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

**FORM 10-Q**

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

**For the quarterly period ended September 30, 2026**

**OR**

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

**For the transition period from ____ to ____**

**Commission file number: 001-40582**

**UNICYCIVE THERAPEUTICS, INC.**
*(Exact name of Registrant as specified in its charter)*

| **Delaware** | **2834** | **81-3638692** |
|---|---|---|
| (State or other jurisdiction of incorporation or organization) | (Primary Standard Industrial Classification Code Number) | (I.R.S. Employer Identification Number) |

**1975 W. El Camino Real, Suite 204**
**Mountain View, CA 94040**
**(650) 351-4495**
*(Address and telephone number of principal executive offices)*

*(Former name, former address, and former fiscal year, if changed since last report)*

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or Section 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 Act). ☐ Yes ☒ No

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, par value $0.001 per share | UNCY | The NASDAQ Stock Market, LLC |

As of November 16, 2026, there were 29,184,509 shares of the Company's common stock, par value $0.001 per share, issued and outstanding.

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## PART I – FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

**Unicycive Therapeutics, Inc.**
**Balance Sheets**
**(In thousands, except for share and per share amounts)**

| | As of December 31, 2025 | As of September 30, 2026 (Unaudited) |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 29,198 | $ 41,966 |
| Prepaid expenses and other current assets | 7,692 | 10,187 |
| Marketable securities | 12,071 | 17,006 |
| Total current assets | 48,961 | 69,159 |
| Right of use asset, net | 108 | 519 |
| Property and equipment, net | 66 | 255 |
| Total assets | $ 49,135 | $ 69,933 |
| **Liabilities and stockholders' equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 383 | $ 1,030 |
| Accrued liabilities | 1,523 | 3,380 |
| Warrant liability | 16,915 | 12,377 |
| Operating lease liability - current | 117 | 522 |
| Total current liabilities | 18,938 | 17,309 |
| Operating lease liability – long term | - | - |
| Total liabilities | 18,938 | 17,309 |
| Commitments and contingencies (Note 7) | | |
| Stockholders' equity: | | |
| Series A-2 Prime preferred stock, $0.001 par value per share – 21,388.01 Series A-2 Prime shares authorized at December 31, 2025, and September 30, 2026; 2,265 and zero Series A-2 Prime shares issued and outstanding at December 31, 2025, and September 30, 2026, respectively | - | - |
| Series B-2 preferred stock, $0.001 par value per share – 50,000 Series B-2 shares authorized at December 31, 2025, and September 30, 2026; zero Series B-2 shares issued and outstanding at December 31, 2025, and September 30, 2026 | - | - |
| Preferred stock, $0.001 par value per share— 10,000,000 shares authorized at December 31, 2025, and September 30, 2026; zero shares issued and outstanding at December 31, 2025, and September 30, 2026 | - | - |
| Common stock, $0.001 par value per share – 400,000,000 shares authorized at December 31, 2025, and September 30, 2026; 22,114,245 and 29,110,352 shares issued and outstanding at December 31, 2025, and September 30, 2026, respectively | 22 | 29 |
| Accumulated other comprehensive loss | (1) | (26) |
| Additional paid-in capital | 158,001 | 201,988 |
| Accumulated deficit | (127,825) | (149,367) |
| Total stockholders' equity | 30,197 | 52,624 |
| Total liabilities and stockholders' equity | $ 49,135 | $ 69,933 |

See accompanying notes to the financial statements

**Unicycive Therapeutics, Inc.**
**Statements of Operations and Comprehensive Loss**
**(In thousands, except for share and per share amounts)**
**(Unaudited)**

| | Three Months Ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | **2025** | **2026** | **2025** | **2026** |
| Operating expenses: | | | | |
| Research and development | 2,964 | 2,246 | 6,871 | 6,642 |
| General and administrative | 4,378 | 6,595 | 15,422 | 20,776 |
| Total operating expenses | 7,342 | 8,841 | 22,293 | 27,418 |
| Loss from operations | (7,342) | (8,841) | (22,293) | (27,418) |
| Other income (expenses): | | | | |
| Interest income | 279 | 503 | 661 | 1,338 |
| Interest expense | (15) | - | (44) | - |
| Change in fair value of warrant liability | 1,067 | 1,341 | 9,789 | 4,537 |
| Total other income (expenses) | 1,331 | 1,844 | 10,406 | 5,875 |
| Net loss | (6,011) | (6,997) | (11,887) | (21,543) |
| Other comprehensive loss: | | | | |
| Unrealized loss on marketable securities, net | - | (3) | - | (25) |
| Net comprehensive loss | $ (6,011) | $ (7,000) | $ (11,887) | $ (21,568) |
| Net loss per share attributable to common stockholders, basic and diluted | $ (0.33) | $ (0.25) | $ (0.85) | $ (0.82) |
| Weighted-average shares outstanding used in computing net loss per share | 18,065,389 | 28,270,842 | 14,038,696 | 26,381,775 |

See accompanying notes to the financial statements

**Unicycive Therapeutics, Inc.**
**Statements of Stockholders' Equity**
**(In thousands, except share amounts)**
**(Unaudited)**

| | Common Stock | | Series A-2 Prime Preferred Stock | | Series B-2 Preferred Stock | | Series A-3 Preferred Stock | | Additional Paid-In | Accumulated | Stockholders' |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Shares | Amount | Shares | Amount | Capital | Deficit | Equity |
| **Balance at December 31, 2024** | 11,384,236 | $ 11 | 6,150.21 | $ - | 3,000 | $ - | - | - | $ 108,690 | $ (101,270) | $ 7,431 |
| Net income | - | - | - | - | - | - | - | - | - | 570 | 570 |
| Conversion of Series A-2 Prime preferred stock into common stock | 140,000 | - | (686) | - | - | - | - | - | - | - | - |
| Issuance of common stock for cash, net of issuance costs | 450,738 | 1 | - | - | - | - | - | - | 2,706 | - | 2,707 |
| Stock-based compensation expense | - | - | - | - | - | - | - | - | 563 | - | 563 |
| **Balance at March 31, 2025** | 11,974,974 | $ 12 | 5,464.21 | $ - | 3,000 | $ - | - | $ - | $ 111,959 | $ (100,700) | $ 11,271 |
| Net loss | - | - | - | - | - | - | - | - | - | (6,447) | (6,447) |
| Issuance of Series A-3 preferred stock upon exercise of warrants | - | - | - | - | - | - | 1,495.80 | - | 1,496 | - | 1,496 |
| Conversion of Series B-2 preferred stock into common stock | 300,000 | - | - | - | (3,000) | - | - | - | - | - | - |
| Conversion of Series A-3 preferred stock into common stock | 277,000 | - | - | - | - | - | (1,495.80) | - | - | - | - |
| Issuance of common stock for vested restricted stock units | 1,000 | - | - | - | - | - | - | - | - | - | - |
| Issuance of common stock for cash, net of issuance costs | 1,558,878 | 2 | - | - | - | - | - | - | 9,536 | - | 9,538 |
| Stock-based compensation expense | - | - | - | - | - | - | - | - | 571 | - | 571 |
| **Balance at June 30, 2025** | 14,111,852 | $ 14 | 5,464.21 | $ - | - | $ - | - | $ - | $ 123,562 | $ (107,147) | $ 16,429 |
| Net loss | - | - | - | - | - | - | - | - | - | (6,011) | (6,011) |
| Conversion of Series A-2 Prime preferred stock into common stock | 652,900 | 1 | (3,199.21) | - | - | - | - | - | - | - | 1 |
| Issuance of common stock for cash, net of issuance costs | 6,037,120 | 6 | - | - | - | - | - | - | 26,326 | - | 26,332 |
| Reverse split share adjustment | 48,491 | - | - | - | - | - | - | - | - | - | - |
| Stock-based compensation expense | - | - | - | - | - | - | - | - | 729 | - | 729 |
| **Balance at September 30, 2025** | 20,850,363 | $ 21 | 2,265 | $ - | - | $ - | - | $ - | $ 150,617 | $ (113,158) | $ 37,480 |

| | Common Stock | | Series A-2 Prime Preferred Stock | | Additional Paid-In | Accumulated | Accumulated Comprehensive | Stockholders' |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Capital | Deficit | Loss | Equity |
| **Balance at December 31, 2025** | 22,114,245 | $ 22 | 2,265 | $ - | $ 158,001 | $ (127,825) | $ (1) | $ 30,197 |
| Net loss | - | - | - | - | - | (12,823) | | (12,823) |
| Issuance of common stock for cash, net of issuance costs | 3,123,537 | 3 | - | - | 19,566 | - | - | 19,569 |
| Unrealized gain on marketable securities, net | - | - | - | - | - | - | 7 | 7 |
| Stock-based compensation expense | - | - | - | - | 754 | - | - | 754 |
| **Balance at March 31, 2026** | 25,237,782 | $ 25 | 2,265 | $ - | $ 178,321 | $ (140,648) | $ 6 | $ 37,704 |
| Net loss | - | - | - | - | - | (1,722) | - | (1,722) |
| Conversion of Series A-2 Prime preferred stock into common stock | 462,245 | 1 | (2,265) | - | - | - | - | 1 |
| Issuance of common stock for cash, net of issuance costs | 2,155,230 | 2 | | - | 14,437 | - | - | 14,439 |
| Unrealized loss on marketable securities, net | - | - | - | - | - | - | (29) | (29) |
| Stock-based compensation expense | - | - | - | - | 2,877 | - | - | 2,877 |
| **Balance at June 30, 2026** | 27,855,257 | $ 28 | - | $ - | $ 195,635 | $ (142,370) | $ (23) | $ 53,270 |
| Net loss | - | - | - | - | - | (6,997) | - | (6,997) |
| Issuance of vested restricted stock units, net of shares withheld for employee withholding taxes | 239,896 | - | - | - | (638) | - | - | (638) |
| Issuance of common stock for cash, net of issuance costs | 1,015,199 | 1 | - | - | 5,186 | - | - | 5,187 |
| Unrealized loss on marketable securities, net | - | - | - | - | - | - | (3) | (3) |
| Stock-based compensation expense | - | - | - | - | 1,805 | - | - | 1,805 |
| **Balance at September 30, 2026** | 29,110,352 | $ 29 | - | $ - | $ 201,988 | $ (149,367) | $ (26) | $ 52,624 |

See accompanying notes to the financial statements

**Unicycive Therapeutics, Inc.**
**Statements of Cash Flows**
**(In thousands)**
**(Unaudited)**

| | Nine months ended September 30, 2025 | Nine months ended September 30, 2026 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net loss | $ (11,887) | $ (21,543) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation expense | 24 | 21 |
| Loss on disposal of assets | - | 18 |
| Stock-based compensation expense | 1,864 | 5,436 |
| Change in fair value of warrant liability | (9,789) | (4,537) |
| Amortization of operating lease right of use asset | 397 | 449 |
| Amortization of investments in marketable securities | - | (34) |
| Accrued interest on bonds (net of collection) | | (39) |
| Changes in assets and liabilities: | | |
| Prepaid expense and other current assets | (2,786) | (3,230) |
| Accounts payable and accrued liabilities | (691) | 2,820 |
| Operating lease liability | (417) | (455) |
| Net cash used in operating activities | (23,285) | (21,094) |
| **Cash flows from investing activities** | | |
| Purchases of marketable securities | - | (12,312) |
| Maturities of marketable securities | - | 7,425 |
| Purchases of property and equipment | (24) | (228) |
| Net cash used in investing activities | (24) | (5,115) |
| **Cash flows from financing activities** | | |
| Gross proceeds from secondary public offering | 39,771 | 40,510 |
| Commissions paid on secondary public offering | (1,193) | (1,216) |
| Payments on financed insurance policies | (212) | (317) |
| Proceeds from exercise of warrants | 1,496 | - |
| Net cash provided by financing activities | 39,862 | 38,977 |
| Net increase in cash and cash equivalents | 16,553 | 12,768 |
| Cash and cash equivalents at the beginning of the period | 26,142 | 29,198 |
| Cash and cash equivalents at the end of the period | $ 42,695 | $ 41,966 |
| **Supplemental cash flow information** | | |
| Initial recognition of right-of-use assets and corresponding lease liabilities | $ - | $ 860 |
| Deferred insurance charges included in prepaid expenses and other current assets | $ 489 | $ 142 |
| Cash paid for interest | $ 9 | $ - |

See accompanying notes to the financial statements

## 1. Organization and Description of Business

### Overview

Unicycive Therapeutics, Inc. ("we", "the Company") was incorporated in the State of Delaware on August 18, 2016.

The Company in-licensed the drug candidate UNI 494 from Sphaera Pharma Pte. Ltd, a Singapore-based corporation, ("Sphaera") (Note 4). UNI 494 is a pro-drug of Nicorandill that is being developed as a treatment for acute kidney injury.

In September 2018, the Company purchased a second drug candidate, Renazorb RZB 012 and its trademark, RENALAN, and various patents from Spectrum Pharmaceuticals, Inc. ("Spectrum") (Note 4). Renazorb ("oxylanthanum carbonate") is being developed for the treatment of hyperphosphatemia in patients with Chronic Kidney Disease ("CKD").

The Company continues to evaluate the licensing of additional technologies and drugs in order to pursue development, regulatory approval, and commercialization of those products in global markets.

### Liquidity

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry including, but not limited to, development by competitors of new technological innovations, protection of proprietary technology, dependence on key personnel, compliance with governmental regulations and the need to obtain additional financing to fund operations. The Company's product candidates currently under development will require significant additional research and development efforts prior to commercialization. Future revenue streams may consist of collaboration or licensing revenue as well as product sales.

The Company has incurred operating losses and negative cash flows from operations since inception and expects to continue to incur negative cash flows from operations in the future. As the Company continues its drug development activities, the operating losses are expected to increase. The Company has historically relied on private equity offerings, debt financing and loans from a stockholder to fund its operations. As of December 31, 2025 and September 30, 2026, the Company had an accumulated deficit of $127.8 million and $149.4 million, respectively.

In connection with its initial public offering ("IPO"), on July 13, 2021, the Company began trading on the Nasdaq Capital Market under the symbol "UNCY", and on July 15, 2021, received approximately $22.3 million in net proceeds after deducting the underwriting discounts, commissions and other offering expenses. The Company has used the net proceeds from the IPO to complete pre-clinical and clinical studies, prepare regulatory filings for the FDA, and for general and corporate purposes, including hiring additional management and conducting market research and other commercial planning.

On March 3, 2023, the Company entered into a securities purchase agreement with certain healthcare-focused institutional investors that may provide up to $130.0 million in gross proceeds through a private placement and that included initial upfront funding of $30.0 million in gross proceeds.

On March 13, 2024, the Company entered into a securities purchase agreement with certain healthcare-focused institutional investors to provide $50.0 million in gross proceeds through a private placement. Pursuant to the securities purchase agreement, the Company issued institutional investors $50.0 million in shares of Series B Convertible Preferred Stock. The Company received $46.2 million in net proceeds.

On November 13, 2024, the Company entered into a sales agreement, with Guggenheim Securities, LLC as amended by Amendment No. 1 thereto dated November 14, 2025 and further amended by Amendment No. 2 thereto dated June 5, 2026 (as amended, the "Sales Agreement") pursuant to which, we may offer and sell shares of common stock having an aggregate offering price of up to $150.0 million, subject to certain limitations and in accordance with the terms of the sales agreement, from time to time through or to Guggenheim Securities, LLC acting as sales agent or principal.

During the nine months ended September 30, 2026, the Company sold 6,293,966 shares of common stock pursuant to a sales agreement, with Guggenheim Securities, LLC, at an average price of $6.44 per share and paid $1.2 million in commissions, resulting in net proceeds to the Company of approximately $39.3 million.

