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# 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 March 31, 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 No. 001-35890**

# Tempest Therapeutics, Inc.
**(Exact Name of Registrant as Specified in its Charter)**

| **Delaware** | **45-1472564** |
|---|---|
| (State or Other Jurisdiction of Incorporation or Organization) | (I.R.S. Employer Identification No.) |
| **2000 Sierra Point Parkway, Suite 400** | |
| **Brisbane, California** | **94005** |
| (Address of Principal Executive Offices) | (Zip Code) |

**Registrant's telephone number, including area code: (415) 798-8589**

**(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)**

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

| **Title of each class** | **Trading Symbol(s)** | **Name of each exchange on which registered** |
|---|---|---|
| Common Stock, $0.001 par value | TPST | The Nasdaq Stock Market LLC |
| Series A Junior Participating Preferred Purchase Rights | N/A | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒
The number of shares of Registrant's Common Stock, $0.001 par value per share, outstanding as of May 8, 2026 was 14,806,997.

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements (including within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended (the "Securities Act")) about us and our industry that involve substantial risks and uncertainties. These statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, or otherwise, based on current beliefs of our management, as well as assumptions made by, and information currently available to, our management. Forward-looking statements generally include statements that are predictive in nature and depend upon or refer to future events or conditions, and include words such as "may," "will," "should," "would," "could," "expect," "anticipate," "plan," "likely," "believe," "estimate," "intend," and other similar expressions. Statements that are not historical facts are forward-looking statements. Forward-looking statements are based on current beliefs and assumptions that are subject to risks and uncertainties and are not guarantees of future performance. Actual results could differ materially from those contained in any forward-looking statement as a result of various factors, including, without limitation: whether we are successful in implementing our strategic review (which includes our plans to advance our clinical-stage programs and maximize stockholder value); our strategies, prospects, plans, expectations or objectives for future operations; the progress, scope or timing of the development of our product candidates; unexpected safety or efficacy data observed during preclinical or clinical trials; the possibility that results from prior clinical trials and preclinical studies may not necessarily be predictive of future results; past results may not be indicative of future results; clinical trial site activation or enrollment rates that are lower than expected; loss of key personnel; changes in expected or existing competition; changes in the regulatory environment; risks relating to volatility and uncertainty in the capital markets for biotechnology companies; the benefits that may be derived from any future products or the commercial or market opportunity with respect to any of our future products; unexpected litigation or other disputes; our ability to protect our intellectual property rights; our need for additional capital to fund our planned programs and operations and to continue to operate as a going concern; our anticipated operations, financial position, ability to raise capital to fund operations, revenues, costs or expenses; statements regarding future economic conditions or performance; statements of belief and any statement of assumptions underlying any of the foregoing. These risks and uncertainties include, but are not limited to, the risks included in this Quarterly Report on Form 10-Q under Part II, Item 1A, "Risk Factors." Other sections of this Quarterly Report on Form 10-Q, as well as our other disclosures and filings, include additional factors that could harm our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in, or implied by, any forward-looking statements.

Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our estimates and assumptions only as of the date of this document. You should read this document with the understanding that our actual future results may be materially different from what we expect. Except as required by law, we do not undertake any obligation to update or revise any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise.

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

- our expectations regarding the benefits and expected synergies of the Asset Acquisition;
- our new strategy and the potential benefits thereof;
- our expected future growth and our ability to manage such growth;
- our, or our partner's, ability to develop, obtain regulatory approval for and commercialize our current and any future product candidates;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;

- our ability to continue as a going concern absent access to sources of liquidity;
- the size and growth potential of the markets for our product candidates, and our ability to serve those markets;
- the development, regulatory approval, efficacy and commercialization of competing products;
- our ability to establish sales and marketing capabilities or enter into agreements with third parties to market and sell our product candidates;
- our ability to retain regulatory approval for our product candidates or future product candidates in the United States and in any foreign countries in which we make seek to do business;
- our ability to retain and hire our board of directors, senior management, or operational personnel;
- our ability to develop and maintain our corporate infrastructure, including our ability to design and maintain an effective system of internal controls;
- general economic, political, and market conditions and overall fluctuations in the financial markets in the United States and abroad, including as a result of bank failures, public health crises or geopolitical tensions;
- our expectation regarding the period during which we will qualify as a smaller reporting company under the federal securities laws; and
- our expectations regarding our ability to obtain, maintain and enforce intellectual property protection for our products and technology, as well as our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property rights of others.

You should read this Quarterly Report on Form 10-Q as well as the documents that we reference in, and have filed as exhibits to, this report with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

Unless the context suggests otherwise, references in this Quarterly Report on Form 10-Q to “Tempest,” “the Company,” “we,” “us,” and “our” refer to Tempest Therapeutics, Inc. and, where appropriate, its subsidiaries.

**PART I – FINANCIAL INFORMATION**
**Item 1 – Financial Statements**
**TEMPEST THERAPEUTICS, INC.**
**Condensed Consolidated Balance Sheets**
**(in thousands, except share and per share amounts)**

| | March 31, 2026 (Unaudited) | December 31, 2025 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 1,805 | $ 7,707 |
| Prepaid expenses and other current assets | 641 | 562 |
| Total current assets | 2,446 | 8,269 |
| Property and equipment — net | 545 | 605 |
| Operating lease right-of-use assets | 7,248 | 7,540 |
| Other noncurrent assets | 509 | 517 |
| Total assets | $ 10,748 | $ 16,931 |
| **Liabilities and stockholders' equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 585 | $ 1,038 |
| Accrued expenses | 1,162 | 937 |
| Current operating lease liabilities | 1,239 | 1,192 |
| Accrued compensation | 325 | 147 |
| Total current liabilities | 3,311 | 3,314 |
| Operating lease liabilities, less current portion | 6,615 | 6,949 |
| Total liabilities | 9,926 | 10,263 |
| Commitments and contingencies (Note 5) | | |
| Stockholders' equity: | | |
| Common stock, $0.001 par value; 100,000,000 shares authorized; 14,344,034 and 4,927,161 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively | 14 | 5 |
| Additional paid-in capital | 270,880 | 240,031 |
| Accumulated deficit | (270,072) | (233,368) |
| Total stockholders' equity | 822 | 6,668 |
| Total liabilities and stockholders' equity | $ 10,748 | $ 16,931 |

See accompanying Notes to the Condensed Consolidated Financial Statements

**TEMPEST THERAPEUTICS, INC.**
**Condensed Consolidated Statements of Operations**
**(Unaudited)**
**(in thousands, except share and per share amounts)**

| | Three Months Ended March 31, | |
|---|---|---|
| | **2026** | **2025** |
| **Operating expenses:** | | |
| Research and development | $ 114 | $ 7,627 |
| General and administrative | 5,425 | 3,309 |
| Acquired in-process research and development | 22,180 | — |
| Loss from operations | (27,719) | (10,936) |
| **Other income (expense), net:** | | |
| Interest expense | — | (161) |
| Interest income and other income (expense), net | 23 | 237 |
| Total other income (expense), net | 23 | 76 |
| Provision for income taxes | — | — |
| Net loss | $ (27,696) | $ (10,860) |
| Net loss per share of common stock and pre-funded warrants basic and diluted[(1)] | $ (2.53) | $ (3.16) |
| Weighted-average shares of common stock and pre-funded warrants outstanding, basic and diluted[(1)] | 10,931,593 | 3,437,671 |

(1) Results, including shares of common stock, have been adjusted to reflect the one-for-thirteen stock split effected in April 2025. See Note 1, Organization and Description of the Business, for details.

See accompanying Notes to the Condensed Consolidated Financial Statements

**TEMPEST THERAPEUTICS, INC.**
**Condensed Consolidated Statements of Stockholders' Equity**
**(Unaudited)**
**(in thousands, except share amounts)**

**Three Months Ended March 31, 2026**

| | Common Stock | | Additional Paid-In Capital[1] | Accumulated Deficit | Total Stockholders' Equity |
|---|---|---|---|---|---|
| | Shares[1] | Amount[1] | | | |
| BALANCE — December 31, 2025 | 4,927,161 | $ 5 | $ 240,031 | $ (233,368) | $ 6,668 |
| Issuance of common stock in consideration of acquisition | 8,268,495 | 8 | 19,919 | — | 19,927 |
| Issuance of common stock for cash (net of issuance costs of $30) | 231,482 | — | 170 | — | 170 |
| Issuance of pre-funded warrants (net of issuance cost of $61) | — | — | 340 | — | 340 |
| Issuance of common stock warrants (net of issuance cost of $136) | — | — | 762 | — | 762 |
| Issuance of common stock to related parties for cash (net of issuance costs of $30) | 231,482 | — | 170 | — | 170 |
| Issuance of common stock warrants to related parties (net of issuance cost of $45) | — | — | 254 | — | 254 |
| Common stock warrant dividend | — | — | 9,008 | (9,008) | — |
| Exercise of pre-funded warrants | 685,414 | 1 | — | — | 1 |
| Stock-based compensation | — | — | 226 | — | 226 |
| Net loss | — | — | — | (27,696) | (27,696) |
| BALANCE — March 31, 2026 | 14,344,034 | $ 14 | $ 270,880 | $ (270,072) | $ 822 |

**Three Months Ended March 31, 2025**

| | Common Stock | | Additional Paid-In Capital[1] | Accumulated Deficit | Total Stockholders' Equity |
|---|---|---|---|---|---|
| | Shares[1] | Amount[1] | | | |
| BALANCE — December 31, 2024 | 3,382,432 | $ 3 | $ 226,229 | $ (207,106) | $ 19,126 |
| Issuance of common stock for cash (net of issuance costs of $84) | 133,521 | 1 | 1,443 | — | 1,444 |
| Stock-based compensation | — | — | 1,389 | — | 1,389 |
| Issuance of common stock under equity plan awards | 3,649 | — | 34 | — | 34 |
| Net loss | — | — | — | (10,860) | (10,860) |
| BALANCE — March 31, 2025 | 3,519,602 | $ 4 | $ 229,095 | $ (217,966) | $ 11,133 |

(1) Results, including shares of common stock, have been adjusted to reflect the one-for-thirteen stock split effected in April 2025. See Note 1, Organization and Description of the Business, for details.

See accompanying Notes to the Condensed Consolidated Financial Statements.

