therapeutic potential (portfolio in a pill). In September 2025, we reported positive top-line data from our completed Phase 1b PET trial, which measured the relationship of pharmacokinetics to receptor occupancy ("RO") by PET imaging. The data from the Phase 1b PET trial further affirmed the planned dose selection for our Phase 2 trial of PIPE-791 in IPF. The Company initiated patient dosing in PROPEL-IPF, a global Phase 2 clinical trial evaluating PIPE-791 for the treatment of patients with IPF, in the first quarter of 2026. PROPEL-IPF is a 26-week, randomized, double-blind, placebo-controlled clinical trial evaluating the efficacy, safety, tolerability and pharmacokinetics of once-daily, oral PIPE-791 in approximately 324 IPF patients. The primary efficacy endpoint is the change from baseline through week 26 in absolute forced vital capacity (FVC mL). To date, the Company has activated more than 50 clinical trial sites. In the fourth quarter of 2025, we completed enrollment for a Phase 1b, randomized, double-blind, placebo-controlled, crossover study which was designed to explore the safety and efficacy of oral PIPE-791 in subjects with chronic osteoarthritic pain or chronic low back pain. We announced positive topline data from this trial in April 2026. The Phase 1b trial achieved its primary endpoint demonstrating favorable safety and tolerability with no clinically-relevant orthostatic events. We also observed encouraging trends across multiple exploratory efficacy endpoints including improvements in measures of pain, and other functional patient-reported outcomes. We believe these results support further evaluation of PIPE-791 in chronic pain.

Our partnered novel drug candidate, PIPE-307, is a selective, small-molecule inhibitor of the muscarinic type 1 receptor ("M1R"), in development for depression. We have completed two Phase 1 trials of PIPE-307 in healthy volunteers. J&J completed enrollment of 107 adult participants for its Phase 2 Moonlight-1 trial of PIPE-307, renamed by J&J to JNJ-89495120, in June 2026. This trial is a randomized, double-blind, multicenter, placebo-controlled, proof-of-

concept study to evaluate the efficacy, safety, and tolerability of PIPE-307/JNJ-89495120 as a monotherapy in adult participants with major depressive disorder ("MDD").

We have a portfolio of novel and proprietary small molecule programs that we believe can modulate innate pathways to restore function in inflammatory and fibrotic diseases. We retain worldwide rights to our LPAR1 programs and discovery portfolio, and we have partnered with J&J for the development and potential commercialization efforts of PIPE-307.



(1) We made a strategic decision to defer further clinical development for our CTX-343 program until funding is obtained to specifically move this program forward.

(2) J&J has sole discretion whether or not to further develop PIPE-307 for MDD or any other indication.

We are also actively conducting preclinical and discovery-phase experiments targeting various indications where our internally-discovered molecules may have therapeutic potential.

We expect our operating expenses to significantly increase as we continue to develop, conduct clinical trials, and seek regulatory approvals for our drug candidates, engage in other research and development activities to expand the indications for our existing drug candidates and develop a pipeline of additional drug candidates, expand our operations and headcount, maintain and expand our intellectual property portfolio, and, if we obtain approval for one or more of our drug candidates, launch commercial activities. We also expect to incur additional operating expenses as we continue operating as a public company. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing and scope of our clinical trials and our expenditures on other research and development activities.

As we continue to pursue our business plan, we expect to finance our operations through both public and private sales of equity, debt financings or other commercial arrangements, which could include income from collaborations, strategic partnerships or marketing, distribution, licensing or other strategic arrangements with third parties. However, there can be no assurance that any additional financing or strategic transactions will be available to us on acceptable terms, if at all. If events or circumstances occur such that we do not obtain additional funding, we may need to delay, reduce or eliminate our product development or future commercialization efforts, which could have a material adverse effect on our business, results of operations or financial condition. Further, if we raise funds through licensing or other commercial arrangements with third parties, we may be required to relinquish valuable rights to our technology, future revenue streams, research programs or drug candidates or may be required to grant licenses on terms that may not be favorable to us and/or may reduce the value of our common stock.

Collaboration

In February 2023, we entered into a license agreement with J&J (the "J&J License Agreement"), pursuant to which we granted J&J an exclusive, worldwide license to develop, manufacture and commercialize PIPE-307 in all indications.

J&J is generally responsible for all development, manufacturing and commercialization activities for PIPE-307. Upon J&J conducting a first Phase 3 clinical trial for a product using PIPE-307, we have an opt-in right to fund a portion of

all Phase 3 and subsequent development costs for PIPE-307. If we opt to fund such development costs, then the royalties we are eligible to receive will increase by one to two percentage points.