The Company expects to continue incurring losses in the future and will be required to raise additional capital in the future to complete its planned clinical trials, pursue product development initiatives and penetrate markets for the sale of its products. Management believes that the Company will continue to have access to capital resources through possible equity offerings, debt financing, corporate collaborations or other means. There can be no assurance that the Company will be able to obtain additional financing on terms acceptable to the Company, on a timely basis or at all. If the Company is unable to secure additional capital, it may be required to curtail any clinical trials and development of new or existing products and take additional measures to reduce expenses to conserve its cash in amounts sufficient to sustain operations and meet its obligations. Based on the Company's currently anticipated level of expenditures, the Company believes that it has sufficient resources such that there is not substantial doubt about the ability to continue operations for at least one year after the date that these financial statements are available to be issued.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accompanying unaudited financial statements of the Company as of September 30, 2026 have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X and, accordingly, they do not include all information and footnote disclosures required by accounting principles generally accepted in the U.S. The Company believes the footnotes and other disclosures made in the financial statements are adequate for a fair presentation of the results of the interim periods presented. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Interim operating results are not necessarily indicative of results that may be expected for the full year ending December 31, 2026, or for any subsequent period. You should read these financial statements and the accompanying notes in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the U.S. Securities and Exchange Commission on March 30, 2026.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the periods presented. Management believes that these estimates and assumptions are reasonable; however, actual results may differ and could have a material effect on future results of operations and financial position. Significant items subject to such estimates and assumptions include stock-based compensation, research contract progress estimates, incremental borrowing rate for leases, useful life for assets, valuation of marketable securities, equity transactions, and the valuation of warrant liabilities. Actual results may materially differ from those estimates.

**Cash and Cash Equivalents**

Highly liquid investments that are readily convertible to cash and have original maturities of three months or less at the time of acquisition are considered cash equivalents. As of December 31, 2025, cash and cash equivalents consist of cash deposited with banks, money market funds, investment in corporate bonds with original maturities of three months or less, and U.S. Treasury bills. As of September 30, 2026, cash and cash equivalents consist of cash deposited with banks. and there were no investments in corporate bonds with original maturities of three months or less, and U.S. Treasury bills.

**Marketable Securities**

Marketable securities consist of corporate debt securities with original maturities beyond three months at the date of purchase and which mature at, or less than twelve months from, the balance sheet date. The Company classifies its investment in marketable securities as available-for-sale, as the sale of such securities may be required prior to maturity. Management determines the appropriate classification of its investments in debt securities at the time of purchase. The Company obtains pricing information from its investment manager and generally determines the fair value of investment securities using standard observable inputs, including reported trades, broker/dealer quotes, and bid and/or offers. Available-for-sale securities are carried at fair value, with the unrealized gains and losses reported as accumulated other comprehensive loss. The carrying value of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity, the net amount of which, along with interest and realized gains and losses, is included under other income (expense) in the statements of operations and comprehensive loss.

At each balance sheet date, the Company reviews its available-for-sale debt securities that are in an unrealized loss position to determine whether the unrealized loss or any potential credit losses should be recognized in the statements of operations. For available-for-sale debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through net loss. For available-for-sale securities that do not meet the above criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers the severity of the impairment, any changes in interest rates, changes to the underlying credit ratings and forecasted recovery among other factors. The credit-related portion of unrealized losses, and any subsequent improvements, are recorded in other income (expenses), net through an allowance account. There have been no impairment or credit losses recognized during any of the periods presented.

**Warrant Liability**

In conjunction with the issuance of Series A-1 Preferred Stock (see Note 9), the Company established a warrant liability as of March 3, 2023, representing the fair value of warrants that may be issued (and have since been issued), subject to shareholder approval, upon conversion of the Series A-1 Preferred Stock which was received on June 26, 2023. The Company accounts for these warrants as liabilities (in accordance with ASC 480, *Distinguishing Liabilities from Equity*) on the balance sheets as a result of certain redemption clauses that are not within the control of the Company. The warrant liability was initially measured at fair value and is remeasured at fair value each reporting period. Changes in the fair value of the warrant liability are recognized in earnings during each period. The warrant liability is measured using Level 3 fair value inputs. See Note 11 for a description of the Company's warrant liability and the related valuations.

**Segment Information**

The Company reports its segment information to reflect the manner in which the Company's Chief Operating Decision Maker ("CODM") reviews and assesses performance. The Company's Chief Executive Officer has the responsibility as the CODM to review and assess the performance of the Company as a whole.

The primary financial measures used by the CODM to evaluate performance and allocate resources are net loss and operating loss. The CODM uses net loss and operating loss to evaluate the performance of the Company's ongoing operations and as part of the Company's internal planning and forecasting processes. Information on net loss and operating loss is disclosed in the statements of operations. Segment expenses and other segment items are provided to the CODM on the same basis as disclosed in the statements of operations and comprehensive loss.

The CODM does not evaluate performance or allocate resources based on segment assets, and therefore such information is not presented in the notes to the financial statements.

**Risks and Uncertainties**

The Company operates in a dynamic and highly competitive industry and believes that changes in any of the following areas could have a material adverse effect on the Company's future financial position, results of operations, or cash flows: ability to obtain future financing; advances and trends in new technologies and industry standards; results of clinical trials; regulatory approval and market acceptance of the Company's products; development of sales channels; certain strategic relationships; litigation or claims against the Company related to intellectual property, product, regulatory, or other matters; and the Company's ability to attract and retain employees necessary to support its growth.

The Company's general business strategy may be adversely affected by any such economic, volatile business environments and continued unstable or unpredictable economic and market conditions.

Any product candidates developed by the Company will require approvals from the FDA or other international regulatory agencies prior to commercial sales. There can be no assurance that the Company's current product candidates or any future product candidates will receive the necessary approvals. If the Company is denied approval, approval is delayed or the Company is unable to maintain approval, it could have a materially adverse impact on the Company.

The Company has expended and will continue to expend substantial funds to complete the research, development and clinical testing of its product candidates. The Company also will be required to expend additional funds to establish commercial-scale manufacturing arrangements and to provide for the marketing and distribution of products that receive regulatory approval. The Company will require additional funds to commercialize its products. The Company is unable to entirely fund these efforts with its current financial resources. If adequate funds are unavailable on a timely basis from operations or additional sources of financing, the Company may have to delay, reduce the scope of or eliminate one or more of its research or development programs, which would materially and adversely affect its business, financial condition and operations.

The Company is dependent upon the services of its employees, consultants and other third parties.

**Property and Equipment**

Property and equipment are recorded at cost less accumulated depreciation. Additions, improvements, and major renewals or replacements that substantially extend the useful life of an asset are capitalized. Repairs and maintenance expenditures are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years for lab equipment and furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the remaining lease term.

Management assesses the carrying value of property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If there is indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset. No impairment charges were recorded on the Company's property and equipment during the nine months ended September 30, 2026, and 2025. During the nine months ended September 30, 2026, the Company recorded the disposal of fixed assets with the net book value of $18,000 associated with the old lease. No proceeds were received upon disposal. During the nine months ended September 30, 2026, the Company recorded construction in progress with the value of $0.2 million which will be placed in service at the end of year 2026. The Company did not record any depreciation for construction in progress.

**Leases**

The Company determines whether a contract is, or contains, a lease at inception. Right-of-use assets represent the Company's right to use an underlying asset during the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. The Company records the right-of-use asset at the amount of the lease liability plus any prepaid rent, and initial direct costs, less any lease incentives and accrued rent. Lease liabilities are recognized at lease commencement based upon the estimated present value of unpaid lease payments over the lease term. The right-of-use assets are reviewed for impairment whenever events or changes in circumstances exist that indicate the carrying amount may not be recoverable. The Company uses its incremental borrowing rate based on the information available at lease commencement in determining the present value of unpaid lease payments.

**Fair Value of Financial Instruments**

The Company's financial instruments include the cash and cash equivalents, investment in marketable securities, accounts payable, accrued liabilities, and warrant liabilities.

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The fair value hierarchy contains the following levels:

- Level 1 — defined as observable inputs based on unadjusted quoted prices for identical instruments in active markets;
- Level 2 — defined as inputs other than Level 1 that are either directly or indirectly observable in the marketplace for identical or similar instruments in markets that are not active; and
- Level 3 — defined as unobservable inputs in which little or no market data exists where valuations are derived from techniques in which one or more significant inputs are unobservable.

The fair value of the warrant liability is determined using a Black Scholes model with parameters including (i) the exercise price of the warrants, (ii) the price of the underlying security, (iii) the time to expiration, or expected term, (iv) the expected volatility of the underlying security, (v) the risk-free rate, and (vi) estimated probability assumptions surrounding the achievement by the Company of technical milestones associated with regulatory and commercial progress.

These valuation techniques involve management's estimates and judgment based on unobservable inputs and are classified in Level 3. The fair value estimates may not be indicative of the amounts that would be realized in a market exchange. Additionally, there may be inherent uncertainties or changes in the underlying assumptions used, which could significantly affect the current or future fair value estimates. Generally, a significant increase (decrease) in the probabilities of shareholder approval and the achievement of technical milestones would have resulted in a significantly higher (lower) fair value measurement; however, changes in other inputs such as expected term and price of the underlying common stock will have a directionally opposite impact on fair value measurement.

The following tables present the approximate value of assets and liabilities measured at fair value on a recurring basis within the Company's balance sheets as of September 30, 2026, by the fair value hierarchy (in thousands):

| | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| Cash and cash equivalents | $ 41,966 | $ - | $ - | $ 41,966 |
| **Total cash and cash equivalents at fair value** | $ 41,966 | $ - | $ - | $ 41,966 |

| | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| Corporate bonds | $ - | $ 17,006 | $ - | $ 17,006 |
| **Total marketable securities at fair value** | $ - | $ 17,006 | $ - | $ 17,006 |

Refer to **Note 3** for disclosures related to cash equivalents and marketable securities.

| | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| Warrant liability | $ - | $ - | $ 12,377 | $ 12,377 |
| **Total liabilities at fair value** | $ - | $ - | $ 12,377 | $ 12,377 |

The following tables present the approximate value of assets and liabilities measured at fair value on a recurring basis within the Company's balance sheets as of December 31, 2025, by the fair value hierarchy (in thousands):

| | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| Cash and cash equivalents | $ 29,198 | $ - | $ - | $ 29,198 |
| **Total cash and cash equivalents at fair value** | $ 29,198 | $ - | $ - | $ 29,198 |

| | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| Corporate bonds | $ - | $ 12,071 | $ - | $ 12,071 |
| **Total marketable securities at fair value** | $ - | $ 12,071 | $ - | $ 12,071 |

Refer to **Note 3** for disclosures related to cash equivalents and marketable securities.

| | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| Warrant liability | $ - | $ - | $ 16,915 | $ 16,915 |
| **Total liabilities at fair value** | $ - | $ - | $ 16,915 | $ 16,915 |

The following table summarizes the changes in fair value of the warrant liability classified in Level 3. Gains and losses reported in this table include changes in fair value that are attributable to unobservable inputs (in thousands):

| | Nine months ended September 30, 2025 |
|---|---|
| **Fair value at January 1, 2025** | $ 18,936 |
| Change in fair value of warrants | (8,348) |
| **Fair value at March 31, 2025** | 10,588 |
| Change in fair value of warrants | (374) |
| **Fair value at June 30, 2025** | 10,214 |
| Change in fair value of warrants | (1,067) |
| **Fair value at September 30, 2025** | $ 9,147 |

| | Nine months ended September 30, 2026 |
|---|---|
| **Fair value at January 1, 2026** | $ 16,915 |
| Change in fair value of warrants | 4,780 |
| **Fair value at March 31, 2026** | 21,695 |
| Change in fair value of warrants | (7,977) |
| **Fair value at June 30, 2026** | 13,718 |
| Change in fair value of warrants | (1,341) |
| **Fair value at September 30, 2026** | $ 12,377 |

The income relating to the change in fair value of the warrant liability of $9.8 million and of $4.5 million for the nine months ended September 30, 2025, and September 30, 2026, respectively, is included in other income (expenses) in the statements of operations.

ASC 820, *Fair Value Measurement and Disclosures* requires all entities to disclose the fair value of financial instruments, both assets and liabilities, for which it is practicable to estimate fair value. As of December 31, 2025, and September 30, 2026, the recorded values of cash and cash equivalents, accounts payable, and accrued liabilities approximated fair value due to the short-term nature of the instruments. Cash and cash equivalents, accounts payable, and accrued liabilities are Level 1 financial instruments.

**Concentration of Credit Risk**

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash and cash equivalents. The cash and cash equivalents the Company uses to satisfy working capital and operating expense needs are held in accounts at various financial institutions. Cash balances may at times exceed federally insured limits. Cash and cash equivalents could be adversely impacted, including the loss of uninsured deposits and other uninsured financial assets, if one or more of the financial institutions in which the Company holds its cash or cash equivalents fails or is subject to other adverse conditions in the financial or credit markets. No such losses have been incurred through September 30, 2026.

**Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets represent costs incurred that benefit future periods. These costs are amortized over specific time periods based on the agreements.

**Research and Development Expenses**

Substantially all the Company's research and development expenses consist of expenses incurred in connection with the development of the Company's product candidates. These expenses include fees paid to third parties to conduct certain research and development activities on the Company's behalf, consulting costs, costs for laboratory supplies, product acquisition and license costs, certain payroll and personnel-related expenses, including salaries and bonuses, employee benefit costs and stock-based compensation expenses for the Company's research and product development employees. The Company expenses both internal and external research and development costs as incurred.

**General and Administrative Expenses**

General and administrative expenses consist principally of payroll and personnel expenses, including salaries and bonuses, benefits and stock-based compensation expenses, professional fees for legal (including patent costs), consulting, accounting and tax services, including information technology costs and utilities, and other general corporate overhead expenses.

**Patent Costs**

The Company expenses all costs as incurred in connection with patent licenses and applications (including direct application fees, and the legal and consulting expenses related to making such applications) and such costs are reflected in general and administrative expenses in the statements of operations.

**Stock-Based Compensation**

The Company accounts for stock-based compensation for all share-based payments made to employees and non-employees by estimating the fair value on the date of grant and recognizing compensation expense over the requisite service period on a straight-line basis. The Company recognizes forfeitures related to stock-based compensation as they occur. The Company estimates the fair value of stock options using the Black-Scholes option-pricing model. The Black-Scholes model requires the input of subjective assumptions, including expected common stock volatility, expected dividend yield, expected term, risk-free interest rate, and the public market closing price of the Company's underlying common stock on the date of grant.

**Income Taxes**

The Company accounts for corporate income taxes in accordance with GAAP as stipulated in ASC740, Income Taxes, ("ASC 740"). This standard entails the use of the asset and liability method of computing the provision for income tax expense. Current tax expense results from corporate tax payable at the Federal and California jurisdictions for the Company, which relates to the current accounting period. Deferred tax expense results primarily from temporary differences between financial statement and tax return reporting, which result in additional tax payable in future periods. Deferred tax assets and liabilities are determined based on the differences between the financial statement basis and tax basis of assets and liabilities using enacted tax rates and law. Net future tax benefits are subject to a valuation allowance when management expects that it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Current and non-current tax assets and liabilities are based upon an estimate of taxes refundable or payable for each of the jurisdictions in which the Company is subject to tax. In the ordinary course of business there is inherent uncertainty in quantifying income tax positions. The Company assesses income tax positions and record the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit is recognized in the financial statements. The Company's policy is to recognize interest or penalties related to income tax matters in income tax expense.

**Accumulated Other Comprehensive Loss**

Accumulated other comprehensive loss includes unrealized gains and losses on available for sale securities and is recognized as separate components of stockholders' equity. As of September 30, 2026, accumulated other comprehensive loss of $26,000 related to marketable securities was recorded.

**Net Loss per Share**

Basic and diluted net loss per share is presented in conformity with the two-class method required for participating securities. Basic and diluted net loss for common stock and for preferred stock is computed by dividing the sum of distributed earnings and undistributed earnings for each class of stock by the weighted average number of shares outstanding for each class of stock for the period. Diluted net loss per share includes potentially dilutive securities outstanding for the period. See Note 13 for reconciliations of basic and diluted net loss per share.