**TEMPEST THERAPEUTICS, INC.**
**Condensed Consolidated Statements of Cash Flows**
**(Unaudited)**
**(in thousands)**

| | For the Three Months Ended March 31, | |
|---|---|---|
| | **2026** | **2025** |
| **Operating activities:** | | |
| Net loss | $ (27,696) | $ (10,860) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation expense | 60 | 68 |
| Stock-based compensation expense | 226 | 1,389 |
| Non-cash lease expense | 292 | 267 |
| Non-cash interest and other expense, net | — | 36 |
| Acquired in-process research and development | 19,927 | — |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses and other assets | (71) | 231 |
| Accounts payable | (454) | (263) |
| Accrued expenses and other liabilities | 405 | 1,215 |
| Interest payable | — | (23) |
| Operating lease liabilities | (287) | (96) |
| Cash used in operating activities | (7,598) | (8,036) |
| **Investing activities:** | | |
| Purchase of property and equipment | — | — |
| Cash used in investing activities | — | — |
| **Financing activities:** | | |
| Proceeds from the issuance of common stock, pre-funded warrants and common stock warrants, net of issuance costs | 1,272 | 1,443 |
| Proceeds from the issuance of common stock and common stock warrants to related party, net of issuance costs | 424 | |
| Repayment of loan | — | (2,198) |
| Proceeds from the issuance of common stock under equity plan awards | — | 34 |
| Cash provided by (used in) financing activities | 1,696 | (721) |
| Net decrease in cash, cash equivalents and restricted cash | (5,902) | (8,757) |
| Cash, cash equivalents and restricted cash at beginning of period | 8,150 | 30,711 |
| Cash, cash equivalents and restricted cash at end of period | $ 2,248 | $ 21,954 |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for interest | $ — | $ 148 |

See accompanying Notes to the Condensed Consolidated Financial Statements

**TEMPEST THERAPEUTICS, INC.**

**Notes to the Condensed Consolidated Financial Statements**
**(Unaudited)**
**(Amounts are in thousands, except share and per share data)**

## 1. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

***Description of Business***

Tempest Therapeutics is a clinical-stage biotechnology company developing a pipeline of advanced CAR-T cell therapy product candidates to treat cancer. Tempest is headquartered in Brisbane, California.

***Reverse Stock Split***

On December 3, 2024, the Company's stockholders approved a proposal to effect an amendment to the Company's Restated Certificate of Incorporation to implement a reverse stock split. On April 4, 2025, the Company filed a certificate of amendment to the Company's Restated Certificate of Incorporation with the Secretary of State of the State of Delaware to effect the one-for-thirteen (1:13) reverse stock split of its outstanding common stock (the "Reverse Stock Split").

On April 8, 2025, the Company effected the Reverse Stock Split. Pursuant to their terms, a proportionate adjustment was made to the per share exercise price and number of shares issuable under all of the Company's outstanding options and warrants, and the number of shares authorized for issuance pursuant to the Company's equity incentive plans have been reduced proportionately. The Reverse Stock Split did not reduce the number of authorized shares of common stock and did not alter the par value.

No fractional shares were issued as a result of the Reverse Stock Split. Stockholders of record who would have otherwise been entitled to receive a fractional share received a cash payment in lieu thereof. The Reverse Stock Split affected all stockholders proportionately and did not affect any stockholder's percentage ownership of the Company's common stock (except to the extent that the Reverse Stock Split resulted in any stockholder owning only a fractional share).

***Liquidity and Going Concern***

The Company has incurred operating losses since inception. As of March 31, 2026, the Company had $1.8 million of cash and cash equivalents. While the Company implemented cost reductions in 2025, the Company has finite cash resources available to fund its operations. In April 2025, the Company announced plans to explore a full range of strategic alternatives to advance its promising clinical stage programs and maximize stockholder value. The Company retained MTS Health Partners, L.P., an internationally recognized financial advisor with substantial experience in the biotechnology industry, to support it with the strategic evaluation process. Further to such evaluations, as part of the cost reductions, the Company reduced its workforce by 21 of 26 full-time employees, which became effective April 30, 2025. Further, in support of such efforts, on June 5, 2025, each of Stephen Brady, the Company's Chief Executive Officer and President, Samuel Whiting, the Company's Executive Vice President and Chief Medical Officer, and Nicholas Maestas, the Company's Chief Financial Officer and Head of Corporate Strategy, transitioned to consulting arrangements with the Company, pursuant to which they continued to serve the Company in their respective executive roles. The Company incurred $3.2 million of one-time cash severance payments, benefits and other related costs (excluding non-cash charges associated with stock-based compensation), with the majority of such costs incurred in the second quarter of 2025.

On February 3, 2026, the Company closed the Asset Acquisition (as defined below). Pursuant to the Asset Purchase Agreement (as defined below), Factor (as defined below) has made the Funding Commitment (as defined below) to provide the Company with financial support for at least 18 months following the closing of the Asset Acquisition, up to a maximum amount of $20.0 million that is inclusive of any amounts raised and received by the Company after the date of the Asset Purchase Agreement, on the terms and subject to the conditions and other provisions of a funding commitment letter contemplated by and entered into concurrently with the Asset Purchase Agreement. However, there is significant uncertainty as to whether we will be able to satisfy the terms and conditions and other provisions set forth in the funding commitment letter, and, if we are unable to do so, we may be limited in the amount of funding that we are able to access under the Funding Commitment or we

may not be able to access any funds under the Funding Commitment. The timing of any additional funding from Factor is uncertain. As of March 31, 2026, $13.8 million of availability remained under the Funding Commitment.

Further, as detailed below under "—Private Placement," the Company has undertaken other steps to increase its cash and cash equivalents. On March 20, 2026, the Company entered into a securities purchase agreement for the sale of securities for approximately $2.0 million in gross proceeds (excluding up to approximately $4.0 million of aggregate gross proceeds that may be received in the future upon the cash exercise of the Common Warrants), before deducting placement agent fees and other offering expenses payable by the Company.

The Company expects that its existing cash and cash equivalents will fund the Company's projected operating expense requirements through less than 12 months from the date our consolidated financial statements were available to be issued. Accordingly, there is substantial doubt about the Company's ability to continue to operate as a going concern for a period of 12 months from the date of issuance of these consolidated financial statements. The accompanying financial statements were prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any separate adjustments relating to the recovery of recorded assets or the classification of liabilities; however, such adjustments may be necessary in the future when the Company is unable to continue as a going concern.

The Company is actively exploring a range of options to raise additional funds.

***Acquisition of Erigen Assets***

On November 19, 2025, the Company executed an Asset Purchase Agreement (the "Asset Purchase Agreement") with Erigen LLC, a Delaware limited liability company ("Erigen"), and Factor Bioscience Inc., a Delaware corporation ("Factor," and together with Erigen, "Sellers"), pursuant to which Sellers agreed to sell and transfer to the Company all right, title and interest of Sellers in and to all of the assets primarily related to (a) the autologous BCMA/CD19 dual-targeting CAR T-cell therapy known as TPST-2003, (b) the autologous CD70/CD70 dual-targeting CAR T-cell therapy known as TPST-2206, (c) the allogeneic BCMA/CD19 dual-targeting CAR T-cell therapy with a gene edit in the TRAC locus that inactivates the T cell receptor known as TPST-3003, and (d) the allogeneic CD70/CD70 dual-targeting CAR T-cell therapy with a gene edit in the TRAC locus that inactivates the T cell receptor known as TPST-3206 (collectively referred to herein as the "Erigen Assets"), in exchange for an aggregate purchase price of 8,268,495 shares of the Company's common stock to be issued to Erigen on behalf of both Sellers.

On February 3, 2026, the Company completed the acquisition of the Erigen Assets (the "Erigen Closing") under the Asset Purchase Agreement (the "Asset Acquisition") and issued to Erigen 8,268,495 shares of the Company's common stock. Based on the closing price of the Company's common stock price of $2.41 per share on February 3, 2026, the aggregate fair value of equity issued in the Asset Acquisition was approximately $19.9 million.

The Company accounted for the Asset Acquisition as an asset acquisition. In addition to the $19.9 million in aggregate fair value of equity issued, approximately $2.2 million in transaction costs were capitalized as part of the total cost of the Asset Acquisition, totaling $22.1 million expensed as acquired in-process research and development during the three months ended March 31, 2026. During the year ended December 31, 2025, approximately $2.2 million of transaction costs were incurred and expensed as General and administrative expense prior to the closing of the Asset Acquisition. The fair value of the shares issued was recorded as an increase to common stock (at par) and additional paid-in capital on the date of the Erigen Closing.

Pursuant to the Asset Purchase Agreement, Factor has made a funding commitment (the "Funding Commitment") to provide the Company with financial support for at least 18 months following the Erigen Closing, up to a maximum amount of $20.0 million that is inclusive of any amounts raised and received by us after the date of the Asset Purchase Agreement, on the terms and subject to the conditions and other provisions of a funding commitment letter contemplated by and entered into concurrently with the Asset Purchase Agreement.

In November 2025, Erigen entered into an Amended and Restated Master Services Agreement with Factor (the "Factor MSA"), which was assigned to the Company in connection with the Erigen Closing pursuant to the Asset Purchase Agreement. Under the Factor MSA, the Company is obligated to pay Factor a service fee and all non-cancellable obligations in the amount specified in each work order associated with the agreement for the provision of services. The term of each work order terminates upon completion of the services under such work order, unless terminated earlier. The Company can terminate the Factor MSA or any work order at any time upon 30 days' prior written notice and immediately upon written notice if Factor breaches the Factor MSA or any work order, as the case may be, and does not fully cure the breach to the Company's satisfaction within 30 days. Upon termination any work order, unless the applicable work order expressly provides otherwise, the Company will pay Factor fees for all services performed and reimburse Factor for all authorized, non-cancellable expenses reasonably incurred in connection with such services prior to termination.

In March 2026 the Board of the Company approved and authorized the execution of Work Order No. 1 under the Factor MSA for R&D services beginning April 2026. Under this agreement, the Company is committed to pay Factor for services through March 31, 2027. As of March 31, 2026, no amounts were incurred or payable under this arrangement. In April 2026, the Company paid Factor a deposit of $0.4 million under Work Order No. 1 of the Factor MSA related to the clinical advancement of TPST-2003.

On May 11, 2026, the Company entered into a letter agreement (the "Letter Agreement") with Factor relating to certain payment obligations of the Company under the Factor MSA and Work Order No. 1 (the "Work Order"). Pursuant to the Letter Agreement, Factor agreed to permanently waive its right to receive the first $2.1 million payable by the Company to Factor under the Factor MSA and the Work Order. In addition, Factor agreed to return to the Company a deposit of $0.2 million previously made by the Company under the Work Order, for an interim period subject to certain conditions.

***Warrant Dividend***

On January 20, 2026, the Company's Board of Directors declared a record date of January 30, 2026 (the "Record Date"), for the distribution of a dividend (the "Warrant Dividend") in the form of a warrant to purchase a share of the Company's common stock (collectively, the "Warrants") for each share of common stock outstanding on the Record Date at an exercise price of $18.48 per share. The Warrants were issued on the terms and conditions described in the Warrant Agreement, dated February 3, 2026, between the Company, Computershare Inc., and its affiliate, Computershare Trust Company, N.A., as Warrant Agent, on February 3, 2026. In addition, on February 3, 2026, certain warrants that were outstanding on the Record Date also received Warrants on a one-for-one basis, pursuant to the terms of such warrants (together with the Warrant Dividend, the "Warrant Distribution"). In the aggregate, 6,784,989 Warrants were issued pursuant to the Warrant Distribution.