J&J completed enrollment of 107 adult participants for its Phase 2 Moonlight-1 trial of PIPE-307, renamed by J&J to JNJ-89495120, in June 2026. This trial is a randomized, double-blind, multicenter, placebo-controlled, proof-of-concept study to evaluate the efficacy, safety, and tolerability of PIPE-307/JNJ-89495120 as a monotherapy in adult participants with MDD.

The J&J License Agreement expires on a licensed product-by-product and country-by-country basis upon the last to occur of: (i) the expiration of the last-to-expire licensed patent claim covering the composition of matter of the licensed compound in such licensed product in such country; (ii) the expiration of exclusive marketing rights conferred by a regulatory authority or applicable law (other than patent exclusivity) for such licensed product in such country; or (iii) ten years after the first commercial sale of such licensed product in such country. Either party may terminate the J&J License Agreement in the event of an uncured material breach by the other party or a bankruptcy or insolvency of the other party. J&J may terminate the J&J License Agreement without cause upon prior written notice to us. Upon any termination, all license rights granted to J&J terminate.

Financial Operations Overview

Revenue

We recognize license revenues as identified performance obligations are satisfied or other events occur, specifically related to our J&J License Agreement. Pursuant to the terms of the J&J License Agreement, we received an upfront payment of $50.0 million in May 2023. We are also eligible to receive approximately $1.0 billion in non-refundable, non-creditable milestone payments, pursuant to the terms of the J&J License Agreement. Additionally, we are eligible to receive tiered royalties in the low-double digit to high-teen percent range on net sales of products containing PIPE-307. We determined that the initial transaction price under the J&J License Agreement equals $50.0 million, consisting solely of the upfront, non-refundable payment of $50.0 million received during the year ended December 31, 2023. There was no revenue recognized for the three and six months ended June 30, 2026 and 2025. We do not have any products approved for sale and we have not yet generated any revenue from product sales.

Operating Expenses

Research and Development

Research and development expenses consist primarily of costs incurred for our internal research and development activities.

Direct costs include:

- employee-related expenses, including salaries, related benefits, and travel that can be directly attributable to each research project;
- expenses incurred in connection with research, laboratory consumables and preclinical studies;
- expenses incurred in connection with conducting clinical trials, including investigator grants and site payments for time and pass-through expenses and expenses incurred under agreements with contract research organizations (“CROs”), other vendors or central laboratories and service providers engaged to conduct our trials;
- the cost of consultants engaged in research and development related services;
- the cost to manufacture drug products for use in our preclinical studies and clinical trials; and
- costs related to regulatory compliance.

Unallocated internal research and development costs include:

- employee-related expenses, including salaries, related benefits, and travel that cannot be directly attributable to a specific research project;

- stock-based compensation for employees engaged in research and development functions; and
- facilities, depreciation and other related expenses.

We expense our research and development costs as they are incurred. We record advance payments for goods or services to be received in the future for use in research and development as prepaid expenses. We then expense the prepaid amounts as the related goods are delivered or the services are performed.

We track outsourced development costs, consultant costs and other external research and development costs such as third-party contract costs relating to manufacturing, clinical trial activities, translational medicine and toxicology activities to specific programs. We allocate employee related costs including salaries and related benefits based upon the level of effort for each specific project.

Certain employee activities that cannot be allocated to any one specific project or management related activities are considered indirect costs. The following tables summarize our research and development expenses for the three and six months ended June 30, 2026 and 2025. The direct external development program expenses reflect external costs attributable to our clinical development and preclinical programs and personnel costs that can be directly attributed to a development program. The unallocated internal research and development costs include unallocated personnel costs, facility costs, stock-based compensation, laboratory consumables and discovery and research related activities.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)		(in thousands)	
Direct external development program expense				
PIPE-791	$ 7,127	$ 6,178	$ 13,178	$ 11,732
PIPE-307	(259)	2,160	(8)	4,775
CTX-343	341	1,059	614	2,437
Discovery programs	1,317	1,328	2,743	2,710
Unallocated internal research and development costs				
Personnel related	1,085	1,207	2,002	1,835
Stock-based compensation	1,806	1,094	3,512	2,177
Facilities costs	728	482	1,233	986
Others	557	555	1,075	1,123
Total research and development costs	$ 12,702	$ 14,063	$ 24,349	$ 27,775

Research and development activities are central to our business model. There are numerous factors associated with the successful commercialization of any of our drug candidates, including future clinical trial design and various regulatory requirements, many of which we cannot determine with accuracy at this time based on our stage of development. In addition, future regulatory factors beyond our control may impact our clinical development programs. Drug candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. At this time, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the preclinical and clinical development of any of our drug candidates and our costs may increase if we exercise our opt-in right to fund a portion of all Phase 3 and subsequent development costs for PIPE-307 pursuant to the J&J License Agreement. However, we expect that our research and development expenses will increase substantially in connection with our planned preclinical and clinical development activities in the near term and for the foreseeable future.