**Recent Accounting Pronouncements**

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the impact of recently issued standards that are not yet effective are not expected to have a material impact on the Company's financial position or results of operations upon adoption.

*Accounting pronouncements recently adopted*

Income Taxes Disclosures – In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." ASU 2023-09 requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. ASU 2023-09 is effective for public entities with annual periods beginning after December 15, 2024, with early adoption permitted. The Company adopted this standard prospectively for the year ended December 31, 2025.

*Accounting pronouncements pending adoption*

On November 4, 2024, the FASB issued ASU No. 2024-03, Expense Disaggregation Disclosures ("ASU 2024-03"). ASU 2024-03 amends ASC 220, Comprehensive Income to expand income statement expense disclosures and require disclosure in the notes to the financial statements of specified information about certain costs and expenses. ASU 2024-03 is required to be adopted for fiscal years commencing after December 15, 2026 and interim periods within annual periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting the standard on its financial statements.

In November 2025, the FASB issued ASU 2025-11, "Interim Reporting (Topic 270) Narrow-Scope Improvements," which clarified interim disclosure requirements and the applicability of Topic 270. The objective of the update is to provide clarity about current interim requirements. The amendments in this update also include a disclosure principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The amendments in this ASU are required to be adopted for interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of adopting the standard on its financial statements.

**3. Cash, Cash Equivalents, and Marketable Securities**

The following table summarizes the Company's investments as of September 30, 2026 (in thousands):

| | Amortized Cost Basis | Unrealized Gains | Unrealized Losses | Estimated Fair Value |
|---|---|---|---|---|
| Cash | $ 41,966 | $ - | $ - | $ 41,966 |
| Investments in corporate bonds | 17,032 | - | (26) | 17,006 |
| Total cash, cash equivalents and investments in marketable securities | $ 58,998 | $ - | $ (26) | $ 58,972 |

The following table summarizes the Company's investments as of December 31, 2025 (in thousands):

| | Amortized Cost Basis | Unrealized Gains | Unrealized Losses | Estimated Fair Value |
|---|---|---|---|---|
| Cash | $ 24,172 | $ - | $ - | $ 24,172 |
| U.S. Treasury Bills | 3,449 | - | - | 3,449 |
| Money Market | 1,577 | | | 1,577 |
| Investments in corporate bonds | 12,072 | - | (1) | 12,071 |
| Total cash, cash equivalents and investments in marketable securities | $ 41,270 | $ - | $ (1) | $ 41,269 |

The Company classifies its investments in corporate bonds as available-for-sale. Unrealized gains and losses on these securities are included as a component of comprehensive loss. The Company's investments in corporate bonds as of September 30, 2026, are $17.0 million and as of December 31, 2025, were $12.1 million.

On September 30, 2026, the remaining contractual maturities of all the Company's available-for-sale investments were less than twelve months. As of September 30, 2026, the Company has not established an allowance for credit losses for any of its available-for-sale securities.

**4. Significant Agreements**

With regards to manufacturing, testing and potential commercial supply of oxylanthanum carbonate, on October 31, 2020, the Company entered into an agreement with Shilpa Medicare Ltd ("Shilpa") based in India. Pursuant to the Agreement, Shilpa provides certain development, manufacturing, supply and other CMC-related services related to the development and commercialization of oxylanthanum carbonate ("OLC").

In June 2024, the Company entered into the First Amendment to Manufacturing and Supply Agreement with Shilpa (the "Amendment") in anticipation of an increased manufacturing demand for OLC. The Company has agreed to make certain milestone payments and to provide certain funding to Shilpa for a new manufacturing line. The initial term of the Agreement shall continue until the eighth (8th) anniversary of the date of receipt by the Company of FDA approval of its NDA of OLC (the "Initial Term"). Following the Initial Term, the Agreement shall continue in effect for consecutive periods of four (4) years each unless earlier terminated pursuant to the terms of the Agreement.

In October 2017, the Company entered into an exclusive license agreement with Sphaera, a stockholder, for the rights to further develop the drug candidate, UNI 494, for commercialization. No payments were made upon execution of the agreement but payments for $50,000 will be due commencing with the initiation by the Company of a second clinical trial and $50,000 on completion of such trial. If the FDA accepts a NDA application submitted by the Company for the product, the Company will pay Sphaera $1.65 million. Upon commercialization and sale of the drug product, royalty payments will also be payable quarterly to Sphaera equal to 2% of net sales in the preceding quarter.

In September 2018, the Company entered into an Assignment and Asset Purchase Agreement with Spectrum Pharmaceuticals, Inc. ("Spectrum Agreement") pursuant to which the Company purchased certain assets from Spectrum, including Spectrum's right, title, interest in and intellectual property related to Renazorb RZB 012, also known as RENALAN™ ("Renalan") and RZB 014, also known as SPI 014 ("SPI" and together with Renalan, the "Compounds"), to further develop and commercialize oxylanthanum carbonate and related compounds. In partial consideration for the Spectrum Agreement, the Company issued 31,366 shares of common stock to Spectrum valued at approximately $4,000 which represented four percent of the Company on a fully-diluted basis at the date of the execution of the Spectrum Agreement. The Spectrum Agreement has an anti-dilution provision, which provides that Spectrum maintain its ownership interest in the Company at 4% of the Company's shares on a fully-diluted basis. Fully-diluted shares of common stock for purposes of the oxylanthanum carbonate Purchase Agreement assumes conversion of any security convertible into or exchangeable or exercisable for common stock or any combination thereof, including any common stock reserved for issuance under a stock option plan, restricted stock plan, or other equity incentive plan approved by the Board of Directors of the Company immediately following the issuance of additional shares of the Company's common stock (but prior to the issuance of any additional shares of common stock to Spectrum). Spectrum's ownership shall not be subject to dilution until the earlier of thirty-six months from the first date the Company's stock trades on a public market, or the date upon which the Company attains a public market capitalization of at least $50 million. On July 13, 2021, the Company's initial public offering resulted in a public market capitalization of at least $50 million, and as a result the Company was required to issue 43,838 anti-dilution shares of common stock. This issuance represented the final anti-dilution calculation required under the Spectrum Agreement, and no further anti-dilution shares will be issued. The Company calculated the fair value of the shares and recognized $2.2 million to research and development expenses as cost to issue those shares during the third quarter of 2021. In the event an NDA filing for oxylanthanum carbonate is accepted by the FDA, the Company will be required to pay $0.2 million to Altair Nanomaterials, Inc., ("Altair") in accordance with the Spectrum Agreement. In addition, in the event FDA approval for oxylanthanum carbonate is received, the Company will be required to pay $4.5 million to Altair. The Company is also required to pay Spectrum 40% of all the Company's sublicense income for any sublicense granted to certain sublicensees during the first 12 months after the Closing Date (as that term is defined in the Spectrum Agreement) and 20% of all other sublicense income. The Company's payment obligations to Spectrum will expire on the twentieth (20th) anniversary of the Closing Date of the Spectrum Agreement. In August 2022, the Company received an upfront payment of approximately $1.0 million resulting from a sublicense development agreement with Lee's Pharmaceutical (HK) Limited. In February 2023, the Company received an upfront payment of approximately $0.7 million resulting from a sublicense development agreement with Lotus International Pte Ltd. The payments represent sublicense income as described in the Spectrum Agreement, and 20% of the amounts received has been accrued as an R&D expense.

On July 14, 2022, the Company entered into a license agreement with Lee's Pharmaceutical (HK) Limited. Under the terms of the agreement, Lee's Pharmaceutical will be responsible for development, registration filing and approval for oxylanthanum carbonate in China, Hong Kong, and certain other Asian markets. In addition, Lee's Pharmaceutical will have sole responsibility for the importation of the drug product from the Company and for the costs of commercialization of oxylanthanum carbonate in the licensed territories. The Company has received an upfront payment of $1.0 million, expects to receive up to $1.0 million in milestone payments upon product launch in China and will be eligible for tiered royalties of between 7% and 10% upon achievement of prespecified regulatory and commercial achievements.

On February 1, 2023, the Company entered into a license agreement with Lotus International Pte Ltd. ("Lotus"). Under the terms of the agreement, Lotus will be responsible for development, registration filing and approval for oxylanthanum carbonate in the licensed territory of South Korea. In addition, Lotus will have sole responsibility for the importation of the drug product from the Company and for the costs of commercialization of oxylanthanum carbonate in the licensed territory. The Company has received an upfront payment of $0.7 million, may receive up to $3.7 million in future milestone payments and will be eligible for tiered royalties upon achievement of specified commercial achievements.

On June 29, 2023 and October 26, 2023, the Company entered into services agreements with Shilpa related to NDA filing support for oxylanthanum carbonate. The agreements provide for total payments of up to $4.5 million, all of which has been paid as of September 30, 2026.

**5. Balance Sheet Components**

Prepaid expenses and other current assets as of December 31, 2025 and September 30, 2026 consisted of the following (in thousands):

| | As of December 31, 2025 | As of September 30, 2026 |
|---|---|---|
| Prepaid directors' and officers' liability insurance premiums | $ 332 | $ 607 |
| Prepaid drug manufacturing supply costs | 6,189 | 7,602 |
| Other | 1,171 | 1,978 |
| Total | $ 7,692 | $ 10,187 |

Property and equipment as of December 31, 2025 and September 30, 2026 consisted of the following (in thousands):

| | As of December 31, 2025 | As of September 30, 2026 |
|---|---|---|
| Leasehold improvements | $ 65 | $ 43 |
| Lab equipment | 26 | 26 |
| Construction in progress | - | 213 |
| Furniture and fixtures | 47 | 44 |
| Subtotal | 138 | 326 |
| Less accumulated depreciation | (72) | (71) |
| Net | $ 66 | $ 255 |

Depreciation expense was immaterial for the nine months ended September 30, 2026 and 2025 and is included in general and administrative expenses.

Accounts payable as of December 31, 2025 and September 30, 2026 consisted of the following (in thousands):

| | As of December 31, 2025 | As of September 30, 2026 |
|---|---|---|
| Trade accounts payable | $ 301 | $ 917 |
| Credit card liability | 82 | 113 |
| Total | $ 383 | $ 1,030 |

Accrued liabilities as of December 31, 2025 and September 30, 2026 consisted of the following (in thousands):

| | As of December 31, 2025 | As of September 30, 2026 |
|---|---|---|
| Accrued labor costs | $ 329 | $ 1,859 |
| Accrued drug development costs | 753 | 614 |
| Other | 441 | 907 |
| Total | $ 1,523 | $ 3,380 |

**6. Operating Lease**

The Company leases office space under operating lease arrangements. During the nine months ended September 30, 2026, the Company's previously amended operating lease for 7,404 square feet of office space expired. In connection with this lease, the Company made lease payments of approximately $0.1 million.

In November 2025, the Company entered into a new operating lease for 10,734 square feet of office space, which commenced on February 1, 2026. The company modified this lease agreement which changed the start date to March 1, 2026. The lease has an initial term of 1.5 years and includes an option to extend the term for an additional year at the Company's discretion. At lease commencement, the Company recognized a right-of-use asset and corresponding lease liability based on the present value of the remaining lease payments. Because the lease does not provide a readily determinable implicit rate, the Company used its estimated incremental borrowing rate as of the commencement date. Operating lease cost is recognized on a straight-line basis over the lease term and is included in general and administrative expenses in the statements of operations. During the nine months ended September 30, 2026, the Company made lease payments of approximately $0.4 million.

During the nine months ended September 30, 2026, the Company reflected amortization of right-of-use asset of approximately $0.3 million, resulting in a right-of-use asset balance of approximately $0.5 million at September 30, 2026. During the nine months ended September 30, 2026, the Company made cash payments on the lease of $0.4 million towards the lease liability. As of September 30, 2026, the total lease liability was approximately $0.5 million.

As of September 30, 2026, maturities of the Company's lease liabilities are as follows (in thousands):

| | Operating Lease |
|---|---|
| Year ending December 31, 2026 | $ 159 |
| Year ending December 31, 2027 | 380 |
| Total lease payments | 539 |
| Less imputed interest rate / present value discount | (17) |
| Present value of lease liability | 522 |
| Less current portion | (522) |
| Long term portion | $ - |

The remaining lease term and discount rates related to the Company's right of use assets and lease liabilities for its operating leases were as follows:

| | As of December 31, 2025 | As of September 30, 2026 |
|---|---|---|
| Remaining lease term (in years) | 0.25 | 0.83 |
| Incremental borrowing rate | 10% | 8.75% |

**7. Commitments and Contingencies**

**Contingencies**

The Company is subject to claims and legal proceedings that arise in the ordinary course of business. Such matters are inherently uncertain, and there can be no guarantee that the outcome of any such matter will be decided favorably to the Company or that the resolution of any such matter will not have a material adverse effect upon the Company's financial statements.

On August 15, 2025, a putative shareholder class action complaint captioned *Elkhodari v. Unicycive Therapeutics, Inc., et al.*, Case No. 3:25-cv-06923-JD (the "*Elkhodari* Securities Class Action"), was filed in the U.S. District Court for the Northern District of California ("Northern District of California"), naming the Company and certain current officers and/or directors of the Company as defendants. The lawsuit generally alleges that the Company made material misrepresentations and/or omissions of material fact relating to the Company's manufacturing of oxylanthanum carbonate ("OLC") and the approval prospects of its New Drug Application for OLC for the treatment of hyperphosphatemia in CKD patients on dialysis in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder. The putative class action is brought on behalf of persons or entities who purchased or otherwise acquired the Company's securities between March 29, 2024, and June 27, 2025, inclusive, and seeks unspecified monetary damages on behalf of the putative class and an award of costs and expenses, including attorneys' fees. Briefing on defendants' motion to dismiss the *Elkhodari* Securities Class Action was completed on May 27, 2026. On September 3, 2026, a second putative shareholder class action complaint captioned *Patel v. Unicycive Therapeutics, Inc., et al.*, Case No. 3:26-cv-09559 (the "*Patel* Securities Class Action") was filed in the Northern District of California, naming the Company and certain current officers and/or directors of the Company as defendants. The lawsuit generally alleges the same misconduct and claims as in the *Elkhodari* Securities Class Action. The putative class action is brought on behalf of persons or entities who purchased or otherwise acquired the Company's securities between December 29, 2025, and June 29, 2026, inclusive, and seeks unspecified monetary damages on behalf of the putative class and an award of costs and expenses, including attorneys' fees. On September 18, 2026, lead plaintiff in the *Elkhodari* Securities Class Action filed an administrative motion to consider whether the *Elkhodari* Securities Class Action and *Patel* Securities Class Action should be related. On October 8, 2026, the court ordered that the two actions are related. On October 16, 2026, lead plaintiff in the *Elkhodari* Securities Class Action filed a motion to consolidate that action with the *Patel* Securities Class Action.

On October 30 and November 7, 2025, two purported stockholders of the Company filed derivative complaints in the Northern District of California against certain of the Company's current officers and directors (collectively, the "Derivative Actions"). The Company is named as a nominal defendant. The complaints are based on the same alleged misconduct as in the Securities Class Action. The complaints assert state law claims on behalf of the Company against the individual defendants for breach of fiduciary duty, unjust enrichment, gross mismanagement, and waste of corporate assets, and federal law claims under Section 14(a) of the Exchange Act. On November 20, 2025, the Court issued an order relating the Derivative Actions to the Securities Class Action, and on April 30, 2026, the Court consolidated the Derivative Actions. On June 11, 2026, the parties in the derivative actions filed a joint stipulation to stay all proceedings pending resolution of the motion to dismiss in the securities class action, and on July 29, 2026, the court entered an order staying the derivative actions. The Derivative Actions seek unspecified damages on behalf of the Company, corporate governance reforms, disgorgement and restitution, and an award of costs and expenses, including attorneys' fees.