***Private Placement***

On March 20, 2026, the Company entered into a securities purchase agreement (the "Purchase Agreement") with (a) two institutional investors (the "Institutional Investors") and (b) Factor (together with the Institutional Investors, each, an "Investor" and, together, the "Investors"), pursuant to which the Company agreed to issue and sell in a private placement (the "Private Placement") an aggregate of 462,964 shares (the "Shares") of the Company's common stock, and, in lieu of common stock, pre-funded warrants to purchase up to 462,963 shares of common stock (the "2026 Pre-Funded Warrants"), in each case accompanied by (i) Series A warrants to purchase up to 925,927 shares of common stock (the "Series A Warrants") and (ii) Series B warrants to purchase up to 925,927 shares of common stock (the "Series B Warrants" and, together with the Series A Warrants, the "Common Warrants"). The Shares and the Pre-Funded and Common Warrants are immediately separable and were issued separately. The combined purchase price per Share and accompanying Common Warrants was $2.16 and the combined purchase price per Pre-Funded Warrant and accompanying Common Warrants was $2.159. The gross proceeds to us from the Private Placement were approximately $2.0 million (excluding up to approximately $4.0 million of aggregate gross proceeds that may be received in the future upon the cash exercise of the Common Warrants), before deducting placement agent fees and other offering expenses payable by the Company. All 2026 Pre-Funded Warrants were subsequently exercised in April 2026.

Pursuant to the Purchase Agreement, the Company agreed to seek approval from our stockholders for the issuance of the shares issuable upon exercise of the Common Warrants within 90 days following the date of the Purchase Agreement (the "Stockholder Approval"). The Series A Warrants will become exercisable on the effective date of the Stockholder Approval (the "Stockholder Approval Date") and have a term of five years from the later of the Stockholder Approval Date and the Effectiveness Date (as defined below). The Series B Warrants will become exercisable on the Stockholder Approval Date and have a term of twenty-four months from the later of the Stockholder Approval Date and the Effectiveness Date. The Common Warrants have an exercise price of $2.16 per share. The Pre-Funded Warrants are exercisable immediately following the closing date of the Private Placement have an exercise price of $0.001 per share and may be exercised at any time until exercised in full. In addition, pursuant to the Purchase Agreement, the Company agreed not to sell any shares of the Company's common stock or any securities convertible into or exercisable or exchangeable into shares of common stock, subject to certain customary exceptions, for a period of thirty (30) days after the Effectiveness Date.

In connection with the Private Placement, the Company entered into a registration rights agreement with the Investors (the "Registration Rights Agreement"), pursuant to which the Company agreed to file registration statements under the Securities Act with the SEC covering the resale of the Shares to be issued in the Private Placement and the shares of the Company's common stock underlying the Common Warrants and Pre-Funded Warrants no later than 15 calendar days following the date of the Purchase Agreement, and to use reasonable best efforts to have the registration statement declared effective by 45 calendar days following the date of the Purchase Agreement, and in any event no later than 75 calendar days following the date of the Purchase Agreement in the event of a "full review" by the SEC (the "Effectiveness Date"). The registration statement was filed on April 2, 2026 and declared effective on April 9, 2026.

***ATM Program***

On July 23, 2021, the Company entered into a sales agreement with Jefferies LLC ("Jefferies"), pursuant to which the Company may sell, from time to time at its sole discretion through Jefferies, as its sales agent, shares of its common stock having, up to an aggregate sales price of $100.0 million of its common stock through Jefferies (the "Prior ATM Program"). As of June 20, 2024, the Company had sold an aggregate 9,017,110 shares of its common stock for gross proceeds of $42.7 million ($41.5 million net of commissions and estimated expenses) under the Prior ATM Program. On June 20, 2024, the Company and Jefferies terminated the Prior ATM Program and entered a new Open Market Sale Agreement (the "Sales Agreement") to sell shares of common stock from time to time through Jefferies acting as sales agent (the "ATM Program"). The Company will pay Jefferies a commission up to 3.0% of the gross sales proceeds of any shares of its common stock sold through Jefferies under the ATM Program and also has provided Jefferies with indemnification and contribution rights. Pursuant to the prospectus supplement dated June 20, 2024 filed by the Company with the U.S. Securities and Exchange Commission ("SEC"), the Company was able to offer and sell up to $205.0 million of its shares of common stock pursuant to the Sales Agreement. On February 6, 2025, the Company filed a prospectus supplement with the SEC limiting the availability under the ATM Program to $14.5 million. On June 11, 2025, in connection with the RDO (as defined below), the Company delivered written notice to Jefferies that it was suspending and terminating the prospectus supplement, dated February 6, 2025, related to the ATM Program (the "ATM Prospectus"). The Company will not make any sales of its securities pursuant to the Sales Agreement, unless and until a new prospectus, prospectus supplement or a new registration statement is filed. Other than the termination of the ATM Prospectus, the Sales Agreement remains in full force and effect.

Under current SEC regulations, if at any time the Company's public float is less than $75.0 million, and for so long as the Company's public float remains less than $75.0 million, the amount the Company can raise through primary public offerings of securities in any 12-month period using shelf registration statements is limited to an aggregate of one-third of the Company's public float, which is referred to as the baby shelf rules. As of the three months ended March 31, 2026, the Company has not sold any shares, pursuant to the ATM Program.

***Registered Direct Offerings***

On June 11, 2025, the Company sold an aggregate of 405,000 shares of the Company's common stock and pre-funded warrants to purchase 334,000 shares of its common stock (the "June 2025 Pre-Funded Warrants") in a registered direct offering ("June RDO"). The offering price was $6.25 per share of common stock and $6.249 per June 2025 Pre-Funded Warrant, which is the

price of each share of common stock sold in the RDO, minus the $0.001 exercise price per June 2025 Pre-Funded Warrant. The net proceeds from the RDO were approximately $4.1 million, after deducting placement agent fees and offering expenses payable by the Company. As of March 31, 2026, all June 2025 Pre-Funded Warrants were exercised.

On November 24, 2025, the Company sold an aggregate of 487,000 shares of the Company's common stock, pre-funded warrants to purchase 685,414 shares of its common stock (the "November 2025 Pre-Funded Warrants") and warrants to purchase an aggregate of 1,172,414 shares of common stock (the "Common Warrants") in a registered direct offering (the "November RDO"). The combined purchase price of each share of common stock and accompanying Common Warrant was $3.625. The combined purchase price of each November 2025 Pre-Funded Warrants and accompanying Common Warrant was $3.624 (equal to the combined purchase price per share of common stock and accompanying Common Warrant, minus $0.001) The exercise price of the Common Warrants is $3.50 per share. The net proceeds from the RDO were approximately $3.8 million, after deducting placement agent fees and estimated offering expenses payable by the Company. As of March 31, 2026, all November 2025 Common Warrants remained outstanding. As of March 31, 2026, all November 2025 Pre-Funded Warrants had been exercised.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Significant Accounting Policies**—The Company's significant accounting policies are described in Note 2, "Summary of Significant Accounting Policies," in the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 30, 2026. There have been no material changes to the significant accounting policies during the three month period ended March 31, 2026.

**Basis of Presentation**—The unaudited interim Condensed Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the United States ("GAAP") have been omitted. These unaudited interim Condensed Consolidated Financial Statements should be read in conjunction with the Company's audited Consolidated Financial Statements and notes included in the company's Annual Report on Form 10-K for the year ended December 31, 2025.

The Company has prepared the accompanying Condensed Consolidated Financial Statements on the same basis as the audited financial statements, and the unaudited interim financial statements include, in the Company's opinion, all adjustments, consisting only of normal recurring adjustments that the Company considers necessary for a fair presentation of its financial position and results of operations for these periods.

All references to common stock, warrants to purchase common stock, options to purchase common stock, share data, per share data and related information contained in the consolidated financial statements have been retrospectively adjusted to reflect the effect of the Reverse Stock Split for all periods presented.

**Use of Estimates**—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. On an ongoing basis, the Company evaluates its estimates and assumptions, including those related to research and development accruals, recoverability of long-lived assets, right-of-use assets, lease obligations, stock-based compensation and income taxes uncertainties and valuation allowances. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

**Acquired In-Process Research and Development Expenses**—Acquisitions of assets or a group of assets that do not meet the definition of a business are accounted for as asset acquisitions, with a cost accumulation model used to determine the cost of the acquisition. Common stock issued as consideration in an acquisition of assets is generally measured based on the acquisition

date fair value of the equity interests issued. Direct transaction costs are recognized as part of the cost of the asset acquisition. Intangible assets that are acquired in an asset acquisition for use in research and development activities that have an alternative future use are capitalized as in-process research and development, or IPR&D. Acquired IPR&D that has no alternative future use is expensed immediately as a component of in-process research and development expense in the condensed consolidated statements of operations.

In addition to upfront consideration, acquisitions of assets may also include contingent consideration payments to be made for future milestone events or royalties on net sales of future products. The Company assesses whether such contingent consideration is subject to liability classification and fair value measurement or meets the definition of a derivative. Contingent consideration payments in an acquisition of assets not required to be accounted for as a liability at fair value are recognized when the contingency is resolved and the consideration is paid or becomes payable. Contingent consideration payments made prior to regulatory approval are expensed as incurred.

## 3. FAIR VALUE MEASUREMENTS

The following tables present the Company's fair value hierarchy for assets measured at fair value on a recurring basis:

| | As of March 31, 2026 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Cash and cash equivalents | $ 1,805 | $ — | $ — | $ 1,805 |
| Total | $ 1,805 | $ — | $ — | $ 1,805 |

| | As of December 31, 2025 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Cash and cash equivalents | $ 7,707 | $ — | $ — | $ 7,707 |
| Total | $ 7,707 | $ — | $ — | $ 7,707 |

## 4. BALANCE SHEET COMPONENTS

Prepaid expenses and other current assets consist of the following:

| | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Prepaid expenses | $ 638 | $ 196 |
| Prepaid research and development costs | — | 11 |
| Other current assets | 3 | 355 |
| Total | $ 641 | $ 562 |

Property and equipment, net, consists of the following:

| | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Computer equipment and software | $ 151 | $ 151 |
| Furniture and fixtures | 263 | 263 |
| Lab equipment | 1,446 | 1,446 |
| Leasehold improvements | 198 | 198 |
| Property and equipment | 2,058 | 2,058 |
| Less accumulated depreciation | (1,513) | (1,453) |
| Property and equipment—net | $ 545 | $ 605 |

Depreciation expense for the three months ended March 31, 2026 and 2025 were $60 and $68, respectively.

Accrued liabilities consist of the following:

| | March 31, 2026 | December 31, 2025 |
|---|---|---|
| Accrued other liabilities | $ 1,109 | $ 627 |
| Accrued clinical trial liability | 53 | 310 |
| Total | $ 1,162 | $ 937 |

**5. COMMITMENTS AND CONTINGENCIES**

**Facilities Lease Agreements**

In January 2022, the Company entered into an 8-year office lease agreement for a 20,116 square feet facility in Brisbane, California ("Brisbane Lease"). The lease commenced in December 2022.

As of March 31, 2026 and December 31, 2025, the balance of the operating lease right of use assets were $7,248 and $7,540, respectively, and the related operating lease liability were $7,854 and $8,141, respectively, as shown in the accompanying consolidated balance sheets.

Rent expense was $486 for the three months ended March 31, 2026 and 2025.

As of March 31, 2026, future minimum lease payments under the Company's operating lease liabilities were as follows:

| Year Ending | Total Commitment |
|---|---|
| 2026 (excluding three months ended March 31, 2026) | $ 1,445 |
| 2027 | 1,994 |
| 2028 | 2,064 |
| 2029 | 2,136 |
| 2030 | 2,210 |
| Total minimum lease payments | 9,849 |
| Less: imputed interest | (1,995) |
| Present value of operating lease obligations | 7,854 |
| Less: current portion | (1,239) |
| Noncurrent operating lease obligations | $ 6,615 |

Related to this Brisbane Lease agreement, the Company entered into a letter of credit with a bank to deposit $388 in a separate account that is classified as restricted cash to serve as security rent deposit. This amount is included in other noncurrent assets in the accompanying consolidated balance sheets as of March 31, 2026.