The successful development of our drug candidates is highly uncertain. This is due to numerous risks and uncertainties, including the following:

- successful completion of preclinical studies and clinical trials;
- delays in regulators or institutional review boards authorizing us or our investigators to commence or continue our clinical trials;

- our ability to negotiate agreements with clinical trial sites or CROs;
- the number of clinical sites included in our clinical trials;
- raising additional funds necessary to complete clinical development of our drug candidates;
- obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity for our drug candidates;
- establishing and qualifying manufacturing capabilities for clinical supplies of our drug candidates, whether directly or through qualified third party manufacturers;
- our ability to receive necessary regulatory approvals from the U.S. Food and Drug Administration and comparable governmental bodies outside the United States;
- our decision to elect to fund a portion of Phase 3 and subsequent development costs for PIPE-307;
- coverage for our products by governmental and third party payors;
- protecting and enforcing our rights in our intellectual property portfolio;
- our ability to successfully compete with our competitors and their product offerings; and
- maintaining a continued acceptable safety profile of the products following approval.

A change in the outcome of any of these variables with respect to the development of our drug candidates may significantly impact the costs and timing associated with the development of our drug candidates. We may never succeed in obtaining regulatory approval for any of our drug candidates or successfully commercialize our products, even if approved.

General and Administrative

General and administrative expenses consist primarily of salaries and employee-related costs, including stock-based compensation, for personnel in executive, finance and other administrative functions. Other significant costs include legal fees relating to intellectual property, patent applications, and corporate matters, professional fees for accounting and consulting services and facility-related costs.

We expect our general and administrative expenses will increase for the foreseeable future to support our increased research and development activities, the growth of our business operations and headcount and to reflect increased operating expenses as we continue operating as a public company. These increased costs will likely include increased expenses related to audit, legal, regulatory services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance premiums and investor relations costs.

Other Income

Interest Income

Interest income consists of interest earned on our cash, cash equivalents and marketable securities.

Results of Operations

Comparison of the Three Months Ended June 30, 2026 and 2025

The following table summarizes our results of operations for the three months ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended June 30,		
	2026	2025	Change
Operating expenses:			
Research and development	$ 12,702	$ 14,063	$ (1,361)
General and administrative	4,726	3,839	887
Total operating expenses	17,428	17,902	(474)
Loss from operations	(17,428)	(17,902)	474
Other income (expense):			
Interest income	2,342	2,029	313
Other expense, net	(68)	(167)	99
Total other income, net	2,274	1,862	412
Net loss	$ (15,154)	$ (16,040)	$ 886

Research and development expenses. Research and development expenses were $12.7 million and $14.1 million for the three months ended June 30, 2026 and 2025, respectively. The decrease of $1.4 million from period to period was due to the following:

- $2.0 million decrease in contract research organization costs due to a $2.1 million decrease in costs related to the completed VISTA Phase 2 clinical trial for PIPE-307 for the treatment of relapse-remitting multiple sclerosis ("RRMS"), a $0.9 million decrease in costs related to the Phase 1b trial for PIPE-791 for the treatment of chronic pain, and a $0.4 million decrease in costs related to the completed Phase 1b PET trial for PIPE-791 partially offset by a $1.4 million increase in costs related to the Phase 2 trial for PIPE-791 for the treatment of IPF, and

- $0.8 million decrease in expenses for toxicology studies primarily for PIPE-791 and CTX-343.

Partially offsetting these decreases was a $0.7 million increase in noncash stock-based compensation, $0.4 million increase in personnel-related expense related to an overall increase in personnel from period to period, $0.2 million increase in facilities costs, and $0.2 million increase in equipment costs.

General and administrative expenses. General and administrative expenses were $4.7 million and $3.8 million for the three months ended June 30, 2026 and 2025, respectively. The increase of $0.9 million was due to a $0.7 million increase in noncash stock-based compensation and a $0.2 million increase in personnel-related expenses related to an overall increase in personnel from period to period.

Interest income. Interest income was $2.3 million and $2.0 million for the three months ended June 30, 2026 and 2025, respectively. The increase of $0.3 million was due to an increase in funds invested in marketable securities during the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Comparison of the Six Months Ended June 30, 2026 and 2025

The following table summarizes our results of operations for the six months ended June 30, 2026 and 2025 (in thousands):

	Six Months Ended June 30,		
	2026	2025	Change
Operating expenses:			
Research and development	$ 24,349	$ 27,775	$ (3,426)
General and administrative	9,983	8,237	1,746
Total operating expenses	34,332	36,012	(1,680)
Loss from operations	(34,332)	(36,012)	1,680
Other income (expense):			
Interest income	4,847	4,279	568
Other expense, net	(125)	(297)	172
Total other income, net	4,722	3,982	740
Net loss	$ (29,610)	$ (32,030)	$ 2,420