On March 12, 2026, a purported stockholder made a demand on the Company's Board of Directors to commence a civil action against certain of the Company's current and former officers and directors for breaching their fiduciary duties based on the same alleged misconduct as alleged in the abovementioned Securities Class Action and Derivative Actions (the "Litigation Demand"). On March 30, 2026, the Company's Board of Directors responded that it would defer a final decision on the Demand given the pendency of the Securities Class Action and the Derivative Actions.

At this early stage of the proceedings, the Company is unable to make any prediction regarding the outcome of the *Elkhodari* or *Patel* Securities Class Actions, the Derivative Actions, or the Litigation Demand. It is possible that additional lawsuits will be filed or allegations will be made by stockholders with respect to these same or other matters also naming the Company and/or our officers and directors as defendants. The Company intends to vigorously defend against the claims brought by the plaintiffs in each of these matters. Such lawsuits are subject to inherent uncertainties, and the actual defense and disposition costs will depend upon many unknown factors. The outcome of the pending lawsuits and any other related lawsuits is necessarily uncertain. The Company could be forced to expend significant resources and may incur substantial legal fees and costs in defending against the pending lawsuits and any other related lawsuits, and we may not prevail. Monitoring, initiating and defending against legal actions is time-consuming for our management, is likely to be expensive, and may detract from the ability to fully focus internal resources on business activities. Additionally, the Company may not be successful in having any such lawsuits dismissed or settled within the limits of insurance coverage. Given the early stage of these lawsuits and the inherent uncertainty of litigation, the Company cannot predict how long it may take to resolve the pending lawsuits or the potential outcome or possible amount of any damages. As such, we currently are unable to reasonably estimate the possible losses or a range of possible losses that may result from these matters, if any. Expenses associated with the pending lawsuits and any potential related lawsuits could be material to the financial statements if we do not prevail in the defense of such lawsuits, or even if we do prevail.

**Indemnification**

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications, including for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third party with respect to its technology. The term of these indemnification agreements is generally perpetual any time after the execution of the agreement. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future, but that have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations.

The Company believes that the likelihood of conditions arising that would trigger these indemnities is remote and, historically, the Company had not made any significant payment under such indemnification provisions. Accordingly, the Company has not recorded any liabilities relating to these agreements. However, the Company may record charges in the future as a result of these indemnification obligations.

Additionally, the Company has agreed to indemnify its directors and officers for certain events or occurrences while the director or officer is, or was serving, at the Company's request in such capacity. The indemnification period covers all pertinent events and occurrences during the director's or officer's service.

**Employee Benefit Plan**

In December 2021, the Company implemented a 401(k) Plan which covers all eligible employees of the Company (the "401(k) Plan"). Employer matching contributions are immediately 100% vested. The Company's 401(k) Plan provides that the Company match each participant's contribution at 100% up to 4% of the employee's eligible compensation. Company contributions to the 401(k) Plan totaled approximately $134,000 and $146,000 for the nine months ended September 30, 2025 and September 30, 2026, respectively.

**8. Stockholders' Equity**

**Authorized Common Stock**

The Company is authorized to issue up to 400,000,000 shares of common stock at par value of $0.001 per share.

**Reverse Stock Split**

On June 18, 2025, the Company filed a certificate of amendment to its certificate of incorporation with the Secretary of State of the State of Delaware to effectuate a 1-for-10 reverse stock split. The Company's common stock began trading on a split-adjusted basis at the opening of trading on the Nasdaq Capital Market on June 20, 2025. When the reverse stock split became effective, every 10 shares of common stock were automatically reclassified and combined into one share of common stock. No fractional shares were issued as a result of the split. Stockholders who would otherwise have received a fractional share automatically had their fractional interests rounded up to the next whole share, after aggregating all the fractional interests of a holder resulting from the split. The reverse stock split affected all stockholders uniformly and will not change any stockholder's percentage ownership interest or any stockholder's proportionate voting power, except for immaterial changes that may result from the treatment of fractional shares. The split did not change the number of authorized shares of common stock or the par value per share of the common stock.

As a result of the reverse stock split, proportionate adjustments were made to the per share exercise prices of, and the number of shares underlying, the Company's outstanding stock options, as well as to the number of shares available for future awards granted under the Company's stock incentive plans. In addition, proportionate adjustments were made to the per share exercise prices of, and the number of shares underlying, outstanding warrants to purchase shares of the Company's common stock. Further, a proportionate adjustment was made to the per share conversion price of the Company's series A-2 prime preferred stock, pursuant to its terms. All share and per share data in the accompanying financial statements have been retroactively adjusted to reflect the effect of the reverse stock split.

**Issuance of Common Stock and Warrants from Initial Public Offering**

During July 2021, as a result of its initial public offering, the Company issued 500,000 shares of common stock and 400,000 warrants to investors in exchange for cash at $50.00 per unit, consisting of $49.90 per share of common stock and $0.10 per four fifths of a warrant. The warrants had a 5-year term and an exercise price of $60.00 per warrant. The underwriters exercised their option to purchase an additional 60,000 warrants, and the Company received $7,500 in proceeds.

As a result of the initial public offering, the Company's outstanding convertible notes and unpaid accrued interest were converted into 73,691 shares of common stock. Additionally, in accordance with the original terms of the warrant agreements convertible noteholders were granted a total of 18,419 common stock warrants with a 5-year term and with an exercise price of $60.00 per warrant.

The warrants from the initial public offering were equity classified. The warrants expired in July 2026.

| | Number of Shares Underlying Outstanding Warrants | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term (in Years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| **Outstanding, December 31, 2025** | 478,419 | 60.00 | 0.54 | - |
| Warrants granted | - | - | - | - |
| Warrants exercised | - | - | - | - |
| Warrants expired | (478,419) | - | - | - |
| **Outstanding, September 30, 2026** | - | - | - | - |

**Issuance of Common Stock Upon Conversion of Series A and Series B Preferred Stock**

On June 26, 2023, the Company held its annual shareholder meeting and, as a result, shareholder approval for the issuance of common shares upon the conversion of the Series A-1 Preferred Stock was obtained (see Note 9). On July 11, 2023, pursuant to the Certificate of Designation of Preferences, Rights and Limitations of the Series A Convertible Voting Preferred Stock (the "Series A Certificate of Designation"), the Company issued a total of 1,951,621 shares of common stock and 43,649 Series A-2 Preferred Stock in settlement of the auto-conversion of the Series A-1 Preferred Stock.

On March 26, 2024, the Company issued 285,000 shares of common stock upon conversion of 1,396.50 shares of Series A-2 Prime Preferred Stock.

On June 20, 2024, we held our annual stockholder meeting, and as a result, stockholder approval for the conversion of the Series B-1 Convertible Preferred Stock was obtained (see Note 10). On July 5, 2024, pursuant to the Certificate of Designation of Preferences, Rights and Limitations of the Series B Convertible Preferred Stock, the Company issued 4,211,800 shares of common stock and 7,882 shares of Series B-2 preferred stock in settlement of the automatic conversion of the Series B-1 Convertible Preferred Stock.

On June 25, 2024, the Company issued 595,600 shares of common stock upon conversion of 2,918.44 shares of the Company's Series A-2 Prime Preferred Stock.

On July 23, 2024, the Company issued 355,000 shares of common stock upon conversion of 1,739.50 shares of the Company's Series A-2 Prime Preferred Stock.

On July 25, 2024, the Company issued 375,600 shares of common stock upon conversion of 1,840.44 shares of the Company's Series A-2 Prime Preferred Stock.

On July 29, 2024, the Company issued 135,900 shares of common stock upon conversion of 665.91 shares of the Company's Series A-2 Prime Preferred Stock.

On August 14, 2024, the Company issued 350,200 shares of common stock upon conversion of 1,715.98 shares of the Company's Series A-2 Prime Preferred Stock.

On October 9, 2024, the Company issued 550,000 shares of common stock upon conversion of 2,695 shares of the Company's Series A-2 Prime Preferred Stock.

On October 31, 2024, the Company issued 43,800 shares of common stock upon conversion of 438 shares of the Company's Series B-2 Preferred Stock.

On December 11, 2024, the Company issued 462,455 shares of common stock upon conversion of 2,266.03 shares of the Company's Series A-2 Prime Preferred Stock.

On December 18, 2024, the Company issued 144,100 shares of common stock upon conversion of 1,441 shares of the Company's Series B-2 Preferred Stock.

On December 19, 2024, the Company issued 300,300 shares of common stock upon conversion of 3,003 shares of the Company's Series B-2 Preferred Stock.

On February 18, 2025, the Company issued 140,000 shares of common stock upon conversion of 686 shares of the Company's Series A-2 Prime Preferred Stock.

In June 2025, the Company issued 277,000 shares of common stock upon the exercise and conversion of Series A-3 warrants and received $1.5 million in exercise proceeds.

On June 11, 2025, the Company issued 300,000 shares of common stock upon conversion of 3,000 shares of the Company's Series B-2 Preferred Stock.

On August 26, 2025, the Company issued 652,900 shares of common stock upon conversion of 3,199.21 shares of the Company's Series A-2 Prime Preferred Stock.

On April 6, 2026, the Company issued 462,245 shares of common stock upon conversion of 2,265 shares of the Company's Series A-2 Prime Preferred Stock.

**Voting Rights of Common Stock**

Each holder of shares of common stock shall be entitled to one vote for each share thereof held.

**9. Issuance of Series A-1 Preferred Stock**

On March 3, 2023, the Company issued and sold, in a private placement, 30,190 shares of Series A-1 Preferred Stock for an aggregate net proceeds of $28.0 million (the "Preferred Stock Offering"), net of placement agent fees and offering expenses of $2.2 million. The Company has used the net proceeds from the Preferred Stock Offering to support the Company's "New Drug Application" (NDA) submission for approval of oxylanthanum carbonate for the treatment of hyperphosphatemia and, if approved, for the commercial launch of oxylanthanum carbonate in the U.S.

Pursuant to the Series A Certificate of Designation, as of March 3, 2023, each share of Series A-1 Preferred Stock was, subject to approval of the Company's stockholders, convertible into a unit ("Unit") consisting of: (i) shares of common stock of the Company and, if applicable, shares of Series A-2 Preferred Stock, in lieu of common stock, (ii) a tranche A warrant to acquire approximately 4,667,594 shares (excluding deemed dividends) of Series A-3 Preferred Stock (the "Tranche A Warrant"), (iii) a tranche B warrant to acquire approximately 4,243,267 shares (excluding deemed dividends) of Series A-4 Preferred Stock (the "Tranche B Warrant"), and (iv) a tranche C warrant to acquire approximately 6,789,228 shares (excluding deemed dividends) of Series A-5 Preferred Stock (the "Tranche C Warrant", together with the Tranche A Warrant and the Tranche B Warrant, the "Warrants"). The Tranche A Warrant, for an aggregate exercise price of approximately $25 million, is exercisable until 21 days following the Company's announcement of receipt of FDA approval for oxylanthanum carbonate, the Tranche B Warrant, for an aggregate exercise price of approximately $25 million, is exercisable until 21 days following the Company's announcement of receipt of Transitional Drug Add-On Payment Adjustment ("TDAPA") approval for oxylanthanum carbonate, and the Tranche C Warrant for an aggregate exercise price of approximately $50 million is exercisable until 21 days following four quarters of commercial sales of oxylanthanum carbonate.

The Company had designated 30,190 shares of Series A-1 Preferred Stock, 1,800,000 shares of Series A-2 Preferred Stock, 1,800,000 shares of Series A-3 Preferred Stock, 1,800,000 shares of Series A-4 Preferred Stock, and 3,600,000 shares of Series A-5 Preferred Stock, together the "Series A Preferred Stock". The Series A Preferred Stock has a par value of $0.001 per share. The Series A Certificate of Designation states that, to the extent that the conversion of the Series A-1 preferred stock as well as the exercise of the Warrants into Series A-2, Series A-3, Series A-4, and Series A-5 preferred stock results in a beneficial ownership interest in excess of the maximum percentage of common stock upon conversion, the holders will receive the as converted equivalent for the remaining shares in preferred stock.

The Company determined that the Warrants are freestanding from the Series A-1 Preferred Stock, because the stock will automatically convert into shares of common stock, and the holders will be able to sell those shares while retaining the Warrants. The Company noted that at contract inception, the Warrants were contingently issuable upon the occurrence of a specified event (shareholder approval).

In connection with the Series A-1 Preferred Stock issuance, the Company recognized liabilities for the associated Warrants, which had an aggregate fair value of $2.8 million at the time of issuance. Offering costs of $0.2 million were allocated to the Warrants and expensed during March 2023. The fair value of the Warrants was accounted for as a reduction to the net proceeds of the Preferred Stock Offering, which resulted in an initial carrying value of $25.4 million for the Series A-1 Preferred Stock (net of $2.0 million of placement agent fees and offering costs allocated to the Series A-1 Preferred Stock).

On June 26, 2023, the Company held its annual shareholder meeting and, as a result, shareholder approval for the conversion of the Series A-1 Preferred Stock was obtained. On July 11, 2023, pursuant to the Series A Certificate of Designation, the Company issued 1,951,621 shares of common stock and 43,649 shares of Series A-2 Preferred Stock in partial settlement of the auto-conversion of the Series A-1 preferred shares. As of December 31, 2023, there were zero shares of Series A-1 preferred stock issued and outstanding and there were 43,649 shares of Series A-2 Preferred Stock issued and outstanding.

The Series A-2, A-3, A-4, and A-5 Preferred Stock have the following rights:

*Dividends*: While shares of Series A Preferred Stock are issued and outstanding, holders of Series A Preferred Stock shall be entitled to receive, and the Corporation shall pay, dividends on shares of Series A Preferred Stock equal (on an as-if-converted-to-common-stock basis) and in the same form as dividends(other than dividends in the form of common stock) actually paid on shares of the common stock when, as and if such dividends are paid on shares of the common stock.

*Voting*: Holders of the Series A-2, A-3, A-4, and A-5 Preferred Stock are entitled to vote together with the common stock on an as-if-converted-to-common-stock basis as determined by dividing the liquidation preference with respect to such shares of Preferred Stock by the conversion price. Holders of common stock are entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. Accordingly, holders of Series A Preferred Stock will be entitled to one vote for each whole share of common stock into which their Series A Preferred Stock is then-convertible on all matters submitted to a vote of stockholders.

At the option of the holder thereof, as of the date of the issuance of the Series A-1 Preferred on March 3, 2023, each share of Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series A-4 Preferred Stock, or Series A-5 Preferred Stock shall be convertible into one share of common stock.

**Exchange Agreement**

On March 13, 2024, the Company entered into an exchange agreement (the "Exchange Agreement") with certain accredited investors (the "Investors"), pursuant to which the Investors surrendered all shares of Series A-2 Preferred Stock held by them in exchange for an aggregate of 21,388.01 shares of new preferred stock to be known as "Series A-2 Prime Preferred" (the "Exchanged Preferred") having rights set forth the Amended and Restated Certificate of Designation of Preferences, Rights and Limitations of the Series A Convertible Voting Preferred Stock (the "Amended Series A Certificate of Designation").

Concurrent with execution of the Exchange Agreement, but prior to filing of the Amended Series A Certificate of Designation with the Delaware Secretary of State, the Company filed Certificates of Elimination for each of its Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series A-4 Preferred Stock and Series A-5 Preferred Stock (collectively, the "Certificates of Elimination") with the Delaware Secretary of State.