**6. LOAN PAYABLE**

On January 15, 2021, the Company entered into a loan agreement with Oxford Finance LLC (the "Lender") to borrow a term loan amount of $35,000 to be funded in three tranches (as amended, the "Loan Agreement"). Tranche A of $15,000 was wired to the Company on January 15, 2021. Tranche B of $10,000 expired on March 31, 2022. Tranche C of $10,000 was available at the Lender's option.

On December 23, 2022, the Company entered into a First Amendment to the Loan Agreement. The amendment modified the Loan Agreement as follows: (i) each of the Company and Millendo Therapeutics US, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("Millendo"), were joined as co-borrowers under the Loan Agreement; (ii) the interest-only repayment period was extended through December 31, 2023 (which interest-only period may be further extended through June 30, 2024 under certain circumstances); and (iii) a security interest in all of the assets of the Company, TempestTx and Millendo,

including any intellectual property, was granted to the Lender. In addition, the Lender permitted a one-time prepayment in the amount of $5.0 million, which the Company paid on December 23, 2022.

Following the amendment to the Loan Agreement, the term loan had a maturity date of August 1, 2025 and an annual floating interest rate of 7.15%, which is an Index Rate plus 7.10%. Index Rate is the greater of (i) 1-Month CME Term SOFR or (ii) 0.05%. In the fourth quarter of 2023, the Company achieved the circumstances necessary to extend the interest-only repayment period through June 30, 2024. Monthly principal payments of $733 were required to begin on July 1, 2024. Related to this borrowing, the Company recorded loan discounts totaling $898 and paid $95 of debt issuance costs. These amounts would be amortized as additional interest expense over the life of the loan.

On April 8, 2025, using cash on hand, the Company made a repayment of $3.5 million in full satisfaction of the aggregate outstanding amount, including accrued interest and exit fees as of such date, under the Loan Agreement with the Lender. The payoff amount paid by the Company in connection with the termination of the Loan Agreement was pursuant to a payoff letter with the Lender and included payment of $0.6 million as an exit fee. Upon making the repayment, the Loan Agreement was terminated in accordance with its terms and all liens and security interests granted thereunder to secure the obligations were released.

## 7. STOCKHOLDERS' EQUITY

### Authorized Stock

The Company is authorized to issue 100,000,000 shares of common stock, par value of $0.001 per share, and 5,000,000 shares of preferred stock, 100,000 of which have been designated as Series A Participating Preferred Stock (the “Series A Preferred Stock”), par value of $0.001 per share pursuant to the Company’s adoption the Rights Plan (as defined below). No shares of the Company’s Series A Participating Preferred Stock were outstanding as of March 31, 2026 and 2025. Stockholders are entitled to dividends as declared by the Board of Directors, subject to rights of holders of all classes of stock outstanding having priority rights as to dividends. There have been no cash dividends declared to date. The holders of each share of common stock are entitled to one vote and the holders of each share of Series A Preferred Stock, if issued, are entitled to 1,000 votes. Except for effecting or validating certain specific actions intended to protect the preferred stockholders, the holders of common stock vote together with preferred stockholders.

### Rights Plan

On October 10, 2023, the Company’s Board of Directors adopted a limited duration stockholder rights plan (the “Rights Plan”), effective immediately, and declared a dividend of one preferred share purchase right (a “Right”) for each outstanding share of the Company’s common stock. The dividend was effective as of October 23, 2023 (the “Record Date”) with respect to stockholders of record on that date. The Rights will also attach to new common stock issued after the Record Date. Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of the Series A Preferred Stock at a price of $25.00 per one one-thousandth of a preferred share, subject to adjustment. The descriptions and terms of the Rights are set forth in a Rights Agreement, dated as of October 10, 2023 (the “Rights Agreement"), between the Company and Computershare Trust Company, NA.

On October 9, 2024, the Company entered into Amendment No. 1 (the “Amendment”) to the Rights Agreement. The Amendment extends the Final Expiration Date of the Rights Agreement until immediately following the Company’s 2025 Annual Meeting of Stockholders or, if the Company’s stockholders approve the Rights Plan at or prior to such meeting, to October 10, 2026, unless the Rights are earlier redeemed or exchanged by the Company. The Company does not have any obligation under the Rights Agreement to seek stockholder approval for the Rights Agreement.

On December 5, 2024, the Company entered into Amendment No. 2 (the “Second Amendment”) to the Rights Agreement. The Second Amendment makes certain technical amendments to the rights and obligations of the Company’s Board of Directors to

administer and make determinations with respect to the Rights Agreement and the rights issued thereunder. The Rights Agreement otherwise remains unmodified and in full force and effect in accordance with its terms.

**8. STOCK-BASED COMPENSATION**

**Equity Plans**

In 2011, Private Tempest adopted the 2011 Equity Incentive Plan (the "2011 Plan), and in 2017, Private Tempest adopted the 2017 Equity Incentive Plan (the "2017 Plan"), and together with the 2011 Plan, the "Tempest Prior Plans." The Tempest Prior Plans have been terminated and no additional grants may be made under either plan. All stock awards granted under the Tempest Prior Plans will remain subject to the terms of the applicable prior plan. As a result of the merger with Millendo, the Tempest Prior Plans were assumed by the Company.

On April 29, 2019, the Board of Millendo adopted the 2019 Equity Incentive Plan (the "2019 Plan"), subject to approval by the Company's stockholders, and became effective with such stockholder approval on June 11, 2019. On June 17, 2022, the Company's stockholders approved the Amended and Restated 2019 Equity Incentive Plan (the "A&R 2019 Plan"), which amended and restated the 2019 Plan and was the successor to, and replacement of, the 2019 Plan.

The Board of Tempest adopted the Amended and Restated 2023 Equity Incentive Plan (the "2023 Plan") on April 30, 2023, subject to approval by the Company's stockholders. On June 15, 2023, the Company's stockholders approved the 2023 Plan, which amended and restated the A&R 2019 Plan and will be a successor to, and replacement of, the A&R 2019 Plan. The number of shares of the Company's common stock reserved for issuance under the 2023 Plan will automatically increase on January 1st of each year, for a period of 10 years, from January 1, 2024 continuing through January 1, 2033, by 4% of the total number of shares of the Company's common stock outstanding on December 31st of the preceding calendar year, or a lesser number of shares as may be determined by the Board of Directors. Accordingly, on January 1, 2026, the common stock reserved for issuance was increased by 197,086 shares. As of March 31, 2026, there were 1,207,290 shares available for future grant under the 2023 Plan. In addition, on January 27, 2026, the Company's stockholders approved the amendment to increase the number of shares issuable under the 2023 Plan by 1,410,000 shares of common stock.

The 2023 Plan allows the Company to grant stock awards to employees, directors and consultants of the Company, including incentive stock options ("ISOs"), non-qualified stock options ("NSOs"), stock appreciation rights, restricted stock awards, restricted stock unit awards and other stock awards.

The Board of Tempest adopted the 2023 Inducement Plan ("2023 Inducement Plan") on June 21, 2023, pursuant to which the Company reserved 88,461 shares of its common stock to be used exclusively for grants of awards to individuals who were not previously employees or directors of the Company, as an inducement material to the individual's entry into employment with the Company within the meaning of Rule 5635(c)(4) of the Nasdaq Listing Rules. The 2023 Inducement Plan was approved by the Company's Board of Directors without stockholder approval in accordance with such rule. As of March 31, 2026, there were 67,615 shares available for future grant under the 2023 Inducement Plan.

The Company measures employee and non-employee stock-based awards at grant date fair value and records compensation expense on a straight-line basis over the vesting period of the award.

**Employee Stock Ownership Plan**

The Millendo Board adopted the 2019 Employee Stock Purchase Plan on April 29, 2019, which became effective upon stockholder approval on June 11, 2019. On June 17, 2022, the Company's stockholders approved the Amended and Restated 2019 Employee Stock Purchase Plan (the "2019 ESPP"). The 2019 ESPP enables employees to purchase shares of the Company's common stock through offerings of rights to purchase the Company's common stock to all eligible employees.

The 2019 ESPP provides that the number of shares of common stock reserved for issuance under the 2019 ESPP will automatically increase on January 1, 2023 and continuing through (and including) January 1, 2029, by the lesser of 1.5% of the total number of shares of Common Stock outstanding on December 31st of the preceding calendar year, (ii) 38,461 shares of Common Stock, or (iii) such lesser number of shares of Common Stock as determined by the Board of Directors (which may be zero). On January 1, 2026, the common stock reserved for issuance was increased by 38,461 shares.

As of March 31, 2026, 107,069 shares of common stock remained available for future issuance under the 2019 ESPP. During the three months ended March 31, 2026, no shares of common stock were issued under the 2019 ESPP.

**Stock Options**

Options to purchase the Company's common stock may be granted at a price not less than the fair market value in the case of both NSOs and ISOs, except for an options holder who owns more than 10% of the voting power of all classes of stock of the Company, in which case the exercise price shall be no less than 110% of the fair market value per share on the grant date. Stock options granted under the Plans generally vest over four years and expire no later than ten (10) years from the date of grant. Vested options can be exercised at any time.

The following shows the stock option activities for the three months ended March 31, 2026 and 2025:

| | Total Options Outstanding | Weighted-Average Exercise Price |
|---|---|---|
| Balance—December 31, 2025 | 450,104 | $ 64.44 |
| Granted | 447,541 | 2.10 |
| Exercised | — | — |
| Cancelled and forfeited | — | — |
| Balance—March 31, 2026 | 897,645 | $ 33.36 |
| | | |
| Balance—December 31, 2024 | 320,090 | $ 86.06 |
| Granted | 130,014 | 11.20 |
| Exercised | — | — |
| Cancelled and forfeited | — | — |
| Balance—March 31, 2025 | 450,104 | $ 64.44 |

The following table summarizes information about stock options outstanding at March 31, 2026:

| | Shares | Weighted Average Remaining Contractual Life (In Years) | Weighted Average Exercise Price | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Options outstanding | 897,645 | 8.68 | $ 33.36 | $ — |
| Vested and expected to vest | 897,645 | 8.68 | $ 33.36 | $ — |
| Exercisable | 444,442 | 7.46 | $ 64.34 | $ — |

During the three months ended March 31, 2026 and 2025, the Company granted employees and non-employees stock options to purchase 447,541 and 130,014 shares of common stock, respectively, with a weighted-average grant date fair value of $2.10 and $11.20 per share, respectively. As of March 31, 2026 and 2025, total unrecognized compensation costs related to unvested employee stock options were $1.2 million and $12.2 million, respectively. These costs are expected to be recognized over a weighted-average period of approximately 1.7 years and 2.5 years, respectively. The fair market value of stock options vested was $0.1 million and $1.4 million for the three months ended March 31, 2026 and 2025, respectively.