Research and development expenses. Research and development expenses were $24.4 million and $27.8 million for the six months ended June 30, 2026 and 2025, respectively. The decrease of $3.4 million from period to period was due to the following:

- $4.6 million decrease in contract research organization costs due to a $4.4 million decrease in costs related to the completed VISTA Phase 2 clinical trial for PIPE-307 for the treatment of RRMS, a $1.8 million decrease in costs related to the completed Phase 1b PET trial for PIPE-791, and a $1.5 million decrease in costs related to the Phase 1b trial for PIPE-791 for the treatment of chronic pain partially offset by a $3.1 million increase in costs related to the Phase 2 trial for PIPE-791 for the treatment of IPF, and

- $1.9 million decrease in expenses for toxicology studies primarily for PIPE-791 and CTX-343.

Partially offsetting these decreases was a $1.3 million increase in noncash stock-based compensation, $1.2 million increase in personnel-related expense related to an overall increase in personnel from period to period, $0.4 million increase in equipment costs, and $0.2 million increase in facilities costs.

General and administrative expenses. General and administrative expenses were $10.0 million and $8.2 million for the six months ended June 30, 2026 and 2025, respectively. The increase of $1.8 million was due to a $1.3 million increase in noncash stock-based compensation and a $0.4 million increase in personnel-related expenses related to an overall increase in personnel from period to period.

Interest income. Interest income was $4.9 million and $4.3 million for the six months ended June 30, 2026 and 2025, respectively. The increase of $0.6 million was due to an increase in funds invested in marketable securities during the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Liquidity and Capital Resources

Sources of Liquidity

We have incurred net losses and negative cash flows from operations in nearly every reporting period since our inception and anticipate that we will continue to incur net losses for the foreseeable future. We expect to incur substantial expenditures as we advance our drug candidates through clinical development, undergo the regulatory approval process, engage in other research and development activities to expand our pipeline of drug candidates, expand our operations and headcount, maintain and expand our intellectual property portfolio and, if we obtain approval for one or more of our drug candidates, launch commercial activities.

Through June 30, 2026, we have funded our operations primarily from the sale of equity securities, convertible equity securities, and the J&J License Agreement. Through June 30, 2026, we have raised gross proceeds of approximately $431.6 million through equity issuances and an upfront payment from the J&J License Agreement of $50.0 million. As of June 30, 2026, we had an accumulated deficit of $207.0 million.

As of June 30, 2026, we had cash, cash equivalents and marketable securities of $236.6 million. Based on our current operating plan, we believe that our existing cash and cash equivalents and marketable securities, will be sufficient

to meet our anticipated operating expenses and capital expenditure requirements through at least the next 12 months following the date of this Quarterly Report on Form 10-Q.

In May 2025, we entered into the ATM Sales Agreement relating to the offer and sale of up to $75.0 million in shares of our Class A common stock, par value $0.001 per share in the ATM Program. During the year ended December 31, 2025, we sold 3,241,110 shares of our Class A common stock pursuant to the ATM Sales Agreement generating net proceeds of $19.0 million. In March 2026, we entered into the ATM Amendment with Leerink Partners to increase the aggregate offering price of the shares of our Class A common stock that we may sell pursuant to the ATM Sales Agreement. In connection with the ATM Amendment, we filed the ATM Prospectus Supplement for the offer and sale of up to $100.0 million in shares of our Class A common stock under the Amended ATM Sales Agreement, exclusive of amounts previously sold under the ATM Sales Agreement. We did not sell any shares of our Class A common stock under the Amended ATM Sales Agreement during the three and six months ended June 30, 2026.

In December 2025, we completed a follow-on public offering in which 8,097,570 shares of our Class A common stock were sold at a public offering price of $12.25 per share resulting in aggregate net proceeds of $93.0 million.

As we continue to pursue our business plan, we expect to finance our operations through both public and private sales of equity, debt financings or other commercial arrangements, which could include milestone payments from collaborations, strategic partnerships or marketing, distribution, licensing or other strategic arrangements with third parties. However, there can be no assurance that any additional financing or strategic transactions will be available to us on acceptable terms, if at all. If events or circumstances occur such that we do not obtain additional funding, we may need to delay, reduce or eliminate our product development or future commercialization efforts, which could have a material adverse effect on our business, results of operations or financial condition. Further, if we raise funds through licensing or other commercial arrangements with third parties, we may be required to relinquish valuable rights to our technology, future revenue streams, research programs or drug candidates or may be required to grant licenses on terms that may not be favorable to us and/or may reduce the value of our common stock.

Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated (in thousands):

	Six Months Ended June 30,	
	2026	**2025**
Net cash used in operating activities	$ (27,767)	$ (30,073)
Net cash provided by (used in) investing activities	(34,454)	28,799
Net cash provided by financing activities	1,329	115
Net decrease in cash and cash equivalents	$ (60,892)	$ (1,159)

Operating Activities

Net cash used in operating activities was $27.8 million for the six months ended June 30, 2026, which primarily related to our net loss of $29.6 million and a $5.9 million change in operating assets and liabilities, partially offset by $7.8 million of noncash charges for stock-based compensation, depreciation and amortization, accretion of premiums/discounts on investments, and noncash operating lease expense. Net cash used in operating activities was $30.1 million for the six months ended June 30, 2025, which primarily related to our net loss of $32.0 million and a $3.0 million change in operating assets and liabilities, partially offset by $4.9 million of non-cash charges for stock-based compensation, depreciation and amortization, accretion of premiums/discounts on investments, and non-cash operating lease expense.

Investing Activities

Net cash used in investing activities was $34.5 million for the six months ended June 30, 2026, which related to $142.9 million of purchases of marketable securities and $0.3 million of purchases of property and equipment, partially offset by $108.8 million of sales and maturities of marketable securities. Net cash provided by investing activities was $28.8 million for the six months ended June 30, 2025, which primarily related to $88.0 million of sales and maturities of marketable securities, partially offset by $59.1 million of purchases of marketable securities and $0.1 million of purchases of property and equipment.

Financing Activities

Net cash provided by financing activities was approximately $1.3 million for the six months ended June 30, 2026, which was primarily related to $0.8 million of proceeds from the employee stock purchase plan and $0.7 million of proceeds from the exercise of stock options, partially offset by $0.1 million in payments of deferred offering costs. Net cash provided by financing activities was $0.1 million for the six months ended June 30, 2025, which primarily related to $0.3 million of proceeds from the employee stock purchase plan, partially offset by $0.2 million in payments of deferred offering costs.

Funding Requirements

We expect our operating expenses to significantly increase as we continue to develop and seek regulatory approvals for our drug candidates, engage in other research and development activities to expand our pipeline of drug candidates, expand our operations and headcount, maintain and expand our intellectual property portfolio, and, if we obtain approval for one or more of our drug candidates, launch commercial activities. However, our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and our actual results could vary materially. We have based this estimate on assumptions that may prove to be wrong, and we could deplete our capital resources sooner than we expect. Additionally, the process of testing our drug candidates in clinical trials is costly, and the timing of progress and expenses in these trials is uncertain.

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

- the type, number, scope, progress, expansions, results, costs and timing of, our clinical trials and preclinical studies for our drug candidates or other potential drug candidates or indications which we are pursuing or may choose to pursue in the future;
- the outcome, timing and costs of regulatory review of our drug candidates;
- the costs and timing of manufacturing for our drug candidates;
- our efforts to enhance our operational systems and hire additional personnel to satisfy our obligations as a public company, including enhanced internal controls over financial reporting;
- the costs associated with hiring additional personnel and consultants as our preclinical and clinical activities expand;
- the costs and timing of establishing or securing manufacturing facilities for our drug candidates;
- the costs and timing of establishing sales and marketing capabilities if any of our drug candidates are approved;
- our ability to establish and maintain strategic collaborations, licensing or other arrangements;
- the financial terms of any such agreements that we may enter into;
- our decision to elect to fund a portion of Phase 3 and subsequent development costs for PIPE-307;
- the costs of obtaining, maintaining and enforcing our patent and other intellectual property rights; and
- costs associated with any drug candidates, products or technologies that we may in-license or acquire.

Until such time as we can generate significant revenue from sales of our drug candidates, if ever, we expect to finance our cash needs through public or private equity or debt financings or other commercial arrangements, including collaborations, strategic partnerships or marketing, distribution, licensing or other strategic arrangements with third parties. We may be unable to raise additional funds or enter into such commercial arrangements when needed, on favorable terms, or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise funds through collaborations, or other similar arrangements with third parties, we may be required to relinquish valuable rights to our drug candidates, future revenue streams or research programs or may be required to grant licenses on terms that may not be favorable to us

and may reduce the value of our common stock. If we are unable to raise additional funds through equity or debt financings or through commercial arrangements when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market our drug candidates even if we would otherwise prefer to develop and market such drug candidates ourselves.

Contractual Obligations and Commitments

Our contractual obligations and commitments relate to our operating leases that relate primarily to our leases of office and laboratory space in San Diego, California and leased equipment used in connection with our on-going Phase 2 clinical trial of PIPE-791 for the treatment of IPF. Our total contractual commitments for our lease agreements amount to approximately $7.4 million as of June 30, 2026.

We enter into contracts in the normal course of business for contract research services, contract manufacturing services, professional services and other services and products for operating purposes. These contracts generally provide for termination after a notice period, and, therefore, are cancelable contracts and not included in the table above.