Concurrent with the execution of the Exchange Agreement, the Company and each Investor have amended and restated the following warrants: (i) tranche A warrants to acquire an aggregate of 4,785,243 shares of Series A-3 Convertible Preferred Stock of the Company that were issued on July 11, 2023 (the "Original Tranche A Warrants") have been amended and restated to acquire an aggregate of 2,584.03122 shares of Series A-3 Convertible Preferred Stock (as amended, the "Amended Tranche A Warrants"); (ii) tranche B warrants to acquire an aggregate of 4,350,221 shares of Series A-4 Convertible Preferred Stock of the Company that were issued on July 11, 2023 (the "Original Tranche B Warrants") have been amended and restated to acquire an aggregate of 2,566.63015 shares of Series A-4 Convertible Preferred Stock (as amended, the "Amended Tranche B Warrants") and (iii) tranche C warrants to acquire an aggregate of 6,960,353 shares of Series A-5 Convertible Preferred Stock of the Company that were issued on July 11, 2023 (the "Original Tranche C Warrants", and together with the Original Tranche A Warrants and Tranche B Warrants, the "Original Warrants") have been amended and restated to acquire 5,150.66129 shares of Series A-5 Convertible Preferred Stock (as amended, the "Amended Tranche C Warrants," together with the Amended Tranche A Warrants and the Amended Tranche B Warrants, the "Amended Warrants"). The Amended Warrants have the same terms and conditions as the original warrants except that such Amended Warrants: (i) reduced the amount of shares of Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock and Series A-5 Convertible Preferred Stock into which such Amended Warrants are convertible as described above; (ii) allow for the issuance of fractional shares of Series A-3 Preferred Stock, Series A-4 Preferred Stock and Series A-5 Preferred Stock, as applicable upon exercise of such Amended Warrants and (ii) revised the exercise price to be $1,000 per share of Series A-3 Preferred Stock, Series A-4 Preferred Stock and Series A-5 Preferred Stock, as applicable in such Amended Warrants. The aggregate exercise price, the amount of shares of common stock upon conversion of the Series A-3 Preferred Stock, the Series A-4 Preferred Stock and the Series A-5 Preferred Stock and exercise period in the Amended Warrants did not change from the Original Warrants.

Pursuant to the terms of the Exchange Agreement, effective March 13, 2024, the Company filed the Amended Certificate of Designation with the Delaware Secretary of State designating, 21,400 shares as Series A-2 Prime Preferred Stock, 25,900 shares as Series A-3 Convertible Preferred Stock, 25,700 shares as Series A-4 Convertible Preferred Stock, and 51,600 shares as Series A-5 Convertible Preferred Stock (all such series of preferred stock referred to herein collectively as "Series A Preferred Stock"), each with a stated value of $1,000 per share (the "Original Per Share Price"). The Amended Certificate of Designation sets forth the rights, preferences and limitations of the shares of Series A Preferred Stock. Terms not otherwise defined in this item shall have the meanings given in the Amended Certificate of Designation. The Amended Certificate of Designation was filed with an effective date of March 14, 2024 and the Series A-2 Prime, A-3, A-4, and A-5 Preferred Stock have the following terms:

*Dividends*. At all times following the Issuance Date, while shares of Series A Preferred Stock are issued and outstanding, holders of Series A Preferred Stock shall be entitled to receive, and the Company shall pay, dividends on shares of Series A Preferred Stock equal (on an as-if-converted-to-common-stock basis and without regard to any limitations on conversion set forth herein or otherwise) to and in the same form as dividends (other than dividends in the form of common stock, which shall be made in accordance with the terms of the Amended Certificate of Designation) actually paid on shares of the common stock when, as and if such dividends (other than dividends in the form of common stock, which shall be made in accordance with the terms of the Amended Certificate of Designation) are paid on shares of the common stock.

*Voting Rights*. Subject to certain limitations described in the Amended Certificate of Designation, the Series A Preferred Stock is voting stock. Holders of the Series A Preferred Stock are entitled to vote together with the common stock on an as-if-converted-to-common-stock basis. Holders of common stock are entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. Accordingly, holders of Series A Preferred Stock will be entitled to one vote for each whole share of common stock into which their Series A Preferred Stock is then-convertible on all matters submitted to a vote of stockholders.

*Liquidation*. Upon any Liquidation, the assets of the Company available for distribution to its stockholders shall be distributed among the holders of the shares of Series A Preferred Stock and common stock, pro rata based on the number of shares held by each such holder, treating for this purpose all shares of Series A Preferred Stock as if they had been converted to common stock pursuant to the terms of the Amended Certificate of Designation immediately prior to such Liquidation, without regard to any limitations on conversion set forth in the Amended Certificate of Designation or otherwise.

*Conversion*. Subject to the limitations set forth in the Amended Certificate of Designation, at the option of the holder, each share of Series A-2 Prime Preferred Stock, Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock or Series A-5 Convertible Preferred Stock shall be convertible into a number of shares of common stock obtained by dividing the Original Per Share Price ($1,000) of each such share of Series A-2 Prime Convertible Preferred Stock, Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock or Series A-5 Convertible Preferred Stock by the applicable conversion price of $4.90, $0.54, $0.59 and $0.74 for the Series A-2 Prime Convertible Preferred Stock, Series A-3 Convertible Preferred Stock, Series A-4 Convertible Preferred Stock or Series A-5 Convertible Preferred Stock, respectively. Pursuant to the terms of the Certificate of Correction to the Amended Series A Certificate of Designation filed on August 13, 2025 (which correction was effective as of March 14, 2024 pursuant to Section 103(f) of the Delaware General Corporation Law), there was no adjustment to the conversion prices for the Series A-3, A-4 and A-5 Preferred Stock as there were no shares outstanding in such series of preferred stock at the time of the reverse stock split. As of September 30, 2026, there were zero shares of Series A-2 Prime Preferred Stock outstanding.

**10. Issuance of Series B-1 Preferred Stock and Series B-2 Preferred Stock**

On March 13, 2024, the Company signed a securities purchase agreement with certain healthcare-focused institutional investors that provided $50.0 million in gross proceeds through a private placement. Pursuant to the securities purchase agreement, the Company issued to institutional investors $50.0 million in shares of Series B-1 Convertible Preferred Stock. 50,000 Shares of Series B-1 Convertible Preferred Stock were issued at a price of $1,000 per share and each share is convertible into shares of common stock at a rate equal to the initial $1,000 purchase price divided by the initial conversion price of $1.00 per share.

Pursuant to the Certificate of Designation of Preferences, Rights and Limitations of the Series B Convertible Preferred Stock filed with the Delaware Secretary of State on March 14, 2024, as corrected by the Certificate of Correction to Series B Certificate of Designation filed with the Delaware Secretary of State on November 8, 2024 (the "Series B Certificate of Designation"), each share of Series B-1 Preferred Stock is, subject to approval of the Company's stockholders, convertible into shares of common stock of the Company and, if applicable, shares of Series B-2 Convertible Preferred Stock (the "Series B-2 Preferred Stock"), in lieu of common stock.

The Company has designated 50,000 shares of Series B-1 Preferred Stock and 50,000 shares of Series B-2 Preferred Stock. The Series B Certificate of Designation states that, to the extent that the conversion of the Series B-1 preferred stock results in a beneficial ownership interest in excess of the maximum percentage of common stock upon conversion, the holders will receive them as converted equivalent for the remaining shares in preferred stock.

On June 20, 2024, the Company held its annual stockholder meeting, and as a result, stockholder approval for the conversion of the Series B-1 Convertible Preferred Stock was obtained ("Stockholder Approval"). On July 5, 2024, pursuant to the Certificate of Designation of Preferences, Rights and Limitations of the Series B Convertible Preferred Stock, the Company issued 4,211,800 shares of common stock and 7,882 shares of Series B-2 preferred stock in settlement of the automatic conversion of the Series B-1 Convertible Preferred Stock.

The Series B-1 Preferred Stock has the following rights:

*Dividends*: Prior to receiving Stockholder Approval, dividends accrued, on all issued and outstanding shares of Series B-1 Preferred Stock, prior to and in preference to all other shares of capital stock of the Company, at an annual rate of eight percent (8%) compounded annually on the original per share price (plus any such accreted compounded amounts); provided that such annual dividend rate shall increase to fourteen percent (14%) if Stockholder Approval is not obtained at the first meeting of stockholders following the date of the Preferred Stock offering. If such dividends are not declared and paid in cash, the dividend amounts will be added to the aggregate liquidation preference then outstanding of the Series B-1 Preferred Stock.

At all times following the Issuance Date, while shares of Series B-1 Preferred Stock are issued and outstanding, holders of Series B Preferred Stock shall be entitled to receive, and the Company shall pay, dividends on shares of Series B-1 Preferred Stock equal (on an as-if-converted-to-Common-Stock basis and without regard to any limitations on conversion set forth herein or otherwise) to and in the same form as dividends (other than dividends in the form of common stock, which shall be made in accordance with the terms of the Series B Certificate of Designation) actually paid on shares of the common stock when, as and if such dividends (other than dividends in the form of common stock, which shall be made in accordance with the terms of the Series B Certificate of Designation) are paid on shares of the common stock. Stockholder approval was received on June 20, 2024.

*Voting*: Subject to certain limitations described in the Series B Certificate of Designation holders of the Series B-1 Preferred Stock are entitled to vote together with the common stock on an as-if-converted-to-common-stock basis as determined by dividing the liquidation preference with respect to such shares of Series B-1 Preferred Stock by the conversion price. Holders of common stock are entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. Unless and until the Company has obtained the Stockholder Approval, the number of shares of common stock that shall be deemed issued upon conversion of the Series B Preferred Stock (for purposes of calculating the number of aggregate votes that the holders of Series B Preferred Stock are entitled to on an as-converted basis) will be equal to that number of shares equal to 19.9% of the Company's outstanding common stock as of the Signing Date (excluding for purposes of the calculation, any securities issued on the Signing Date) (the "Cap"), which each such holder being able to vote the number of shares of Series B Preferred Stock held by it relative to the total number of shares of Series B Preferred Stock then outstanding multiplied by the Cap. Notwithstanding the foregoing, the holders of the Series B Preferred Stock are not entitled to vote together with the common stock on an as-if-converted-to-Common-Stock-basis with regard to the approval of the issuance of common stock upon conversion of the Series B Preferred Stock.

On the tenth trading day following the announcement of the Stockholder Approval, each share of Series B-1 Preferred Stock automatically converted into a unit consisting of: (1) the number of shares of common stock equal to the quotient of (A) the liquidation preference with respect to such share of Series B-1 Preferred Stock, divided by (B) the conversion price, provided that, to the extent the share conversion would cause such Holder's beneficial ownership to exceed 9.99%, such holder shall receive shares of Series B-2 Preferred Stock in lieu of common stock, on a one-for-one basis, with respect to the number of shares of common stock that exceed 9.99% ownership divided by 1,000.

*Liquidation Preference*: The Series B-1 Preferred Stock had a liquidation preference of one-times the original per share price of $1,000 per share, plus any accrued but unpaid dividends thereon, whether or not declared, subject to certain customary anti-dilution adjustments.

The Series B-2 Preferred Stock has the following rights:

*Dividends*: Following the Issuance Date, while shares of Series B Preferred Stock are issued and outstanding, holders of Series B Preferred Stock shall be entitled to receive, and the Corporation shall pay, dividends on shares of Series B Preferred Stock equal (on an as-if-converted-to-common-stock basis and without regard to any limitations on conversion set forth herein or otherwise) to and in the same form as dividends (other than dividends in the form of common stock, which shall be made in accordance with Section 7(a)) actually paid on shares of the common stock when, as and if such dividends (other than dividends in the form of common stock, which shall be made in accordance with Section 7(a)) are paid on shares of the common stock.

*Voting*: Subject to certain limitations described in the Series B Certificate of Designation, the Series B-2 Preferred Stock is voting stock. Holders of the Series B-2 Preferred Stock are entitled to vote together with the common stock on an as-if-converted-to-common-stock basis. Holders of common stock are entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. Accordingly, holders of Series B-2 Preferred Stock will be entitled to one vote for each whole share of common stock into which their Series B-2 Preferred Stock is then-convertible on all matters submitted to a vote of stockholders.

*Liquidation*: Upon any Liquidation, the assets of the Company available for distribution to its stockholders shall be distributed among the holders of the shares of Series B Preferred Stock and common stock, pro rata based on the number of shares held by each such holder, treating for this purpose all shares of Series B preferred Stock as if they had been converted to common stock pursuant to the terms of the Certificate of Designation immediately prior to such Liquidation, without regard to any limitations on conversion set forth in the Series B Certificate of Designation or otherwise.

*Conversion*: Subject to the limitations set forth in the Series B Certificate of Designation, at the option of the holder thereof, each share of Series B-2 Preferred Stock, is convertible into the number of shares of common stock equal to the quotient of (A) the stated value ($1,000), divided by (B) the conversion price of $10.00. As of September 30, 2026, all shares of Series B-2 Preferred Stock have been converted into common stock.

**11. Warrant Liability**

In connection with the Series A Preferred Stock Offering (see Note 9), the Company issued the Warrants.

After the Warrants were legally issued as a result of the automatic conversion of the Series A-1 Preferred Stock upon shareholder approval, they became immediately exercisable at the option of the holder. The Company determined that the Warrants, while initially contingently issuable, qualified as derivative instruments pursuant to ASC 815-40, *Contracts in an Entity's Own Equity* and that the Warrants were considered issued for accounting purposes concurrently with the Series A-1 Preferred Stock.

On June 26, 2023, the Company held its annual shareholder meeting, and as a result, shareholder approval for the conversion of the Series A-1 Preferred Stock was obtained. On July 11, 2023, pursuant to the Series A Certificate of Designation, the Company issued, in addition to common stock and Series A-2 Preferred Stock, (i) a Tranche A Warrant to acquire 4,785,243 shares of Series A-3 Preferred Stock, (ii) a Tranche B Warrant to acquire 4,350,221 shares of Series A-4 Preferred Stock, and (iii) a Tranche C Warrant to acquire 6,960,353 shares of Series A-5 Preferred Stock.

In March 2024, the Company entered into an exchange agreement with certain accredited investors, pursuant to which the accredited investors surrendered all shares of Series A-2 Preferred Stock held by them in exchange for shares of new preferred stock to be known as Series A-2 Prime Preferred Stock having rights set forth in the Amended and Restated Certificate of Designation of Preferences, Rights and Limitations of the Series A Convertible Voting Preferred Stock.

The Warrants are recognized as liabilities in the balance sheets and were initially recognized at fair value at the time of issuance. The Warrants are also subject to remeasurement at each balance sheet date after issuance. Any change in fair value is recognized as a component of other income (expenses) in the statements of operations in the period of change.

The valuation of the Warrants contains unobservable inputs that reflect the Company's own assumptions for which there is little market data. Accordingly, the Warrants are measured at fair value on a recurring basis using unobservable inputs and are classified as Level 3 inputs. The significant unobservable inputs used in the fair value measurement of the Company's Warrants include, but are not limited to, probability of obtaining certain shareholder approvals, probability of reaching certain technical milestones related to the development of oxylanthanum carbonate, and the estimated term of the Warrants. Significant increases (decreases) in any of those inputs in isolation would result in a significantly higher (lower) fair value measurement. Generally, a change in the assumption used for the probability of obtaining certain shareholder approvals is not correlated to a change in the probability of reaching certain technical milestones. However, a change to the assumption used for the probability of obtaining certain shareholder approvals or a change in the probability of reaching certain technical milestones would have been accompanied by a directionally opposite change and a directionally similar change, respectively, in the assumption used for the estimated term.

The fair value of the Warrants associated with the Company's March 2023 private placement transaction was determined as of March 3, 2023, and March 31, 2023, by using a Monte Carlo simulation technique ("MCS") to value the embedded derivatives associated with the Warrants. The MCS methodology calculates the theoretical value of a warrant based on certain parameters, including: (i) the threshold of exercising the warrant, (ii) the price of the underlying security, (iii) the time to expiration, or expected term, (iv) the expected volatility of the underlying security, (v) the risk-free rate, (vi) the number of paths, (vii) estimated probability assumptions surrounding shareholder approval as well as the achievement by the Company of technical milestones associated with regulatory and commercial progress, and (viii) an estimated discount for lack of marketability.