The Company estimated the fair value of stock options using the Black-Scholes option pricing valuation model. The fair value of employee and non-employee stock options is being amortized on the straight-line basis over the requisite service period of the awards. The fair value of employee and non-employee stock options was estimated using the following assumptions for the three months ended March 31, 2026 and 2025:

| | For the Three Months Ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Expected term (in years) | 5.5 - 6.1 | 6.0 |
| Expected volatility | 135% | 115% - 116% |
| Risk-free interest rate | 3.8% - 4.0% | 4.4% |
| Dividends | — % | —% |

***Expected Term***—The expected term of options granted represents the period of time that the options are expected to be outstanding. Due to the lack of historical exercise history, the expected term of the Company's employee stock options has been determined utilizing the simplified method for awards that qualify as plain-vanilla options.

***Expected Volatility***—The expected stock price volatility was determined using a weighting of the Company's own historical stock price volatility and the historical volatilities of industry peers. Beginning in the three months ended March 31, 2026, the Company incorporated its own historical volatility, weighted at 25%, with the remaining 75% based on the historical volatility of industry peers. The Company will continue to evaluate the weighting between its own historical volatility and peer volatility as additional trading history becomes available and will adjust the weighting accordingly.

***Risk-Free Interest Rate***—The risk-free interest rate assumption is based on the U.S. Treasury instruments whose term was consistent with the expected term of the Company's stock options.

***Dividends***—The Company has not paid any cash dividends on common stock since inception and does not anticipate paying any dividends in the foreseeable future. Consequently, an expected dividend yield of zero was used.

During the year ended December 31, 2025, the Company accelerated the vesting of approximately 266,108 time-based vesting stock options grants previously awarded to the Company's employees, pursuant to the separation agreements entered into with such employees. The Company also extended the post-termination exercise period from 90 days to 180 days immediately following the separation date for any options that were vested, including the options that were accelerated in vesting, as described above. Further, in the fourth quarter of 2025, approximately 416,005 of modified stock options were further modified to extend the post-termination exercise period from either (i) 180 days to December 31, 2026 or (ii) to the earlier of (a) the date that is 90 days following termination of continuous service, and (b) the expiration of the term of the options as set forth in the award agreements.

The above modifications to current and former employees stock options grants resulted in modification accounting under ASC 718, Compensation – Stock Compensation. As a result, the Company recognized approximately $0.1 million of stock compensation expense during the three months ended March 31, 2026 and $0.8 million of stock compensation expense during the year ended December 31, 2025. For vested awards with no future service period required to be provided, the expense was measured on the modification date by calculating the difference between the fair value of the modified award and the fair value of the original award immediately before it was modified with immediate expense recognition. For unvested awards with no future service period required to be provided, the Company reversed any stock compensation expense previously recognized, remeasured the fair value of the modified award and immediately recognized stock compensation expense on the modification date. For stock options that were further modified to extend the post-termination exercise period upon termination of continuous service, the Company measured the expense by calculating the difference between the fair value of the modified award and the fair value of the original award immediately before it was modified. The fair value of those awards included a reduction to the share price for the fair value of the warrant dividend as the holders of the modified stock options were not participants in the warrant dividend. A portion of this modification was

recorded as stock compensation expense in the fourth quarter of 2025 and the remainder to be attributed over the derived service period.

**Stock-Based Compensation Expense**

The following table summarizes the components of stock-based compensation expense recognized in the Company's condensed consolidated statement of operations for the three months ended March 31, 2026:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Research and development | $ 3 | $ 589 |
| General and administrative | 223 | 800 |
| Total | $ 226 | $ 1,389 |

## 9. RETIREMENT PLAN

The Company participates in a qualified 401(k) Plan sponsored by its professional service organization. The retirement plan is a defined contribution plan covering eligible employees. Participants may contribute a portion of their annual compensation limited to a maximum annual amount set by the Internal Revenue Service. During the three months ended March 31, 2026 and 2025, the Company contributed $16 and $80 to the 401(k) Plan, respectively.

## 10. NET LOSS PER SHARE

The following table sets forth the computation of the Company's basic and diluted net loss per share, as adjusted to give effect to the reverse stock split for the three months ended March 31, 2026 and 2025 (in thousands, except share and per share amounts):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| **Numerator:** | | |
| Net loss | $ (27,696) | $ (10,860) |
| **Denominator:** | | |
| Weighted-average common shares outstanding | 10,931,593 | 3,437,671 |
| Weighted-average shares used in computing basic and diluted net loss per share | 10,931,593 | 3,437,671 |
| Net loss per share attributable to common stockholders—basic and diluted | $ (2.53) | $ (3.16) |

As of March 31, 2026 and 2025, the Company's potentially dilutive securities included unvested stock warrants and stock options, which have been excluded from the computation of diluted net loss per share attributable to common stockholders as the effect would be anti-dilutive. The issuance of pre-funded warrants have been included in the computation of basic and diluted net loss per share attributable to common stockholders. Based on the amounts outstanding as of March 31, 2026 and 2025, the Company excluded the following potential common shares from the computation of diluted net loss per share attributable to common stockholders because including them would have had an anti-dilutive effect, as adjusted to give effect to the reverse stock split:

| | As of March 31, | |
|---|---|---|
| | 2026 | 2025 |
| Options to purchase common stock | 897,645 | 450,104 |
| Common stock warrants | 9,809,721 | 464 |
| Total | 10,707,366 | 450,568 |

## 11. SEGMENT REPORTING

The Company operates and manages its business as one reportable and operating segment, which is the business of discovery and development of a diversified portfolio of cell therapy and small molecule product candidates. The Company's chief operating decision maker ("CODM") is its Chief Executive Officer. In February 2026, in connection with the Asset Acquisition, Matt Angel was appointed as President and Chief Executive Officer of the Company. Dr. Angel assumed the CODM duties upon his appointment, consistent with the historical performance by the prior CODM Stephen Brady. The determination of a single business segment is consistent with the consolidated financial information regularly reviewed by the CODM for purposes of assessing performance, allocating resources and planning and forecasting future periods.

As the Company has not generated revenue, the CODM assesses Company performance through the achievement of research goals towards advancing the Company's product candidates through stages of development. As such, the CODM is regularly provided with budgeted and forecasted expense information as well as the Company's Consolidated Financial Statements which is used to determine the Company's liquidity needs and pipeline resource allocation.

The CODM regularly reviews and evaluates research and development expenses and uses consolidated net loss, as reported on the Company's Consolidated Statements of Operations, to assess the performance of the segment and to allocate resources. The consolidated net loss and significant segment expenses reviewed by the CODM are reported on the Company's Consolidated Statements of Operations for the three months ended March 31, 2026 and 2025. The measure of segment assets is reported on the Consolidated Balance Sheet as total assets. The CODM monitors the Company's cash and cash equivalents as reported on the Consolidated Balance Sheets.

All financial information required for segment reporting that is provided to the chief operating decision maker is contained within the financial statements and notes to financial statements.

## 12. ERIGEN ASSETS ACQUISITION AND RELATED TRANSACTIONS

*Erigen Assets Acquisition*

On February 3, 2026, the Company completed the acquisition of the Erigen Assets under the Asset Purchase Agreement. For more information on the acquired assets, please see Note 1 under "—Acquisition of Erigen Assets." No employees or tangible operating assets were acquired from the Sellers. As consideration for the Asset Acquisition, the Company issued to Erigen 8,268,495 shares of the Company's common stock.

The Company determined that the Erigen Assets do not meet the definition of a business under ASC 805, Business Combinations, as the Erigen Assets represent inputs without a substantive process or organized workforce. Accordingly, the Asset Acquisition was accounted for as an asset acquisition in accordance with ASC 805-50. Under ASC 805-50, transaction costs are included in the cost of an asset acquisition.

The total cost of the Asset Acquisition was calculated as follows (amounts in thousands, except share and per share amounts):

| | | |
|---|---|---|
| Shares issued to Erigen | | 8,268,495 |
| Closing price of common stock on the acquisition date | $ | 2.41 |
| Fair value of shared issued | | 19,927 |
| | | |
| Transaction costs | | 2,253 |
| Total consideration | $ | 22,180 |

The Erigen Assets are in-process research and development assets with no alternative future use. TPST-2003 and TPST-2206 are autologous CAR-T programs that will require substantial U.S.-specific development activities, including preclinical comparability studies, IND filings, and clinical trials, before they could generate future economic benefits. TPST-3003 and

TPST-3206 are discovery-stage allogeneic programs requiring significant preclinical and clinical development. As the acquired assets have no alternative future use, the cost of the Asset Acquisition was expensed to in-process research and development. Approximately $2.2 million was incurred and expensed as general and administrative expense during the year ended December 31, 2025, prior to the closing of the Asset Acquisition, with the remaining $22.1 million expensed as acquired in-process research and development during the three months ended March 31, 2026. The fair value of the shares issued was recorded as an increase to common stock (at par) and additional paid-in capital on the date of the Erigen Closing.

The Erigen Assets are subject to license and collaboration agreements with Novatim Immune Therapeutics and Factor, under which the Company may be obligated to make future contingent milestone payments upon the achievement of specified development and commercial milestones and to pay royalties on future net product sales. The contingent milestone payments do not meet the definition of a derivative under ASC 815, Derivatives and Hedging, based on applicable scope exceptions and will be recognized when the respective milestones are achieved and the consideration becomes payable. Royalty obligations will be recognized in the period in which the corresponding net product sales occur. As of March 31, 2026, no milestone or royalty payments have been recognized as no milestones have been achieved and no product sales have occurred.

Pursuant to the Asset Purchase Agreement, Factor has made a Funding Commitment. Please see Note 1 under "—Acquisition of Erigen Assets." As of March 31, 2026, $13.8 million of availability remained under the Funding Commitment.

*Warrant Dividend*

In connection with the Asset Acquisition, on February 3, 2026, the Company issued warrants to purchase shares of common stock as a dividend to holders of record as of January 30, 2026. Please see Note 1 under "—Warrant Dividend." Each warrant entitles the holder to purchase one share of common stock at an exercise price of $18.48 per share, is exercisable upon effectiveness of a registration statement covering the underlying shares, and expires on February 3, 2031. The warrants are exercisable only for cash and are subject to a 9.9% beneficial ownership limitation. The Company determined that the warrants meet the criteria for equity classification under ASC 480, Distinguishing Liabilities from Equity, and ASC 815. The fair value of the warrants on the issuance date was determined to be approximately $9.0 million using a Black-Scholes option pricing model and was recorded as a reclassification within stockholders' equity with no impact to the consolidated statement of operations.

*Compensation Agreements*

In connection with the Asset Acquisition, the Company's Compensation Committee approved severance payments of approximately $1.5 million and success bonuses of approximately $0.8 million to certain officers and employees. These payments were made pursuant to pre-existing employment and success bonus agreements and were recognized as compensation expense during the three months ended March 31, 2026, separate from the acquired in-process research and development expense.

## 13. RELATED PARTY TRANSACTIONS

***Relationship with Factor Bioscience Inc.***

Matt Angel, Ph.D., the Company's Chief Executive Officer and a member of its Board of Directors, is also the majority owner, Chief Executive Officer and chairman of Factor. During the quarter ended March 31, 2026, the Company completed the Asset Acquisition involving Factor. Additional information regarding the Asset Acquisition is included in Note 12. As of March 31, 2026, there were no amounts due to or from Factor included in the accompanying consolidated balance sheets.