Off-Balance Sheet Arrangements

During the periods presented, we did not have, nor do we currently have, any off-balance sheet arrangements as defined under the rules and regulations of the SEC.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of our assets, liabilities, revenue, and expenses and the disclosure of contingent assets and liabilities in our financial statements and accompanying notes. On an ongoing basis, we evaluate our estimates and judgments, including those related to the accrual of research and development expenses; stock-based compensation, and common stock valuation. We base our estimates and assumptions on historical experience, known trends and events, and various other factors that we believe are reasonable and appropriate under the circumstances, the results of which form the basis for making judgments about the carrying values of our assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

There have been no material changes to our critical accounting estimates from those described under our "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Significant Judgments and Estimates" included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Emerging growth company and smaller reporting company status

We are an "emerging growth company," as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period under the JOBS Act until the earlier of the date we (1) are no longer an emerging growth company or (2) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates. We will remain an emerging growth company until the earliest to occur of: (i) the last day of the fiscal year in which we have more than $1.235 billion in annual gross revenue; (ii) the date we qualify as a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, with at least $700 million of equity securities held by non-affiliates; (iii) the issuance, in any three-year period, by us of more than $1.0 billion in non-convertible debt securities; or (iv) December 31, 2029, the last day of the fiscal year ending after the fifth anniversary of our IPO.

We are also a "smaller reporting company" as defined in the Exchange Act. Even after we no longer qualify as an emerging growth company, we may continue to qualify as a "smaller reporting company," which would allow us to take advantage of many of the same exemptions from disclosure requirements, 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.

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 required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, our management with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2026. The term "disclosure controls and procedures" as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officer, as appropriate 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 management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2026, our Chief Executive Officer and our Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2026, there have been no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Exchange Act, 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 various legal proceedings and claims that arise in the ordinary course of our business activities. We are not currently a party to any material legal proceedings. Regardless of the outcome, litigation could have an adverse impact on us because of 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. In addition to the information set forth in this Quarterly Report on Form 10-Q, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our condensed financial statements and related notes, you should consider carefully the factors discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 5, 2026. The occurrence of any of the risks and uncertainties described in such Annual Report could materially and adversely affect our business, financial condition, results of operations and prospects. In that event, the price of our common stock could decline and you could lose part or all of your investment. Furthermore, such risks are not the only ones we face; additional risks and uncertainties not currently known or that we currently deem to be immaterial may also materially adversely affect our business, financial condition or results of operations. The below risk factor updates and replaces the risk factor with the same title in Part I, Item 1A, "Risk Factors" of the Company's Annual Report on Form 10-K. Except as set forth below, there have been no material changes from the risk factors set forth in Part I, Item 1A of the Company's Annual Report on Form 10-K.

We currently rely on third-party CMOs for the production of clinical supplies of PIPE-791 and we intend to rely on CMOs for our future drug candidates, as well as to supply the raw materials necessary to produce our drug candidates. We may elect to continue to rely on CMOs for the production of commercial supplies of PIPE-791, if approved. Our dependence on CMOs may impair our development of drug candidates and may impair their commercialization, which would adversely impact our business and financial position.

We do not own facilities to manufacture PIPE-791, PIPE-307 or any of our drug candidates in development. Instead, we rely on and expect to continue to rely on CMOs for the supply of cGMP grade clinical trial materials of PIPE-791 and any other drug candidates we develop. We relied on CMOs to supply the clinical trial materials for our recently completed Phase 2 clinical trial of PIPE-307 and, going forward, J&J may continue to rely on CMOs for the future development, manufacture and potential commercialization of PIPE-307. We intend to continue to rely on CMOs for the production of commercial supplies of PIPE-791, if approved. Reliance on CMOs may expose us to more risk than if we were to manufacture our drug candidates ourselves. If any CMO we engage is unable to provide sufficient supply of any drug candidate we develop, we may be unable to arrange for an alternative supply or to do so on commercially reasonable terms or in a timely manner, which could delay any clinical trials, the commercial launch of a drug candidate, if approved, or, regarding any commercial supply, result in a shortage in supply that could negatively impact our revenues. Transitioning to a new CMO for a drug candidate is time consuming and costly. We have identified, but have not contracted with, other CMOs as back-up for the manufacture and supply of PIPE-791. As a result, if the CMO currently involved in the manufacture and supply of PIPE-791, WuXi AppTec, experiences a delay or disruption, we may not have sufficient quantities of PIPE-791 for our clinical trials and may not be able to transition to a new CMO in a timely or cost-effective manner, or at all, which would negatively impact our ability to develop, complete our planned clinical trials for PIPE-791.