The MCS valuation model was used for the valuation performed as of the transaction inception on March 3, 2023, and on March 31, 2023, due to uncertainty in the timing of shareholder approval and the potential variability in the Warrant exercise price. On June 26, 2023, the Company held its annual shareholder meeting, and as a result, shareholder approval for the issuance of common shares upon the conversion of the Series A-1 Preferred Stock was obtained and the exercise price for the Warrants became fixed. Therefore, as of December 31, 2025 and September 30, 2026, the fair value of the Warrants was determined using a Black Scholes model using parameters including (i) the exercise price of the warrant, (ii) the price of the underlying security, (iii) the time to expiration, or expected term, (iv) the expected volatility of the underlying security, (v) the risk-free rate, (vi) discount for lack of marketability, and (vii) estimated probability assumptions surrounding the achievement by the Company of technical milestones associated with regulatory and commercial progress.

These valuation techniques involve management's estimates and judgment based on unobservable inputs and are classified in Level 3. The fair value estimates may not be indicative of the amounts that would be realized in a market exchange. Additionally, there may be inherent uncertainties or changes in the underlying assumptions used, which could significantly affect the current or future fair value estimates. Generally, a significant increase (decrease) in the probabilities of shareholder approval and the achievement of technical milestones would have resulted in a significantly higher (lower) fair value measurement; however, changes in other inputs such as expected term and price of the underlying common stock will have a directionally opposite impact on fair value measurement.

The Company uses a third-party valuation expert to assist in the determination of the fair value of the Warrants. The tables below summarize the valuation inputs into the Black Scholes model for the liability associated with the three tranches of Warrants at December 31, 2025, and September 30, 2026.

| **Tranche A Warrant** | **At December 31, 2025** | **At September 30, 2026** |
|---|---|---|
| Fair value of underlying stock | $ 5.77 | $ 4.70 |
| Exercise price | $ 5.39 | $ 5.39 |
| Volatility | 61.6% - 100.3% | 85.0% - 97.8% |
| Risk free rate | 3.5% - 3.7% | 4.3% - 4.6% |
| Dividend yield | 0% | 0% |
| Term (in years) | 0.2 - 1.0 | 0.5 – 1.3 |
| Discount for lack of marketability | 5.0% | 6.0% |
| Probability for receipt of FDA approval for oxylanthanum carbonate | 64.80% - 66.83% | 57.38% – 60.56% |

| **Tranche B Warrant** | **At December 31, 2025** | **At September 30, 2026** |
|---|---|---|
| Fair value of underlying stock | $ 5.77 | $ 4.70 |
| Exercise price | $ 5.93 | $ 5.93 |
| Volatility | 100.3% - 108.2% | 83.6% - 95.4% |
| Risk free rate | 3.5% | 4.5% - 4.7% |
| Dividend yield | 0% | 0% |
| Term (in years) | 0.7 - 1.5 | 1.0 – 1.7 |
| Discount for lack of marketability | 5.0% | 6.0% |
| Probability for receipt of Transitional Drug Add-On Payment Adjustment approval for oxylanthanum carbonate | 70.0% | 70.0% |

| **Tranche C Warrant** | **At December 31, 2025** | **At September 30, 2026** |
|---|---|---|
| Fair value of underlying stock | $ 5.77 | $ 4.70 |
| Exercise price | $ 7.41 | $ 7.41 |
| Volatility | 99.0% - 105.0% | 95.4% - 100.4% |
| Risk free rate | 3.5% | 4.7% - 4.8% |
| Dividend yield | 0% | 0% |
| Term (in years) | 1.2 - 2.0 | 1.5 – 2.3 |
| Discount for lack of marketability | 5.0% | 6.0% |
| Probability for public disclosure of financial results for four (4) quarters of commercial sales for oxylanthanum carbonate following receipt of Transitional Drug Add-On Payment Adjustment approval | 1.56% - 51.2% | 2.7% - 61.41% |

As of the issuance date (March 3, 2023), the Company estimated the fair value of the Warrants to be $2.8 million. As of December 31, 2025, and September 30, 2026, the Company estimated the fair value of the Warrants to be $16.9 million and $12.4 million, respectively.

The following table summarizes activity, on an as-converted to common shares basis, for the Company's preferred stock warrants for the nine months ended September 30, 2026:

| | Number of Shares Underlying Outstanding Warrants | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term (in Years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| **Outstanding, December 31, 2025** | 15,818,817 | $ 6.41 | 1.12 | $ - |
| Warrants contingently issuable | - | - | - | - |
| Warrants exercised | - | - | - | - |
| **Outstanding, September 30, 2026** | 15,818,817 | $ 6.41 | 1.14 | $ - |

**12. Stock-based Compensation**

On July 15, 2021, in connection with the completion of the Company's IPO, the Company adopted a new comprehensive equity incentive plan, the 2021 Omnibus Equity Incentive Plan (the "2021 Plan"). Following the effective date of the 2021 Plan, no further awards may be issued under the 2018 Plan or the 2019 Plan (collectively, the "Prior Plans"). However, all awards under the Prior Plans that are outstanding as of the effective date of the 2021 Plan will continue to be governed by the terms, conditions and procedures set forth in the Prior Plans and any applicable award agreements. The 2021 Plan provides for the issuance of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units, and other stock-based awards. A total of 130,233 shares of common stock were reserved for issuance pursuant to the 2021 Plan prior to our annual meeting on June 26, 2023. Shareholders approved an increase to the number of shares reserved on June 26, 2023, and accordingly, at December 31, 2023, approximately 1,277,600 shares were reserved for issuance. On June 20, 2024, shareholders approved a further increase of 800,000 shares, to the number of shares reserved, for a total of 2,077,600 shares. On January 1, 2025, pursuant to a 4% evergreen increase provision in the 2021 Plan, the amount of shares reserved under the Plan increased by 1,235,316 shares, to the number of shares reserved, for a total of 3,304,892 shares. On January 1, 2026, pursuant to a 4% evergreen increase provision in the 2021 Plan, the amount of shares reserved under the Plan increased by 884,570 shares, to the number of shares reserved, for a total of 4,189,462 shares. As of September 30, 2026, there are approximately 642,554 shares of common stock available under the 2021 Plan.

The following table summarizes activity for stock options under all plans for the nine months ended September 30, 2026:

| | Number of Shares Underlying Outstanding Options | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term (in Years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| **Outstanding, December 31, 2025** | 2,033,114 | $ 8.31 | 8.23 | $ 10,347 |
| Options granted | 60,000 | $ 5.05 | 9.93 | $ - |
| Options forfeited | (79.019) | $ - | - | $ - |
| Options exercised | - | $ - | - | $ - |
| **Outstanding, September 30, 2026** | 2,014,096 | $ 8.29 | 7.54 | $ 115 |
| | | | | |
| Options vested and exercisable as of September 30, 2026 | 1,306,292 | $ 9.44 | 7.08 | $ 79 |

The following table summarizes activity for restricted stock options under all plans for the nine months ended September 30, 2026:

| | Number of Shares Underlying Outstanding RSUs | Weighted-Average Exercise Price |
|---|---|---|
| **Outstanding, December 31, 2025** | 3,677 | 4.29 |
| RSUs granted | 1,678,762 | 7.91 |
| RSUs vested | (239,896) | 8.53 |
| RSUs withheld | (107,578) | 8.56 |
| **Outstanding, September 30, 2026** | 1,334,965 | $ 7.73 |

As of September 30, 2026, the unrecognized compensation cost related to outstanding stock options was $13.6 million, which is expected to be recognized as expense over approximately 2.92 years.

During the year ended December 31, 2021, employees and consultants exercised a total of 38,372 stock options and the Company received $119,000 in proceeds. A portion of these options were exercised early (prior to vesting), and as of December 31, 2024, none of the options remained unvested. Proceeds received related to the vested portion of options of $2,500 were reclassified to equity during the year ended December 31, 2024.

During May 2022, the Company granted a consultant 1,000 restricted stock units with a grant date fair value of $7.20 per share. The restricted stock units vested in May 2024.

During August 2023, the Company granted a consultant 1,000 restricted stock units with a grant date fair value of $7.50 per share. The restricted stock units vested in March 2025.

During August 2024, the Company granted a consultant 1,177 restricted stock units with a grant date fair value of $3.40 per share. The restricted stock units vested in August 2026.

During July 2025, the Company granted a consultant 2,500 restricted stock units with a grant date fair value of $4.71 per share. The restricted stock units will vest in July 2027.

During May 2026, the Company granted executives 1,270,700 restricted stock units with a grant date fair value of $8.56 per share. The fair market value of the restricted stock units was estimated to be the closing price of the Company’s common stock on the date of grant. The restricted stock units vest monthly over 3 years.

During May 2026, the Company granted directors 84,200 restricted stock units with a grant date fair value $8.56 per share. The fair market value of the restricted stock units was estimated to be the closing price of the Company’s common stock on the date of grant. The restricted stock units vest monthly over 1 year.

During August 2026, the Company granted directors additional 11,682 restricted stock units with a grant date fair value of $5.02 per share. The fair market value of the restricted stock units was estimated to be the closing price of the Company’s common stock on the date of grant. The restricted stock units vest monthly over 1 year.

During August 2026, the Company granted employees and consultants 312,180 restricted stock units with a grant date fair value of $5.05 per share. The fair market value of the restricted stock units was estimated to be the closing price of the Company’s common stock on the date of grant. The restricted stock units vest monthly over 3 years.

The Company has recorded stock-based compensation expense, which includes expense related to restricted stock units, allocated by functional cost as follows for the three and nine months ended September 30, 2025, and 2026 (in thousands):

| | Three Months Ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2026 | 2025 | 2026 |
| Research and development | $ 326 | $ 805 | $ 849 | $ 2,275 |
| General and administrative | 403 | 1,000 | 1,014 | 3,161 |
| Total stock-based compensation | $ 729 | $ 1,805 | $ 1,863 | $ 5,436 |

**Fair Value of Stock Options**

The assumptions are based on the following for each of the periods presented:

**Expected Term** - The expected term is calculated using the simplified method which is used when there is insufficient historical data about exercise patterns and post-vesting employment termination behavior. The simplified method is based on the vesting period and the contractual term for each grant, or for each vesting-tranche for awards with graded vesting. The mid-point between the vesting date and the maximum contractual expiration date is used as the expected term under this method.

**Common Stock Fair Value** - The fair value of the common stock underlying the Company's stock options prior to the initial public offering was estimated at each grant date and was determined on a periodic basis and based either on transactions with third parties in which common stock was sold for cash or with the assistance of an independent third-party valuation expert. Subsequent to our initial public offering, the fair value underlying the Company's common stock is determined based on the public market closing price on each date of grant. The assumptions underlying these valuations represented management's best estimates, which involved inherent uncertainties and the application of significant levels of management judgment.

**Volatility** - The expected volatility being used is derived from the historical stock volatilities of a representative industry peer group of comparable publicly listed companies over a period approximately equal to the expected term of the options.

**Risk-free Interest Rate** - The risk-free interest rate is based on median U.S. Treasury zero coupon issues with remaining terms similar to the expected term on the options.

**Expected Dividend** – Through September 30, 2026, the Company has never declared nor paid any cash dividends on common stock. The Company shall modify its dividend policy to state that the Company intends to pay dividends to all stockholders, including holders of Series A Preferred Stock on an as-if-converted-to-common-stock basis, on a quarterly basis in an amount of which the aggregate of all quarterly dividends shall equal at least seventy-five percent (75%) of its annual net cash flow from operations following the approval of oxylanthanum carbonate by the FDA if obtained, and the commencement of commercial sales.

The following averaged assumptions were used to calculate the fair value of awards granted to employees, directors and non-employees for the nine months ended September 30, 2025 and September 30, 2026:

| | Nine Months Ended September 30, 2025 | Nine Months Ended September 30, 2026 |
|---|---|---|
| Expected volatility | 107.44% - 116.14% | 107.44% - 139.22% |
| Risk-free interest rate | 3.75% - 4.38% | 3.75% - 4.61% |
| Dividend yield | -% | -% |
| Expected term | 6.25 years | 5.50 years - 6.50 years |

**13. Net Loss Per Share**

The Company computes net loss per share using the two-class method. The two-class method uses an earnings allocation formula that determines net loss per share for common stock and any participating securities according to dividends declared and participation rights in undistributed earnings.

Diluted net loss per share includes the potential dilutive effect of common stock equivalents as if such securities were converted or exercised during the period, when the effect is dilutive. Common stock equivalents include: (i) outstanding stock options and restricted stock units; (ii) common stock to be issued upon the assumed exercise of the Company's common stock warrants; (iii) convertible preferred stock; and (iv) prior to issuance, the issuable warrants related to the Company's March 2023 private placement financing.

The following table sets forth the computation of basic net loss per share of common stock (in thousands, except share and per share data):

| | Three Months Ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2026 | 2025 | 2026 |
| **Basic net (loss) per share** | | | | |
| *Numerator:* | | | | |
| Net loss | $ (6,011) | $ (6,997) | $ (11,887) | $ (21,543) |
| Net loss attributable to common shares, basic | (6,011) | (6,997) | (11,887) | (21,543) |
| *Denominator:* | | | | |
| Weighted-average shares outstanding used in computing net loss per share attributable to common stockholders, basic and diluted | 18,065,389 | 28,270,842 | 14,038,696 | 26,381,775 |
| Net loss per share attributable to common stockholders, basic and diluted | $ (0.33) | $ (0.25) | $ (0.85) | $ (0.82) |

The following outstanding shares of potentially dilutive securities were excluded from the computation of net loss per share for the periods presented because including them would have been antidilutive:

| | Three Months Ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2026 | 2025 | 2026 |
| Options to purchase common stock | 2,033,114 | 2,014,096 | 2,033,114 | 2,014,096 |
| Warrants to purchase common stock | 478,419 | - | 478,419 | - |
| Restricted stock units | 3,677 | 1,334,965 | 3,677 | 1,334,965 |
| Common stock issuable upon conversion of Series B-1 convertible preferred stock | - | - | - | - |
| Common stock issuable upon conversion of Series A-2 Prime convertible preferred stock | 462,245 | - | 462,245 | - |
| Warrants to purchase convertible preferred stock | 15,818,817 | 15,818,817 | 15,818,817 | 15,818,817 |
| Total | 18,796,272 | 19,167,878 | 18,796,272 | 19,167,878 |

**14. Subsequent Events**

The Company evaluated subsequent events through the filing date of this Quarterly Report on Form 10-Q and determined that there were no subsequent events requiring recognition or disclosure in the accompanying financial statements.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Forward Looking Statements

This Quarterly Report on Form 10-Q for the nine-month period ended September 30, 2026 contains "forward-looking statements" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements contain information about our expectations, beliefs or intentions regarding our product development and commercialization efforts, business, financial condition, results of operations, strategies or prospects, and other similar matters. These forward-looking statements are based on management's current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. These statements may be identified by words such as "expects," "plans," "projects," "will," "may," "anticipates," "believes," "should," "intends," "estimates," and other words of similar meaning.

Actual results could differ materially from those contained in forward-looking statements. Many factors could cause actual results to differ materially from those in forward-looking statements, including those matters discussed below. Readers are urged to read the risk factors set forth in the Company's recent filings with the U. S. Securities and Exchange Commission (the "SEC"). These filings are available at the SEC's website (www.sec.gov).

Other unknown or unpredictable factors that could also adversely affect our business, financial condition and results of operations may arise from time to time. Given these risks and uncertainties, the forward-looking statements discussed in this report may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of the Company's management as of the date of this report.

We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results or expectations, except as required by law.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes to those statements included elsewhere in this quarterly report and in our previously filed Form 10-K. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under "Risk Factors" and elsewhere in this quarterly report. See "Information Regarding Forward-Looking Statements." All amounts in this report are in U.S. dollars, unless otherwise noted.