In November 2025, Erigen entered into the Factor MSA, which was assigned to the Company in connection with the Closing pursuant to the Asset Purchase Agreement. For additional information regarding the Factor MSA, please see Note 1 under "—Acquisition of Erigen Assets."

The Company also entered into a private placement financing during the quarter in which Factor invested $0.5 million. Additional information regarding this financing is included in Note 1 under "—Private Placement."

***Advisory Agreement with Andrew Fang***

In March 2026, the Board of the Company approved and authorized the execution of an advisory agreement dated April 1, 2026 (the "Advisory Agreement"), with Andrew Fang, who is an immediate family member of the owner of Lotus, a major shareholder of the Company, to provide advisory services to the Company. Pursuant to the Advisory Agreement, Andrew Fang will be paid an hourly rate for services provided.

Services under the arrangement began April 2026. As of March 31, 2026, no amounts were incurred or payable under this arrangement.

**14. SUBSEQUENT EVENTS**

In April 2026, the Company filed a resale registration statement on Form S-3 with the SEC for the registration and resale of 8,268,495 shares of common stock acquired pursuant to the Asset Purchase Agreement.

In addition, in April 2026, pursuant to the Registration Rights Agreement, the Company filed a resale registration statement on Form S-3 with the SEC covering shares of the Company's common stock issued in the Private Placement, as well as shares of the Company's common stock issuable upon exercise of the common warrants and pre-funded warrants issued in the Private Placement.

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

*You should read the following discussion of our financial condition and results of operations in conjunction with our unaudited condensed financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q, and our audited consolidated financial statements and related notes for the year ended December 31, 2025, filed with the U.S. Securities and Exchange Commission ("SEC") on March 30, 2026. This discussion and other parts of this report contains forward-looking statements that involve risks and uncertainties, such as our plans, objectives, expectations, intentions, and beliefs, as well as assumptions made by, and information currently available to, our management. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section of this report entitled "Risk Factors," under Part II, Item 1A of this report and those discussed in our other disclosures and filings with the SEC.*

**Overview**

We are a clinical-stage biotechnology company advancing a diversified portfolio of cell therapy and small molecule product candidates. In February 2026, we expanded our pipeline through a strategic transaction under which we acquired rights to a portfolio of dual-targeting chimeric antigen receptor T-cells ("CAR-T") product candidates with the potential to treat certain blood cancers, solid tumors and immunology indications, including TPST-2003, an autologous CD19/B-cell maturation antigen ("BCMA") CAR-T therapy currently in clinical development for relapsed or refractory multiple myeloma.

Our portfolio also includes two clinical-stage small molecule product candidates with the potential to treat certain cancer indications. One of our small-molecule product candidates, amezalpat (previously known as TPST-1120), has completed a Phase 2 study in first-line hepatocellular carcinoma ("HCC"). Amezalpat remains Phase 3-ready in HCC and we plan to pursue business development discussions to advance pivotal development. Our second small-molecule product candidate is TPST-1495, which we plan to initiate a Phase 2 study for in familial adenomatous polyposis, with first patient enrollment expected in 2026. The study is expected to be funded by the National Cancer Institute and conducted through the Cancer Prevention Clinical Trials Network, enabling advancement with limited internal capital deployment.

Our mission is to develop therapeutic products with the potential to address high unmet medical needs by identifying promising clinical-stage candidates and advancing their development to create products that will improve patients' lives.

**Recent Events**

***Asset Acquisition***

On November 19, 2025, we executed an Asset Purchase Agreement (the "Asset Purchase Agreement") with Erigen LLC, a Delaware limited liability company ("Erigen"), and Factor Bioscience Inc., a Delaware corporation ("Factor" and together with Erigen, "Sellers"), pursuant to which Sellers agreed to sell and transfer to the Company all right, title and interest of Sellers in and to all of the assets primarily related to (a) the autologous BCMA/CD19 dual-targeting CAR T-cell therapy known as TPST-2003, (b) the autologous CD70/CD70 dual-targeting CAR T-cell therapy known as TPST-2206, (c) the allogeneic BCMA/CD19 dual-targeting CAR T-cell therapy with a gene edit in the TRAC locus that inactivates the T cell receptor known as TPST-3003, and (d) the allogeneic CD70/CD70 dual-targeting CAR T-cell therapy with a gene edit in the TRAC locus that inactivates the T cell receptor known as TPST-3206 (collectively referred to herein as the "Assets"), in exchange for an aggregate purchase price of 8,268,495 shares of our common stock issued to Erigen on behalf of both Sellers.

On February 3, 2026, we completed the acquisition of the Assets (the "Closing") under the Asset Purchase Agreement (the "Asset Acquisition") and issued to Erigen 8,268,495 shares of our common stock (the "Share Issuance").

***Master Services Agreement***

In November 2025, Erigen entered into an Amended and Restated Master Services Agreement with Factor (the "Factor MSA"), which was assigned to the Company on February 3, 2026 in connection with the closing of the Asset Purchase Agreement.

Under the Factor MSA, we are obligated to pay Factor a service fee and all non-cancellable obligations in the amount specified in each work order associated with the agreement for the provision of services.

On May 11, 2026, we entered into a letter agreement (the "Letter Agreement") with Factor relating to certain payment obligations of the Company under the Factor MSA and Work Order No. 1, dated March 24, 2026 (the "Work Order"). Pursuant to the Letter Agreement, Factor agreed to permanently waive its right to receive the first $2.1 million payable by the Company to Factor under the Factor MSA and the Work Order. In addition, Factor agreed to return to the Company a deposit of $0.2 million previously made by the Company under the Work Order, for an interim period subject to certain conditions. The Company agreed to use its best efforts to promptly raise additional funds to further expand the Company's cash runway.

***Warrant Dividend***

On January 20, 2026, our Board declared a record date of January 30, 2026 (the "Record Date"), for the distribution of a dividend (the "Warrant Dividend") in the form of a warrant to purchase a share of our common stock (collectively, the "Warrants") for each share of common stock outstanding on the Record Date. The Warrants were issued on the terms and conditions described in the Warrant Agreement, dated February 3, 2026, between the Company, Computershare Inc., and its affiliate, Computershare Trust Company, N.A., as Warrant Agent (the "Warrant Agreement"), on February 3, 2026. In addition, on February 3, 2026, certain warrants that were outstanding on the Record Date also received Warrants on a one-for-one basis, pursuant to the terms of such warrants (together with the Warrant Dividend, the "Warrant Distribution"). In the aggregate, 6,784,989 Warrants were issued pursuant to the Warrant Distribution.

***Private Placement***

On March 20, 2026, we entered into a securities purchase agreement (the "Purchase Agreement") with (a) two institutional investors (the "Institutional Investors") and (b) Factor (together with the Institutional Investors, each, an "Investor" and, together, the "Investors"), pursuant to which we agreed to issue and sell in a private placement (the "Private Placement") an aggregate of 462,964 shares (the "Shares") of our common stock, and, in lieu of common stock, pre-funded warrants to purchase up to 462,963 shares of our common stock (the "2026 Pre-Funded Warrants"), in each case accompanied by (i) Series A warrants to purchase up to 925,927 shares of our common stock (the "Series A Warrants") and (ii) Series B warrants to purchase up to 925,927 shares of our common stock (the "Series B Warrants" and, together with the Series A Warrants, the "Common Warrants"). The Shares and the Common Warrants were immediately separable and were issued separately. The combined purchase price per Share and accompanying Common Warrants was $2.16 and the combined purchase price per Pre-Funded Warrant and accompanying Common Warrants was $2.159. The gross proceeds to us from the Private Placement were approximately $2.0 million (excluding up to approximately $4.0 million of aggregate gross proceeds that may be received in the future upon the cash exercise of the Common Warrants), before deducting placement agent fees and other offering expenses payable by the Company.

Pursuant to the Purchase Agreement, we agreed to seek approval from our stockholders for the issuance of the shares issuable upon exercise of the Common Warrants within 90 days following the date of the Purchase Agreement (the "Stockholder Approval"). The Series A Warrants will become exercisable on the effective date of the Stockholder Approval (the "Stockholder Approval Date") and have a term of five years from the later of the Stockholder Approval Date and the Effectiveness Date (as defined below). The Series B Warrants will become exercisable on the Stockholder Approval Date and have a term of twenty-four months from the later of the Stockholder Approval Date and the Effectiveness Date. The Common Warrants have an exercise price of $2.16 per share. The Pre-Funded Warrants are exercisable immediately following the closing date of the Private Placement have an exercise price of $0.001 per share and may be exercised at any time until exercised in full. In addition, pursuant to the Purchase Agreement, we agreed not to sell any shares of our common stock or any securities convertible into or exercisable or exchangeable into shares of our common stock, subject to certain customary exceptions, for a period of thirty (30) days after the Effectiveness Date.

In connection with the Private Placement, we entered into a registration rights agreement with the Investors (the "Registration Rights Agreement"), pursuant to which we agreed to file registration statements under the Securities Act with the SEC covering

the resale of the Shares to be issued in the Private Placement and the shares of our common stock underlying the Common Warrants and Pre-Funded Warrants no later than 15 calendar days following the date of the Purchase Agreement, and to use reasonable best efforts to have the registration statement declared effective by 45 calendar days following the date of the Purchase Agreement, and in any event no later than 75 calendar days following the date of the Purchase Agreement in the event of a "full review" by the SEC (the "Effectiveness Date"). The registration statement was filed on April 2, 2026 and declared effective on April 9, 2026.

***TPST-2003***

Earlier this year, we announced positive interim data from REDEEM-1, including a 100% complete response ("CR") rate among all six efficacy evaluable patients according to the International Myeloma Working Group ("IMWG") uniform response criteria, as well as a favorable safety profile, as of the January 31, 2026 data cutoff. In April 2026, we further announced the achievement of a 100% CR rate among all 15 CAR-T-naïve efficacy evaluable patients across two ongoing Phase 1 trials – REDEEM-1 evaluating TPST-2003 in relapsed/refractory multiple myeloma ("rrMM") (10/10 according to the IMWG uniform response criteria) and POEMS-1 evaluating TPST-2003 in POEMS syndrome (5/5 CRVEGF).

To date, a total of 44 patients have received one infusion of TPST-2003, including 24 patients in a prior Phase 1/2 investigator-initiated trial ("IIT") evaluating TPST-2003 in rrMM, 13 patients in the ongoing REDEEM-1 trial, and seven patients in the ongoing POEMS-1 trial, representing one of the largest datasets evaluating a CD19/BCMA dual-targeting CAR-T therapy.

The observed safety profile (no Grade ≥3 CRS or ICANS), together with the consistency of responses observed in the REDEEM-1 trial continue to support Tempest's plan to pursue its objective of meeting with the FDA to discuss initiating a U.S. registrational study later this year.

In April 2026, Tempest's manufacturing partner, Cincinnati Children's Applied Gene and Cell Therapy Center ("AGCTC"), took delivery of the TPST-2003 lentiviral vector, a critical component used in the manufacturing of TPST-2003. This milestone supports Tempest's plans to initiate the first potentially registrational study to evaluate a dual-targeting CAR-T therapy in patients with rrMM, including patients who are experiencing extramedullary disease ("EMD"), later this year.

TPST-2003 is an autologous, dual-targeting CAR-T therapy designed to target both BMCA and CD19. TPST-2003 is being developed for the treatment of rrMM.