Similarly, we contract for the supply of the APIs and other raw materials necessary to produce PIPE-791. We currently intend to contract in the future for the supply of these APIs and other raw materials for any other drug candidate we develop. Supplies of our APIs or other raw materials could be interrupted from time to time and we cannot be certain that alternative supplies could be obtained within a reasonable time frame, at an acceptable cost, or at all. In addition, a disruption in the supply of any required API or other raw material could delay the commencement of a planned clinical trial or the delay the commercial launch of a drug candidate, if approved, or result in a shortage in supply, which would impair our ability to generate revenues. Growth in the costs and expenses of our APIs or other raw materials may also impair our ability to cost-effectively manufacture a drug candidate. In addition, there may be a limited number of suppliers for the APIs or other raw materials that we may use to manufacture a drug candidate, and we cannot be certain that we will be able to engage such suppliers in a timely manner or at all. If we are unable to do so, clinical development of a drug candidate, commercialization for any approved product, or our business could be adversely affected.

The facilities used to manufacture the drug candidates we develop, as well as the included APIs, must be inspected by the FDA and comparable foreign regulatory authorities. While we provide oversight of manufacturing activities, we do not and will not control the execution of manufacturing activities by, and are or will be dependent on, our CMOs for compliance with cGMP requirements for the manufacture of a drug candidate. In addition, we have limited control over the ability of our CMOs to maintain adequate quality control, quality assurance, and qualified personnel, and we were not involved in developing our CMOs' policies and procedures. As a result, we are subject to the risk that a drug candidate may have manufacturing defects that we have limited ability to prevent. If a CMO cannot successfully manufacture material that conforms to our specifications and the regulatory requirements, we will not be able to secure or maintain regulatory approval for the use of the drug candidate in clinical trials, or for commercial distribution of the drug candidate, if approved.

If the FDA or comparable foreign regulatory authority finds deficiencies with or does not approve these facilities for the manufacture of the drug candidates we develop or if it withdraws any such approval or finds deficiencies in the future, we may need to find alternative manufacturing facilities, which would delay our development program and planned clinical trials and significantly impact our ability to develop, obtain regulatory approval for, or commercialize such drug candidates, if approved. In addition, any failure to achieve and maintain compliance with laws, regulations, and standards related to manufacturing could subject us to risks, including the risk that we may have to suspend the manufacture of a drug candidate, that obtained approvals could be revoked, and that the FDA or another governmental regulatory authority may take enforcement actions, including untitled letters, warning letters, seizures, injunctions, or product recalls. In addition, foreign CMOs may be subject to U.S. legislation, sanctions, trade restrictions and other foreign regulatory requirements which could increase the cost or reduce the supply of material available to us, delay the procurement or supply of such material or have an adverse effect on our ability to secure significant commitments from governments to purchase our potential therapies. For example, the BIOSECURE Act, which was signed into law in December 2025 as part of the National Defense Authorization Act for FY 2026, prohibits U.S. federal agencies from entering into or renewing any contract, loan, or grant with any entity that uses biotechnology equipment or services produced or provided by a "biotechnology company of concern" to perform that contract as well as authorizes the U.S. government to name additional Chinese "biotechnology companies of concern." The Office of Management and Budget ("OMB") of the U.S. government will issue a list of "biotechnology companies of concern," which will include certain companies that are identified on the U.S. Department of Defense's annual List of Chinese Military Companies, also known as the 1260H List, other entities which the U.S. government has deemed as such pursuant to a separate designation process, and certain subsidiary, parent and successor entities of the foregoing. WuXi AppTec, our current CMO for the manufacture and supply of PIPE-791, was designated on the 1260H List on June 8, 2026. There is, however an applicable safe harbor provision providing that the restrictions do not apply to equipment or services that were formerly but are no longer provided by a "biotechnology company of concern," as well as an applicable grandfathering provision providing that the prohibitions shall not apply for a five-year period to biotechnology equipment or services produced or provided under a contract or agreement entered into before the applicable effective date. If WuXi AppTec is ultimately designated as a "biotechnology company of concern" by OMB, we may be restricted in the future in our ability to work with WuXi AppTec to the extent we contract with, or otherwise receive funding from, the U.S. government. As a result, we may need to seek alternative CMO relationships. While we believe we will be able to identify and contract with such alternative CMOs, we cannot predict the terms of any such alternative arrangement. In addition to the BIOSECURE Act, any additional executive action, legislative action, or potential sanctions with China could materially impact our work with WuXi AppTec. U.S. executive agencies have the ability to designate entities and individuals on various governmental prohibited and restricted parties lists. Depending on the designation, potential consequences can range from a comprehensive prohibition on all transactions or dealings with designated parties, or a limited prohibition on certain types of activities, such as exports and financing activities, with designated parties. Furthermore, CMOs may breach existing agreements they have with us because of factors beyond our control. They may also terminate or refuse to renew their agreement at a time that is costly or otherwise inconvenient for us. If we were unable to find an adequate CMO or another acceptable solution in time, our clinical trials could be delayed, or our commercial activities could be harmed.