### Overview

We are a clinical-stage biotechnology company focused on identifying, developing, and commercializing innovative therapies to address significant unmet medical needs, with an initial focus on kidney disease. Founded in 2016, we were established to create a streamlined and efficient drug development platform capable of accelerating the advancement of promising therapies from discovery to commercialization. Currently, our two programs are focused on kidney disease, an area we believe we have the potential to offer medical benefit. Our initial focus is on developing drugs and getting them approved in the U.S., and then to partner with global biopharmaceutical companies in the rest of the world. As we grow the company and build our team, we intend to focus on identifying medical conditions within and outside of kidney disease. Our business model is to license technologies and drugs in order to pursue development, regulatory approval, and commercialization of those products in global markets. Many biotechnology companies utilize similar strategies of in-licensing and then developing and commercializing drugs. We believe, however, that our management team's broad network, expertise in the biopharmaceutical industry, and successful track record gives us an advantage in identifying and bringing these assets into our company.

Our current development programs are focused on two novel therapies: oxylanthanum carbonate, a next-generation phosphate binder for the treatment of hyperphosphatemia in chronic kidney disease patients on dialysis, and UNI-494, a novel drug candidate in development for the treatment of acute kidney injury. oxylanthanum carbonate and UNI-494 were initially developed by and licensed to us from Spectrum Pharmaceuticals ("Spectrum") and Sphaera Pharma, respectively. Spectrum conducted a Phase 1 clinical trial with oxylanthanum carbonate in 2012, prior to the grant of our license in 2018. Sphaera conceived and performed initial characterization of various potential pro-drug linkers, including the initial patent application. As discussed herein; after completing IND enabling preclinical studies, we have completed a Phase I clinical study in healthy volunteers with UNI-494 in 2024.

Chronic kidney disease (CKD) is the gradual loss of kidney (renal) function that can get worse over time leading to lasting damage and possibly Stage 5 or end-stage renal disease (ESRD). CKD affects nearly 36 million Americans; approximately 550,000 of them have end stage renal disease and require dialysis. Hyperphosphatemia is common in people with CKD and has been directly linked to increased morbidity and mortality for people on dialysis. For an estimated 75% of people in the U.S. on dialysis, hyperphosphatemia remains uncontrolled due to challenges with the six currently available phosphate binders, namely insufficient potency, pill burden and unpalatable formulations. To address this significant and growing challenge, Unicycive is developing oxylanthanum carbonate, which leverages proprietary nanoparticle technology to address the shortcomings of current therapies by delivering higher potency that enables fewer and smaller pills — all in a formulation that is more acceptable for patients because it is swallowed, not chewed. With OLC, if approved, people on dialysis and their physicians may have a better option to control hyperphosphatemia.

Our business model is to license technologies and drugs in order to pursue development, regulatory approval, and commercialization of those products in global markets. Many biotechnology companies utilize similar strategies of in-licensing and then developing and commercializing drugs. We believe, however, that our management team's broad network, expertise in the biopharmaceutical industry, and successful track record gives us an advantage in identifying and bringing these assets into our company.

Since our formation we have devoted substantially all of our resources to developing our product candidates. We have incurred significant operating losses to date. Our net loss was $11.9 million and $21.5 million for the nine months ended September 30, 2025 and 2026, respectively. As of September 30, 2026, we had an accumulated deficit of $149.4 million. We expect that our operating expenses will increase significantly as we advance our product candidates through pre-clinical and clinical development, seek regulatory approval, and prepare for and, if approved, proceed to commercialization; acquire, discover, validate, and develop additional product candidates; obtain, maintain, protect and enforce our intellectual property portfolio; and hire additional personnel.

We have funded our operations primarily from the sale and issuance of common stock, convertible promissory notes and from a loan, including cash and deferred salary from our Chief Executive Officer.

Our ability to generate product revenue will depend on the successful development, regulatory approval and eventual commercialization of our current product candidates and future product candidates. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through private or public equity or debt financing, collaborative or other arrangements with corporate sources, or through other sources of financing. Adequate funding may not be available to us on acceptable terms, or at all. If we fail to raise capital or enter into agreements to raise capital as and when needed, we may have to significantly delay, scale back or discontinue the development and commercialization of our current product candidates and future product candidates.

We plan to continue to use third-party service providers, including contract manufacturing organizations, to carry out our pre-clinical and clinical development and to manufacture and supply the materials to be used during the development and commercialization of our product candidates.

We operate with a sense of urgency to bring new treatments to patients faster, leveraging our team's expertise, operational efficiency, and strategic focus on high-value opportunities within the renal space. Through this approach, we aim to deliver innovative therapies that provide meaningful clinical and economic benefits for patients, providers, and healthcare systems.

**Components of Results of Operations**

*Research and Development Expenses*

Substantially all of our research and development expenses consist of expenses incurred in connection with the development of our product candidates. These expenses include fees paid to third parties to conduct certain research and development activities on our behalf, consulting costs, costs for laboratory supplies, product acquisition and license costs, certain payroll and personnel-related expenses, including salaries and bonuses, employee benefit costs and stock-based compensation expenses for our research and product development employees and allocated overheads, including information technology costs and utilities and expenses for the issuance of shares pursuant to the anti-dilution clause in the purchase of in process research and development technology. We expense both internal and external research and development costs as incurred.

We do not allocate our costs by product candidate, as a significant amount of research and development expenses include internal costs, such as payroll and other personnel expenses, laboratory supplies and allocated overhead, and external costs, such as fees paid to third parties to conduct research and development activities on our behalf, are not tracked by product candidate.

We expect our research and development expenses to increase substantially for at least the next few years, as we seek to initiate additional clinical trials for our product candidates, complete our clinical programs, pursue regulatory approval of our product candidates and prepare for the possible commercialization of such product candidates. Predicting the timing or cost to complete our clinical programs or validation of our commercial manufacturing and supply processes is difficult and delays may occur because of many factors, including factors outside of our control. For example, if the FDA or other regulatory authorities were to require us to conduct clinical trials beyond those that we currently anticipate, we could be required to expend significant additional financial resources and time on the completion of clinical development. Furthermore, we are unable to predict when or if our product candidates will receive regulatory approval with any certainty.

*General and Administrative Expenses*

General and administrative expenses consist principally of payroll and personnel expenses, including salaries and bonuses, benefits and stock-based compensation expenses, professional fees for legal (including patent costs), consulting, accounting and tax services, including information technology costs and utilities, and other general corporate overhead expenses.

We anticipate that our general and administrative expenses will increase as a result of increased personnel costs, expanded infrastructure and higher consulting, legal and accounting services costs associated with complying with the applicable stock exchange and the SEC requirements, investor relations costs and director and officer insurance premiums associated with being a public company.

*Other Income (Expenses)*

Other income (expenses) consist of the change in fair value of our warrant liability, interest income and interest expense.

**Results of Operations**

***Comparison of the Three Months Ended September 30, 2025 and 2026 (in thousands)***

| | Three Months Ended September 30, | | $ | % |
|---|---|---|---|---|
| | 2025 | 2026 | Change | Change |
| Operating expenses: | | | | |
| Research and development | $ 2,964 | $ 2,246 | (718) | (24)% |
| General and administrative | 4,378 | 6,595 | 2,217 | 51% |
| Total operating expenses | 7,342 | 8,841 | 1,499 | 20% |
| Loss from operations | (7,342) | (8,841) | (1,499) | 20% |
| Other income (expenses): | | | | |
| Interest income | 279 | 503 | 224 | 80% |
| Interest expense | (15) | - | 15 | (100)% |
| Change in fair value of warrant liability | 1,067 | 1,341 | 274 | 26% |
| Total other income (expenses) | 1,331 | 1,844 | 513 | 39% |
| Net loss | $ (6,011) | $ (6,997) | (986) | 16% |

*Research and Development Expenses*

Research and development expenses decreased by approximately $0.7 million, or 24%, from approximately $2.9 million for the three months ended September 30, 2025, to approximately $2.2 million for the three months ended September 30, 2026. This decrease was primarily driven by a $1.2 million decrease in developments costs which was offset by an increase in non-cash stock-based compensation $0.5 million.

*General and Administrative Expenses*

General and administrative expenses increased by $2.2 million, or 51%, from approximately $4.4 million for the three months ended September 30, 2025, to approximately $6.6 million for the three months ended September 30, 2026. This increase was primarily driven by a $0.6 million increase in non-cash stock-based compensation as well as increase of $0.2 million in other labor costs. There was also an increase of $1.4 million related to commercial launch preparation.

*Other Income (Expenses)*

Other income (expenses) increased by $0.5 million, or 39%, from an income of $1.3 million for the three months ended September 30, 2025, to income of $1.8 million for the three months ended September 30, 2026. This was primarily driven by an increase of $0.3 million in the fair value of our warrant liability as well as an increase of $0.2 million in interest income.

***Comparison of the Nine months ended September 30, 2025, and 2026 (in thousands)***

| | Nine months ended September 30, | | $ | % |
|---|---|---|---|---|
| | 2025 | 2026 | Change | Change |
| Operating expenses: | | | | |
| Research and development | $ 6,871 | $ 6,642 | (229) | (3)% |
| General and administrative | 15,422 | 20,776 | 5,354 | 35% |
| Total operating expenses | 22,293 | 27,418 | 5,125 | 23% |
| Loss from operations | (22,293) | (27,418) | (5,125) | 23% |
| Other income (expenses): | | | | |
| Interest income | 661 | 1,338 | 677 | 102% |
| Interest expense | (44) | - | 44 | (100)% |
| Change in fair value of warrant liability | 9,789 | 4,537 | (5,252) | (54)% |
| Total other income (expenses) | 10,406 | 5,875 | (4,531) | (44)% |
| Net loss | $ (11,887) | $ (21,543) | (9,656) | 81% |

*Research and Development Expenses*

Research and development expenses decreased by approximately $0.2 million, or 3%, from approximately $6.9 million for the nine months ended September 30, 2025, to approximately $6.6 million for the nine months ended September 30, 2026. This decrease was primarily driven by a decrease in drug development costs of $1.7 million partially offset by $1.5 million increase in non-cash stock-based compensation.

*General and Administrative Expenses*

General and administrative expenses increased by $5.4 million, or 35%, from approximately $15.4 million for the nine months ended September 30, 2025, to approximately $20.8 million for the nine months ended September 30, 2026. This increase was primarily driven by a $2.2 million increase in non-cash stock-based compensation as well as increases of $0.7 million in other labor costs, $1.0 million increase in consulting and professional service costs, and $1.5 million related to commercial launch preparation.

*Other Income (Expenses)*

Other income (expenses) decreased by $4.5 million, or 44%, from an income of $10.4 million for the nine months ended September 30, 2025, to income of $5.9 million for the nine months ended September 30, 2026. This was primarily driven by a change in the fair value of our warrant liability of approximately $5.3 million, partially offset by an increase of $0.7 million in interest income.

**Liquidity and Capital Resources**

***Sources of Liquidity***

Since our formation through December 31, 2020, we have funded our operations with the sale of common and preferred stock, convertible notes and from a loan from our Chief Executive Officer.

As a result of our initial public offering (“IPO”), on July 13, 2021 we began trading on the Nasdaq Capital Market under the symbol “UNCY”, and on July 15, 2021 we received approximately $22.3 million in net proceeds after deducting the underwriting discounts, commissions and offering expenses. We have used the net proceeds from the IPO to complete pre-clinical and clinical studies, submit regulatory filings to the FDA, and for general and corporate purposes, including hiring additional management and conducting market research and other commercial planning.

Future revenue streams may consist of collaboration or licensing revenue as well as product sales.

On March 3, 2023, we entered into a securities purchase agreement with certain healthcare-focused institutional investors that may provide up to $130.0 million in gross proceeds through a private placement and that included initial upfront funding of $30.0 million.

On March 13, 2024, we entered into a securities purchase agreement with certain accredited investors to provide $50 million in gross proceeds through a private placement. Pursuant to the securities purchase agreement, we issued institutional purchasers $50.0 million in shares of Series B Convertible Preferred Stock. We received $46.2 million in net proceeds.

On November 13, 2024, the Company entered into a sales agreement, with Guggenheim Securities, LLC as amended by Amendment No. 1 thereto dated November 14, 2025 and further amended by Amendment No. 2 thereto dated June 5, 2026 (as amended, the "Sales Agreement") pursuant to which, we may offer and sell shares of common stock having an aggregate offering price of up to $150.0 million, subject to certain limitations and in accordance with the terms of the sales agreement, from time to time through or to Guggenheim Securities, LLC acting as sales agent or principal.

During the nine months ended September 30, 2026, the Company sold 6,293,966 shares of common stock pursuant to the sales agreement, as amended, with Guggenheim Securities, LLC, at an average price of $6.44 per share and paid $1.2 million in commissions, resulting in net proceeds to the Company of approximately $39.3 million.

***Future Funding Requirements***

We have incurred net losses since our inception. For the nine months ended September 30, 2026, we had a net loss of $21.5 million, and we expect to incur substantial additional losses in future periods. As of September 30, 2026, we had an accumulated deficit of $149.4 million.

We anticipate that our current cash will be sufficient to fund our operations for more than 12 months from the date of this report.

We expect to continue incurring losses in the future and will be required to raise additional capital in the future to complete our clinical trials, pursue product development initiatives and penetrate markets for the sale of our products. We believe that we will continue to have access to capital resources through possible equity offerings, debt financing, corporate collaborations or other means. There can be no assurance that we will be able to obtain additional financing on terms acceptable to us, on a timely basis or at all. If we are unable to secure additional capital, we may be required to curtail any clinical trials and development of new or existing products and take additional measures to reduce expenses in order to conserve our cash in amounts sufficient to sustain operations and meet our obligations. Based on our current level of expenditures, we believe that we have sufficient resources such that there is not substantial doubt about our ability to continue operations for at least one year after the date that these financial statements are available to be issued.

We anticipate that we will need to raise substantial additional capital, the requirements for which will depend on many factors, including:

- the scope, timing, rate of progress and costs of our drug discovery efforts, pre-clinical development activities, laboratory testing and clinical trials for our current product candidates and future product candidates;
- the number and scope of clinical programs we decide to pursue;
- the cost, timing and outcome of preparing for and undergoing regulatory review of our current product candidates and future product candidates;
- the scope and costs of development and commercial manufacturing activities;

- the cost and timing associated with commercializing our current product candidates and future product candidates, if they receive marketing approval;
- the extent to which we acquire or in-license other product candidates and technologies;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- our ability to establish and maintain collaborations on favorable terms, if at all;
- our efforts to enhance operational systems and our ability to attract, hire and retain qualified personnel, including personnel to support the development of our current product candidates and future product candidates and, ultimately, the sale of our products, following FDA approval;
- the impact, if any, of the coronavirus pandemic on our business operations;
- our ability to access capital;
- our implementation of operational, financial and management systems; and
- the costs associated with being a public company.

A change in the outcome of any of these or other variables with respect to the development of any of our current product candidates or future product candidates could significantly change the costs and timing associated with the development of that product candidate. Furthermore, our operating plans may change in the future, and we will continue to require additional capital to meet operational needs and capital requirements associated with such operating plans. If we raise additional funds by issuing equity securities, our stockholders may experience dilution. Any future debt financing into which we enter may impose upon us additional covenants that restrict our operations, including limitations on our ability to incur liens or additional debt, pay dividends, repurchase our common stock, make certain investments or engage in certain merger, consolidation or asset sale transactions. Any debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders.

Adequate funding may not be available to us on acceptable terms or at all. Our failure to raise capital as and when needed could have a negative impact on our financial condition and our ability to pursue our business strategies. If we are unable to raise additional funds when needed, we may be required to delay, reduce, or terminate some or all of our development programs and clinical trials or we may also be required to sell or license to others rights to our product candidates in certain territories or indications that we would prefer to develop and commercialize ourselves. If we are required to enter into collaborations and other arrangements to supplement our funds, we may have to give up certain rights that limit our ability to develop and commercialize our product candidates or may have other terms that are not favorable to us or our stockholders, which could materially affect our business and financial condition.