**Going Concern**

As of March 31, 2026, we had cash and cash equivalents totaling $1.8 million compared to $7.7 million as of December 31, 2025. We have incurred operating losses since inception and our accumulated deficit as of March 31, 2026 is $270.1 million. We expect that our existing cash and cash equivalents will fund our projected operating expense requirements through less than 12 months from the date our consolidated financial statements were available to be issued. Accordingly, there is substantial doubt regarding our ability to continue as a going concern for a period of 12 months from the date of the issuance of the Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q.

While we implemented cost reductions in 2025, we have finite cash resources available to fund our operations. To date, we have not generated product revenues from our activities and have incurred substantial operating losses. We expect that we will continue to generate substantial operating losses for the foreseeable future until we complete development and approval of one of our product candidates.

On February 3, 2026, the Company closed the Asset Acquisition (as defined above). Pursuant to the Asset Purchase Agreement, Factor has made the Funding Commitment (as defined below under "*—Liquidity and Capital Resources—Funding Commitment*") to provide the Company with financial support for at least 18 months following the closing of the Asset Acquisition, up to a maximum amount of $20.0 million that is inclusive of any amounts raised and received by the Company after the date of the Asset Purchase Agreement, on the terms and subject to the conditions and other provisions of a funding commitment letter ("FCL") contemplated by and entered into concurrently with the Asset Purchase Agreement. However, there

is significant uncertainty as to whether we will be able to satisfy the terms and conditions and other provisions set forth in the FCL, and, if we are unable to do so, we may be limited in the amount of funding that we are able to access under the Funding Commitment or we may not be able to access any funds under the Funding Commitment. The timing of any additional funding from Factor is uncertain.

Further, as detailed above under ““—Private Placement,” the Company has undertaken other steps to increase its cash and cash equivalents. On March 20, 2026, the Company entered into a securities purchase agreement for the sale of securities for approximately $2.0 million in gross proceeds (excluding up to approximately $4.0 million of aggregate gross proceeds that may be received in the future upon the cash exercise of the Common Warrants), before deducting placement agent fees and other offering expenses payable by the Company.

We will need to continue to rely on additional financing to achieve our business objectives, including pursuant to the Funding Commitment with Factor. As of the date of this report, we have $13.8 million available under the Funding Commitment, however, there is significant uncertainty as to whether we will be able to satisfy the terms and conditions and other provisions set forth in the Funding Commitment, and, if we are unable to do so, we may be limited in the amount of funding that we are able to access under the Funding Commitment or we may not be able to access any funds under the Funding Commitment. Adequate additional financing may not be available to us on acceptable terms, or at all. Our ability to raise additional capital has been adversely impacted by potential worsening global economic conditions, inflation expectations, and the recent disruptions to and volatility in the credit and financial markets in the United States and worldwide resulting from geopolitical tensions.

**Components of Results of Operations**

***Research and Development Expense***

Research and development expenses represent costs incurred to conduct research and development, such as the development of our product candidates.

We recognize all research and development costs as they are incurred. Research and development expenses consist primarily of the following:

- salaries, benefits and stock-based compensation;
- licensing costs;
- allocated occupancy;
- materials and supplies;
- contracted research and manufacturing;
- consulting arrangements; and
- other expenses incurred to advance our research and development activities.

The largest component of our operating expenses has historically been the investment in research and development activities. We expect research and development expenses will increase in the future as we advance our product candidates into and through clinical trials and pursues regulatory approvals, which may require a significant investment in costs of clinical trials, regulatory support and contract manufacturing and inventory build-up.

The process of conducting clinical trials necessary to obtain regulatory approval is costly and time consuming. We may never succeed in timely developing and achieving regulatory approval for our product candidates. The probability of success of our

product candidates may be affected by numerous factors, including availability of capital, clinical data, competition, manufacturing capability and commercial viability. As a result, we are unable to determine the duration and completion costs of our development projects or when and to what extent we will generate revenue from the commercialization and sale of any of our product candidates.

***General and Administrative Expenses***

General and administrative expenses consist of employee-related expenses, including salaries, benefits, travel and non-cash stock-based compensation, for our personnel in executive, finance and accounting, and other administrative functions, as well as fees paid for legal, accounting and tax services, consulting fees and facilities costs not otherwise included in research and development expenses. Legal costs include general corporate legal fees and patent costs. We expect to continue to incur expenses as a result of being a public company, including expenses related to compliance with the rules and regulations of the SEC and Nasdaq, additional insurance, investor relations and other administrative expenses and professional services.

***Acquired In-Process Research and Development Expense***

During the first quarter of 2026 we began presenting acquired in-process research and development expense as a separate line item in our consolidated statements of income. Acquired in-process research and development, upfront and milestone expense includes costs incurred in connection with the Asset Purchase Agreement with Erigen.

For additional information on our accounting for the Asset Purchase Agreement, please see Note 12, to our consolidated financial statements included in this report.

***Other (Expense) Income, Net***

Other (expense) income, net consists primarily of interest expense, interest income, and various income or expense items of a non-recurring nature.

**Results of Operations**

***Comparison of the three months ended March 31, 2026 and 2025***

The following table summarizes our operating results for the three months ended March 31, 2026 and 2025:

| | Three Months Ended March 31, | | Increase/ (Decrease) | Percentage Increase/ (Decrease) |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 vs. 2025 | 2026 vs. 2025 |
| | (in thousands, except percentages) | | | |
| **Operating expenses:** | | | | |
| Research and development | $ 114 | $ 7,627 | $ (7,513) | (99)% |
| General and administrative | 5,425 | 3,309 | 2,116 | 64% |
| Acquired in-process research and development | 22,180 | — | 22,180 | 100% |
| Loss from operations | (27,719) | (10,936) | 16,783 | 153% |
| **Other income (expense), net:** | | | | |
| Interest expense | — | (161) | 161 | 100% |
| Interest income and other income (expense), net | 23 | 237 | (214) | (90)% |
| Total other income (expense), net | 23 | 76 | (53) | (70)% |
| Provision for income taxes | — | — | — | 0% |
| Net loss | $ (27,696) | $ (10,860) | $ 16,836 | 155% |

*Research and development*

The following table shows our research and development expenses by program for the three months ended March 31, 2026 and 2025:

| | Three Months Ended March 31, | | Increase/ (Decrease) | Percentage Increase/ (Decrease) |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 vs. 2025 | 2026 vs. 2025 |
| | (in thousands, except percentages) | | | |
| TPST-1120 | $ 40 | $ 4,218 | $ (4,178) | (99)% |
| Preclinical and other | 19 | 577 | (558) | (97)% |
| Total candidate specific research costs | 59 | 4,795 | (4,736) | (99)% |
| Personnel and other costs | 10 | 2,181 | (2,171) | (100)% |
| Stock-based compensation and depreciation | 45 | 651 | (606) | (93)% |
| Total research and development expenses | $ 114 | $ 7,627 | $ (7,513) | (99)% |

Research and development expenses decreased by $7.5 million to $0.1 million for the three months ended March 31, 2026, compared to three months ended March 31, 2025, which was primarily attributable to a decrease in costs incurred as a result of re-prioritizing efforts towards exploring strategic alternatives initiated in April 2025 and resulting in the Asset Acquisition completed in February 2026.

The following table summarizes our research and development expenses for the three months ended March 31, 2026 and 2025:

| | Three Months Ended March 31, | | Increase/ (Decrease) | Percentage Increase/ (Decrease) |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 vs. 2025 | 2026 vs. 2025 |
| | (in thousands, except percentages) | | | |
| Research and development outside services | $ 42 | $ 4,292 | $ (4,250) | (99)% |
| Compensation expense | 3 | 1,640 | (1,637) | (100)% |
| Stock-based compensation expense | 3 | 589 | (586) | (99)% |
| Consulting and professional services | 13 | 488 | (475) | (97)% |
| Other expenses | 53 | 618 | (565) | (91)% |
| Total research and development expense | $ 114 | $ 7,627 | $ (7,513) | (99)% |

*General and administrative*

General and administrative expenses increased by $2.1 million to $5.4 million for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. The increase was primarily related to one-time costs resulting from the Asset Acquisition completed in February 2026.

*Other income (expense), net*

For the three months ended March 31, 2026, no interest expense was incurred related to the loan with Oxford Finance LLC (“Oxford,” and such loan the “Oxford Loan”), compared to $0.4 million for the three months ended March 31, 2025. For the three months ended March 31, 2026 and 2025, interest income was $23 and $0.4 million, respectively. The Oxford Loan was repaid in full and terminated in accordance with its terms in April 2025.

**Liquidity and Capital Resources**

***Overview***

Since inception through March 31, 2026, our operations have been financed primarily by proceeds from the sale of our common stock, warrants to purchase common stock and issuance of debt. As of March 31, 2026, we had $1.8 million in cash and cash equivalents and an accumulated deficit of $270.1 million.

Our lack of operating revenue or cash inflows and our cash resources at March 31, 2026 raise substantial doubt as to our ability to continue as a going concern. See "—Funding Requirements" below for additional information on our future capital needs.

***Loan Agreement with Oxford Finance***

On January 15, 2021, we entered into a loan and security agreement (the "Oxford Loan"), as amended from time to time, with Oxford to borrow a term loan amount of $35.0 million to be funded in three tranches. On April 8, 2025, we repaid $3.5 million in full satisfaction of the aggregate outstanding amount, including accrued interest and exit fees as of such date. As a result of the repayment, all liens and security interests were terminated.

***At-the-Market Offering***

We have entered into a sales agreement (the "Sales Agreement") with Jefferies LLC ("Jefferies"), pursuant to which we may sell, from time to time at our sole discretion through Jefferies, as our sales agent, shares of our common stock (the "ATM Program"). Any shares of our common stock sold will be issued pursuant to our shelf registration statement on Form S-3 (File No. 333-280918). On June 11, 2025, in connection with the June RDO (as defined below) we delivered written notice to Jefferies that we were suspending and terminating the prospectus supplement, dated February 6, 2025, related to the ATM Program (the "ATM Prospectus"). We will not make any sales of our securities pursuant to the Sales Agreement, unless and until a new prospectus, prospectus supplement or a new registration statement is filed. Other than the termination of the ATM Prospectus, the Sales Agreement remains in full force and effect. As of the three months ended March 31, 2026, the Company has not sold any shares, pursuant to the ATM Program.

As of the date of this Form 10-Q, our public float was less than $75.0 million. As a result, we are subject to the limitations of General Instruction I.B.6 to Form S-3 until such time as our public float exceeds $75 million, which means we only have the capacity to sell shares up to one-third of our public float under the S-3 Registration Statement, including the ATM program, in any 12-month period.

***Registered Direct Offerings***

On June 11, 2025, we sold an aggregate of 405,000 shares of our common stock pre-funded warrants to purchase 334,000 shares of our common stock in a registered direct offering (the "June RDO"). The offering price was $6.25 per share of common stock and $6.249 per pre-funded warrant, which is the price of each share of common stock sold in the offering, minus the $0.001 exercise price per pre-funded warrant. The net proceeds from the RDO were approximately $4.1 million, after deducting placement agent fees and estimated offering expenses payable by us. As of March 31, 2026, all pre-funded warrants related to the June RDO had been exercised.