Finding new CMOs or third-party suppliers involves additional cost and requires our management's time and focus. In addition, there is typically a transition period when a new CMO commences work. Although we have not, and do not intend to, begin a clinical trial unless we believe we have on hand, or will be able to obtain, a sufficient supply of the drug candidate to complete the clinical trial, any significant delay in the supply of the drug candidate or the raw materials needed to produce the drug candidate, could adversely affect our business in a number of ways, including but not limited to:

- an inability to initiate or continue clinical trials of our drug candidates under development;

- delay in submitting regulatory applications, or receiving marketing approvals, for our drug candidates;
- loss of the cooperation of an existing or future collaborator;
- subjecting third-party manufacturing facilities or our manufacturing facilities to additional inspections by regulatory authorities;
- economic loss and additional costs resulting from starting materials, intermediates, API or drug product that cannot be used in clinical trials or for other purposes;
- requirements to cease development or to recall batches of our drug candidates; and
- in the event of approval to market and commercialize our drug candidates, an inability to meet commercial demands for our product or any other future drug candidates.

As part of their manufacture of our drug candidates, our CMOs and third-party suppliers are expected to comply with and respect the proprietary rights of others. If a CMO or third-party supplier fails to acquire the proper licenses or otherwise infringes the proprietary rights of others in the course of providing services to us, we may have to find alternative CMOs or third-party suppliers or defend against claims of infringement, either of which would significantly impact our ability to develop, complete our planned clinical trials, obtain regulatory approval for, or commercialize a drug candidate, if approved.

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

(a) Recent Sales of Unregistered Equity Securities.

None.

(b) Use of Proceeds from Initial Public Offering of Common Stock.

On April 4, 2024, our registration statement on Form S-1 (333-278003) relating to the initial public offering of our common stock was declared effective by the SEC (the "Registration Statement"). Pursuant to such Registration Statement, we issued and sold an aggregate of 7,423,682 shares of our common stock, which includes 548,682 shares sold pursuant to the underwriters' partial exercise of their option to purchase additional shares, at the public offering price of $16.00 per share. On April 9, 2024, we closed the sale of 6,875,000 shares and on April 19, 2024, we closed the sale of the 548,682 shares sold pursuant to the underwriters' exercise of their option to purchase additional shares. The aggregate offering price for shares sold in the IPO was approximately $118.8 million, resulting in aggregate net proceeds of approximately $107.9 million, after deducting the underwriting discounts, commissions and offering expenses paid or payable by us. No offering expenses were paid or payable, directly or indirectly, to our directors, officers, persons owning 10% or more of any class of our equity securities, or to any of our affiliates. Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC, Stifel Nicolaus & Company, Incorporated and RBC Capital Markets, LLC acted as joint book-running managers for the IPO.

There has been no material change in the planned use of proceeds from the IPO from those described in the final Prospectus, dated April 4, 2024, filed with the SEC on April 8, 2024, pursuant to Rule 424(b) of the Securities Act.

(c) Issuer Purchases of Equity Securities.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item *5.* Other Information.

Trading Arrangements

During the quarter ended June 30, 2026, none of our directors or officers adopted or terminated any Rule 10b5-1 trading arrangement or any non-Rule 10b5-1 trading arrangement (as such terms are defined pursuant to Item 408(a) of Regulation S-K).

Item 6. Exhibits

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of the Registrant.	8-K	001-42001	3.1	04/09/2024	
3.2	Amended and Restated Bylaws of the Registrant.	8-K	001-42001	3.2	04/09/2024	
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.					X
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.					X
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.					X
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.					X
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.					X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).					X

* The certifications furnished in Exhibit 32.1 and 32.2 hereto are deemed to be furnished with this Quarterly Report on Form 10-Q and will not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates them by reference.

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.

Contineum Therapeutics, Inc.

July 30, 2026

By: /s/ Carmine Stengone

Carmine Stengone
President, Chief Executive Officer and Director
(Principal Executive Officer)

July 30, 2026

By: /s/ Peter Slover

Peter Slover
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, Carmine Stengone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Contineum Therapeutics, 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

5. The registrant's other certifying officer(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.

Contineum Therapeutics, Inc.

July 30, 2026

By: /s/ Carmine Stengone
Carmine Stengone
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, Peter Slover, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Contineum Therapeutics, 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

5. The registrant's other certifying officer(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.

Contineum Therapeutics, Inc.

July 30, 2026

By: /s/ Peter Slover
Peter Slover
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 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

In connection with the Quarterly Report of Contineum Therapeutics, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Carmine Stengone, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Contineum Therapeutics, Inc.

July 30, 2026

By: /s/ Carmine Stengone
Carmine Stengone
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 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

In connection with the Quarterly Report of Contineum Therapeutics, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter Slover, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Contineum Therapeutics, Inc.

July 30, 2026

By: /s/ Peter Slover
Peter Slover
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)