***Summary of Cash Flows***

The following table sets forth the primary sources and uses of cash for each of the periods presented below (in thousands):

| | Nine months ended September 30, | |
|---|---|---|
| | **2025** | **2026** |
| Net cash (used in) provided by: | | |
| Operating activities | $ (23,285) | $ (21,094) |
| Investing activities | (24) | (5,115) |
| Financing activities | 39,862 | 38,977 |
| Net increase in cash and cash equivalents | $ 16,553 | $ 12,768 |

*Cash Flows from Operating Activities*

Net cash used in operating activities was $21.1 million for the nine months ended September 30, 2026. Cash used in operating activities was primarily due to the use of funds for development costs associated with our drug candidates, labor costs, consulting services, and other corporate expenditures for investor relations, compliance, and legal services. We incurred a net loss of $21.5 million after including the effect of non-cash adjustments for stock compensation and change in fair value of our warrant liability.

Net cash used in operating activities was $23.3 million for the nine months ended September 30, 2025. Cash used in operating activities was primarily due to the use of funds for development costs associated with our drug candidates, labor costs, consulting services, and other corporate expenditures for investor relations, compliance, and legal services. We incurred a net loss of $11.9 million after including the effect of non-cash adjustments for stock compensation and change in fair value of our warrant liability.

*Cash Flows from Investing Activities*

Net cash used in investing activities was $5.1 million for the nine months ended September 30, 2026, and was due primarily to the purchase of marketable securities.

Net cash used in investing activities was $24,000 for the nine months ended September 30, 2025, and was due to the purchase of lab equipment.

*Cash Flows from Financing Activities*

Net cash provided by financing activities was $39.0 million during the nine months ended September 30, 2026, due primarily to sales made under the sales agreement with Guggenheim Securities LLC dated November 13, 2024, as amended by Amendment No. 1 thereto dated November 14, 2025 and further amended by Amendment No. 2 dated June 5, 2026.

Net cash provided by financing activities was $39.9 million during the nine months ended September 30, 2025, due primarily to the at the market public offering agreement we signed on November 13, 2024.

**Off-Balance Sheet Arrangements**

As of September 30, 2026, and through the filing date of this Quarterly Report on Form 10-Q, we did not have during the periods presented, and we do not currently have any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

**Critical Accounting Policies, Significant Judgments and Use of Estimates**

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We consider our critical accounting policies and estimates to be related to debt and equity classification, warrant liabilities, research and development, and stock-based compensation. There have been no other material changes to our critical accounting policies and estimates during the nine months ended September 30, 2026 from those used for the year ended December 31, 2025. The below policies represent our critical accounting policies.

**Debt and Equity Classification**

In conjunction with the issuance of Series A-1 Preferred Stock in March 2023, and in conjunction with the issuance of Series B-1 Preferred Stock in March 2024, we initially account for the preferred stock as temporary or mezzanine equity. The Series A-1 and Series B-1 Preferred Stock do not fall within the scope of ASC 480, *Distinguishing Liabilities from Equity*, do not contain any embedded derivatives that require bifurcation, and are not classified as liabilities. However, as the Series A-1 and Series B-1 Preferred Stock, at issuance, are contingently redeemable upon the occurrence of an event that is not solely within our control, they are required to be initially classified as mezzanine equity and measured at the amount of net proceeds received. As the Series A-1 and Series B-1 Preferred Stock are not currently redeemable or probable of becoming redeemable, no subsequent remeasurement is required.

**Warrant Liabilities**

In conjunction with the issuance of Series A-1 Preferred Stock (see Note 9), we established a warrant liability as of March 3, 2023, representing the fair value of warrants that may be issued, subject to shareholder approval, upon conversion of the Series A-1 Preferred Stock. We account for these warrants as liabilities (in accordance with ASC 480, *Distinguishing Liabilities from Equity*) on the balance sheets as a result of certain redemption clauses that are not within the control of the Company. The warrant liabilities are initially measured at fair value, resulting in an implied discount on the related preferred stock financing arrangement (recognized as a partial offset to the carrying value of the Series A-1 Preferred Stock), and are remeasured at fair value each reporting period. Changes in the fair value of the warrant liabilities are recognized in earnings during each period. The warrant liabilities are measured using Level 3 fair value inputs.

**Research and Development**

We expense costs when incurred related to the research and development associated with the design, development and testing of product candidates, as well as acquisition of product candidates or compounds. Research and development expenses include fees paid to third parties to conduct certain research and development activities on our behalf, consulting costs, costs for laboratory supplies, product acquisition and license costs, certain payroll and personnel-related expenses, including salaries and bonuses, employee benefit costs and stock-based compensation expenses for our research and product development employees. We expense both internal and external research and development costs as incurred.

**Stock-Based Compensation**

We account for stock-based compensation for all share-based payments made to employees and non-employees by estimating the fair value on the date of grant and recognizing compensation expense over the requisite service period on a straight-line basis. We recognize forfeitures related to stock-based compensation as they occur. We estimate the fair value of stock options using the Black-Scholes option-pricing model. The Black-Scholes model requires the input of subjective assumptions, including expected common stock volatility, expected dividend yield, expected term, risk-free interest rate, and the public market closing price of the Company's underlying common stock on the date of grant.

**JOBS Act Accounting Election**

On April 5, 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We have chosen to take advantage of the extended transition periods available to emerging growth companies under the JOBS Act for complying with new or revised accounting standards until those standards would otherwise apply to private companies provided under the JOBS Act. As a result, our financial statements may not be comparable to those of companies that comply with public company effective dates for complying with new or revised accounting standards.

Subject to certain conditions set forth in the JOBS Act, as an "emerging growth company," we intend to rely on certain of these exemptions, including, without limitation, (i) providing an auditor's attestation report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (ii) complying with the requirement adopted by the Public Company Accounting Oversight Board ("PCAOB") regarding the communication of critical audit matters in the auditor's report on financial statements. We will remain an "emerging growth company" until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of our initial public offering; (iii) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

**Recent Accounting Pronouncements**

See the section titled "Summary of Significant Accounting Policies—Recent Accounting Pronouncements" in Note 2 to our financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As a smaller reporting company, we are not required to provide the information required by this item.

**ITEM 4. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls**

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer each concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified by the SEC's rules and forms and that such information has been accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer in a manner than allows timely decisions regarding required disclosure.

***Changes in Internal Control Over Financial Reporting***

There have been no changes in our internal control over financial reporting identified in connection with the evaluation that occurred during the nine months ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

## Part II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

The Company is subject to claims and legal proceedings that arise in the ordinary course of business. Such matters are inherently uncertain, and there can be no guarantee that the outcome of any such matter will be decided favorably to the Company or that the resolution of any such matter will not have a material adverse effect upon the Company's financial statements.

On August 15, 2025, a putative shareholder class action complaint captioned *Elkhodari v. Unicycive Therapeutics, Inc., et al.*, Case No. 3:25-cv-06923-JD (the "*Elkhodari* Securities Class Action"), was filed in the U.S. District Court for the Northern District of California ("Northern District of California"), naming the Company and certain current officers and/or directors of the Company as defendants. The lawsuit generally alleges that the Company made material misrepresentations and/or omissions of material fact relating to the Company's manufacturing of oxylanthanum carbonate ("OLC") and the approval prospects of its New Drug Application for OLC for the treatment of hyperphosphatemia in CKD patients on dialysis in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder. The putative class action is brought on behalf of persons or entities who purchased or otherwise acquired the Company's securities between March 29, 2024, and June 27, 2025, inclusive, and seeks unspecified monetary damages on behalf of the putative class and an award of costs and expenses, including attorneys' fees. Briefing on defendants' motion to dismiss the *Elkhodari* Securities Class Action was completed on May 27, 2026. On September 3, 2026, a second putative shareholder class action complaint captioned *Patel v. Unicycive Therapeutics, Inc., et al.*, Case No. 3:26-cv-09559 (the "*Patel* Securities Class Action") was filed in the Northern District of California, naming the Company and certain current officers and/or directors of the Company as defendants. The lawsuit generally alleges the same misconduct and claims as in the *Elkhodari* Securities Class Action. The putative class action is brought on behalf of persons or entities who purchased or otherwise acquired the Company's securities between December 29, 2025, and June 29, 2026, inclusive, and seeks unspecified monetary damages on behalf of the putative class and an award of costs and expenses, including attorneys' fees. On September 18, 2026, lead plaintiff in the *Elkhodari* Securities Class Action filed an administrative motion to consider whether the *Elkhodari* Securities Class Action and *Patel* Securities Class Action should be related. On October 8, 2026, the court ordered that the two actions are related. On October 16, 2026, lead plaintiff in the *Elkhodari* Securities Class Action filed a motion to consolidate that action with the *Patel* Securities Class Action.

On October 30 and November 7, 2025, two purported stockholders of the Company filed derivative complaints in the Northern District of California against certain of the Company's current officers and directors (collectively, the "Derivative Actions"). The Company is named as a nominal defendant. The complaints are based on the same alleged misconduct as in the Securities Class Action. The complaints assert state law claims on behalf of the Company against the individual defendants for breach of fiduciary duty, unjust enrichment, gross mismanagement, and waste of corporate assets, and federal law claims under Section 14(a) of the Exchange Act. On November 20, 2025, the Court issued an order relating the Derivative Actions to the Securities Class Action, and on April 30, 2026, the Court consolidated the Derivative Actions. On June 11, 2026, the parties in the derivative actions filed a joint stipulation to stay all proceedings pending resolution of the motion to dismiss in the securities class action, and on July 29, 2026, the court entered an order staying the derivative actions. The Derivative Actions seek unspecified damages on behalf of the Company, corporate governance reforms, disgorgement and restitution, and an award of costs and expenses, including attorneys' fees.

On March 12, 2026, a purported stockholder made a demand on the Company's Board of Directors to commence a civil action against certain of the Company's current and former officers and directors for breaching their fiduciary duties based on the same alleged misconduct as alleged in the abovementioned Securities Class Action and Derivative Actions (the "Litigation Demand"). On March 30, 2026, the Company's Board of Directors responded that it would defer a final decision on the Demand given the pendency of the Securities Class Action and the Derivative Actions.

At this early stage of the proceedings, the Company is unable to make any prediction regarding the outcome of the *Elkhodari* or *Patel* Securities Class Actions, the Derivative Actions, or the Litigation Demand. It is possible that additional lawsuits will be filed or allegations will be made by stockholders with respect to these same or other matters also naming the Company and/or our officers and directors as defendants. The Company intends to vigorously defend against the claims brought by the plaintiffs in each of these matters. Such lawsuits are subject to inherent uncertainties, and the actual defense and disposition costs will depend upon many unknown factors. The outcome of the pending lawsuits and any other related lawsuits is necessarily uncertain. The Company could be forced to expend significant resources and may incur substantial legal fees and costs in defending against the pending lawsuits and any other related lawsuits, and we may not prevail. Monitoring, initiating and defending against legal actions is time-consuming for our management, is likely to be expensive, and may detract from the ability to fully focus internal resources on business activities. Additionally, the Company may not be successful in having any such lawsuits dismissed or settled within the limits of insurance coverage. Given the early stage of these lawsuits and the inherent uncertainty of litigation, the Company cannot predict how long it may take to resolve the pending lawsuits or the potential outcome or possible amount of any damages. As such, we currently are unable to reasonably estimate the possible losses or a range of possible losses that may result from these matters, if any. Expenses associated with the pending lawsuits and any potential related lawsuits could be material to the financial statements if we do not prevail in the defense of such lawsuits, or even if we do prevail.

In addition, from time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any such legal proceedings or claims that will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

**ITEM 1A. RISK FACTORS**

There have been no material changes from the risk factors disclosed in our Form 10-K for the year ended December 31, 2025, except for the following:

***We may engage in strategic transactions that could disrupt our business, cause dilution to our stockholders or reduce our financial resources.***

In the future, we may enter into strategic transactions to acquire other businesses, products or technologies. If we do identify suitable candidates, we may not be able to make such acquisitions on favorable terms, or at all. Any acquisitions we make may fail to strengthen our competitive position and these transactions may be viewed negatively by customers or investors. We may decide to incur debt in connection with an acquisition or issue our common stock or other equity securities to the stockholders of the acquired company, which would reduce the percentage ownership of our existing stockholders. We could incur losses resulting from undiscovered liabilities of the acquired business that are not covered by the indemnification we may obtain from the seller. In addition, we may not be able to successfully integrate the acquired personnel, technologies, and operations into our existing business in an effective, timely and non-disruptive manner. Strategic transactions may also divert management attention from day-to-day responsibilities, increase our expenses and reduce our cash available for operations and other uses. We may also be subject to acquisition proposals from third parties. We cannot predict the number, timing or size of future strategic transactions or the effect that any such transactions might have on our operating results.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Not applicable.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

Material changes to the procedures by which security holders may recommend nominees to the board of directors.

None.

*Director and Officer Trading Arrangements*

During our quarter ended September 30, 2026, none of our directors or executive officers adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" as such terms are defined under Item 408 of Regulation S-K of the Exchange Act.

**ITEM 6. EXHIBITS**

| Exhibit No. | Description |
|---|---|
| 3.1 | Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.4 to Amendment No. 2 to Form S-1 filed on June 21, 2021) |
| 3.2 | Certificate of Amendment to Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on June 26, 2024). |
| 3.3 | Certificate of Amendment to the Amended and Restated Certificate of Incorporation, as amended, dated June 18, 2025, (incorporated by reference to Exhibit 3.1 to Form 8-K filed on June 20, 2025) |
| 3.4 | Amended and Restated Bylaws (incorporated by reference to Exhibit 3.5 to Amendment No. 2 to Form S-1 filed on June 21, 2021) |
| 31.1 | Certification of Principal Executive Officer required under Rule 13a-14(a)/15d-14(a) under the Exchange Act. |
| 31.2 | Certification of Principal Financial Officer required under Rule 13a-14(a)/15d-14(a) under the Exchange Act. |
| 32.1 | Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | Inline XBRL Instance Document. |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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 on the 16th day of November, 2026.

| Signature | Title | Date |
|---|---|---|
| /s/ Shalabh Gupta<br>Shalabh Gupta | Chief Executive Officer, President and Chairman of the Board of Directors<br>(Principal Executive Officer) | November 16, 2026 |
| /s/ John Townsend<br>John Townsend | Chief Financial Officer<br>(Principal Financial and Accounting Officer) | November 16, 2026 |

**Exhibit 31.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350**
**AS ADOPTED PURSUANT TO**
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Shalabh Gupta, M.D., certify that:

(1) I have reviewed this Form 10-Q of Unicycive 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 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 16, 2026

By: /s/ *Shalabh Gupta, M.D.*
Shalabh Gupta, M.D.
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350**
**AS ADOPTED PURSUANT TO**
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John Townsend, certify that:

(1) I have reviewed this Form 10-Q of Unicycive 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 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 16, 2026

By: /s/ *John Townsend*
John Townsend
Chief Financial Officer
(Principal Financial and Accounting Officer)

**Exhibit 32.1**

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

In connection with the Quarterly Report of Unicycive Therapeutics, Inc. (the "Company") on Form 10-Q for the three month period ended September 30, 2026, as filed with the Securities and Exchange Commission on November 16, 2026 (the "Report"), I, Shalabh Gupta, M.D., Chief Executive Officer of the Company, certify, 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 as of, and for the periods presented in the Report.

By: /s/ Shalabh Gupta, M.D.
Shalabh Gupta, M.D.
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 32.2**

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

I, John Townsend, certify that:

In connection with the Quarterly Report of Unicycive Therapeutics, Inc. (the "Company") on Form 10-Q for the three month period ended September 30, 2026, as filed with the Securities and Exchange Commission on November 16, 2026 (the "Report"), I, John Townsend, Chief Financial Officer of the Company, certify, 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 as of, and for the periods presented in the Report.

By: /s/ *John Townsend*
John Townsend
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be furnished to the Securities and Exchange Commission or its staff upon request.