On November 24, 2025, we sold an aggregate of 487,000 shares of our common stock, pre-funded warrants to purchase 685,414 shares of our common stock and warrants to purchase an aggregate of 1,172,414 shares of common stock (the "Common Warrants") in a registered direct offering (the "November RDO"). The combined purchase price of each share of common stock and accompanying Common Warrant was $3.625. The combined purchase price of each pre-funded warrant and accompanying Common Warrant was $3.624 (equal to the combined purchase price per share of common stock and accompanying Common Warrant, minus $0.001). The exercise price of each Common Warrant is $3.50 per share. The net

proceeds from the November RDO were approximately $3.8 million, after deducting placement agent fees and estimated offering expenses payable by us. As of March 31, 2026, all pre-funded warrants related to the November RDO had been exercised.

***Private Placement***

On March 20, 2026, we completed the Private Placement pursuant to which we sold an aggregate of 462,964 Shares, and, in lieu of common stock, Pre-Funded Warrants to purchase up to 462,963 shares of our common stock, in each case accompanied by (i) Series A Warrants to purchase up to 925,927 shares of our common stock and (ii) Series B Warrants to purchase up to 925,927 shares of our common stock. The gross proceeds to us from the Private Placement were approximately $2.0 million (excluding up to approximately $4.0 million of aggregate gross proceeds that may be received in the future upon the cash exercise of the Common Warrants), before deducting placement agent fees and other offering expenses payable by the Company. See "—*Recent Events—Private Placement*" for more information.

***Cash Flows***

The following table summarizes our cash flows for the three months ended March 31, 2026 and 2025:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2026 | 2025 |
| | (in thousands) | |
| Cash used in operating activities | $ (7,598) | $ (8,036) |
| Cash used in investing activities | — | — |
| Cash provided by (used in) financing activities | 1,696 | (721) |
| Net decrease in cash and cash equivalents | $ (5,902) | $ (8,757) |

***Cash flows used in operating activities***

Cash used in operating activities for the three months ended March 31, 2026 was $7.6 million, consisting of a net loss of $27.7 million, add back of non-cash adjustments for depreciation, stock-based compensation, non-cash operating lease expense and other non-cash items totaling $20.5 million, plus changes in operating assets and liabilities of $0.4 million.

Cash used in operating activities for the three months ended March 31, 2025 was $8.0 million, consisting of a net loss of $10.9 million, add back of non-cash adjustments for depreciation, stock-based compensation, non-cash operating lease expense and other non-cash items totaling $1.8 million, plus changes in operating assets and liabilities of $1.1 million.

***Cash flows used in investing activities***

Cash used in investing activities for the three months ended March 31, 2026 and 2025 was related to purchases of property and equipment, primarily related to laboratory and computer equipment.

***Cash flows provided by financing activities***

Cash used in financing activities for the three months ended March 31, 2026 was related to proceeds from the issuance of common stock, pre-funded warrants and common stock warrants of $1.7 million.

Cash provided by financing activities for the three months ended March 31, 2025 was related to Oxford loan principal payments of $2.2 million, offset by proceeds from the issuance of common stock of $1.4 million.

***Funding Requirements***

Our primary use of cash is to fund operating expenses, which has historically consisted primarily of research and development expenditures related to our therapeutic discovery and preclinical development efforts and clinical activities, and to a lesser

extent, general and administrative expenditures. Currently, our primary use of cash is headcount cost and lease and overhead expenses as we explore strategic alternatives. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable and accrued expenses.

***Material Cash Requirements***

Our material cash requirements primarily relate to our operating leases for office space, trade payables, and accrued expenses. As of March 31, 2026, we have $3.3 million payable within 12 months, including $1.2 million related to the Brisbane Lease. Refer to Notes 5 and 6 to our Consolidated Financial Statements for additional information. We cannot estimate whether we will receive or the timing of any potential contingent payments upon the achievement by us of clinical, regulatory and commercial events, as applicable, or royalty payments that we may be required to make under license agreements we have entered into with various entities pursuant to which we have in-licensed certain intellectual property as contractual obligations or commitments, including agreements with Factor and Novatim. Pursuant to these license agreements, we have agreed to make milestone payments up to an aggregate of approximately $1.98 billion upon the achievement of certain development, regulatory and sales milestones. We excluded these contingent payments from the consolidated financial statements given that the timing, probability, and amount, if any, of such payments cannot be reasonably estimated at this time.

In November 2025, Erigen entered into the Factor MSA, which was assigned to us in connection with the Closing pursuant to the Asset Purchase Agreement. Under the Factor MSA, we are obligated to pay Factor a service fee and all non-cancellable obligations in the amount specified in each work order associated with the agreement for the provision of services. The term of each work order terminates upon completion of the services under such work order, unless terminated earlier. We can terminate the Factor MSA or any work order at any time upon 30 days' prior written notice and immediately upon written notice if Factor breaches the Factor MSA or any work order, as the case may be, and does not fully cure the breach to our satisfaction within 30 days. Upon termination any work order, unless the applicable work order expressly provides otherwise, we will pay Factor fees for all services performed and reimburse Factor for all authorized, non-cancellable expenses reasonably incurred in connection with such services prior to termination.

Except as disclosed above, we have no long-term debt and no material non-cancelable purchase commitments with service providers, as we have generally contracted on a cancelable, purchase-order basis. We enter into contracts in the normal course of business with equipment and reagent vendors, CROs, CMOs and other third parties for clinical trials, preclinical research studies and testing and manufacturing services. These contracts are cancelable by us upon prior notice. Payments due upon cancellation consist only of payments for services provided or expenses incurred, including noncancelable obligations of our service providers, up to the date of cancellation.

**Critical Accounting Policies and Estimates**

There have been no significant changes to our critical accounting policies since December 31, 2025. For a description of critical accounting policies that affect our significant judgments and estimates used in the preparation of our unaudited condensed consolidated financial statements, refer to Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our Annual Report on Form 10-K.

**Recent Accounting Pronouncements**

See Note 2 to our Condensed Consolidated Financial Statements for a description of recent accounting pronouncements applicable to our Condensed Consolidated Financial Statements.

**Smaller Reporting Company Status and a Non-Accelerated Filer**

We are a "smaller reporting company," as defined in Rule 12b-2 of the Securities Exchange Act of 1934, or the Exchange Act, meaning that the market value of our shares held by non-affiliates is less than $700 million and our annual revenue was less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either

(i) the market value of our shares held by non-affiliates is less than $250 million or (ii) our annual revenue was less than $100 million during the most recently completed fiscal year for which audited financial statements are available as of the determination date and the market value of our shares held by non-affiliates is less than $700 million. As a smaller reporting company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation. If investors consider our common stock less attractive as a result of our election to use the scaled-back disclosure permitted for smaller reporting companies, there may be a less active trading market for our common stock and our share price may be more volatile.

Additionally, as a non-accelerated filer, we may continue to take advantage of the exception from compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended.

**Item 3.** ***Quantitative and Qualitative Disclosures about Market Risk***

Not required for smaller reporting companies.

**Item 4.** ***Controls and Procedures***

**Evaluation of Disclosure Controls and Procedures**

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer & Head of Corporate Strategy (principal financial officer), evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer & Head of Corporate Strategy have concluded that as of March 31, 2026, our disclosure controls and procedures were effective at the reasonable assurance level.

**Changes in Internal Control over Financial Reporting**

There were no changes in internal control over financial reporting during the quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

**Item 1.** ***Legal Proceedings***

From time to time, we may be subject to litigation and claims arising in the ordinary course of business. While the results of any litigation or other legal proceedings are uncertain, we are not currently a party to any material legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, financial position, results of operations or cash flows.

**Item 1A.** ***Risk Factors***

There have been no material changes with respect to the risk factors disclosed in Part I, Item 1A. of our Annual Report on Form 10-K filed with the SEC on March 30, 2026.

There is substantial doubt regarding our ability to continue as a going concern. We will require significant additional funding to finance our operations, which may not be available on acceptable terms or at all. Failure to obtain this necessary capital when needed may force us to delay, limit or terminate our product development efforts or our operations.

Our existing cash and cash equivalents of $1.8 million as of March 31, 2026 is expected to fund our operations through less than 12 months from the date our consolidated financial statements are available to be issued.

We have finite cash resources available to fund our operations. On February 3, 2026, we closed the Asset Acquisition. For more information regarding the Asset Acquisition see "—Recent Events—Asset Acquisition." Pursuant to the Asset Purchase Agreement, we entered into an FCL with Factor, which provides us with financial support for at least 18 months following the closing of the Asset Acquisition, up to a maximum amount of $20.0 million that is inclusive of any amounts raised and received by us after the date of the Asset Purchase Agreement, on the terms and subject to the conditions and other provisions set forth in the FCL. As of the date of this report, we have $13.8 million available under the FCL. There is significant uncertainty as to whether we will be able to satisfy the terms and conditions and other provisions set forth in the FCL, and, if we are unable to do so, we may be limited in the amount of funding that we are able to access under the FCL or we may not be able to access any funds under the FCL. The timing of any additional funding from Factor is uncertain.

To date, we have not generated product revenues from our activities and have incurred substantial operating losses. We expect that we will continue to generate substantial operating losses for the foreseeable future until we complete development and approval of one of our product candidates. As such, we will need to continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all. Our ability to raise additional capital has been adversely impacted by potential worsening global economic conditions, inflation expectations, and the recent disruptions to and volatility in the credit and financial markets in the United States and worldwide resulting from geopolitical tensions.

These conditions raise substantial doubt about our ability to continue as a going concern. We have evaluated the significance of the uncertainty regarding our financial condition in relation to our ability to meet our obligations, which has raised substantial doubt about our ability to continue as a going concern. There can be no assurances that we will be able to secure additional financing. If we are unable to access funding under the FCL or secure additional financing, we may be required to wind down our operations due to insufficient cash resources, and our stockholders will lose their investment.

**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**

**Insider Trading Arrangements**

In November 2025, Erigen entered into the Factor MSA, which was assigned to the Company on February 3, 2026 in connection with the closing of the Asset Purchase Agreement. Under the Factor MSA, we are obligated to pay Factor a service fee and all non-cancellable obligations in the amount specified in each work order associated with the agreement for the provision of services.

On May 11, 2026, we entered into the Letter Agreement with Factor relating to certain payment obligations of the Company under the Factor MSA and the Work Order. Pursuant to the Letter Agreement, Factor agreed to permanently waive its right to receive the first $2.1 million payable by the Company to Factor under the Factor MSA and the Work Order. In addition, Factor agreed to return to the Company a deposit of $0.2 million previously made by the Company under the Work Order in the interim period subject to certain conditions. The Company agreed to use its best efforts to promptly raise additional funds to further expand the Company's cash runway.

During our last fiscal quarter, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits**

The following exhibits are incorporated by reference or filed as part of this report.

| Exhibit Number | Description of Exhibit | Incorporation by Reference | | | | Filed or Furnished Herewith |
|---|---|---|---|---|---|---|
| | | Form | File Number | Exhibit | Filing Date | |
| 3.1 | Restated Certificate of Incorporation of the Registrant, as amended | 10-Q | 001-35890 | 3.1 | 5/15/2019 | |
| 3.2 | Certificate of Amendment to the Restated Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on June 24, 2021 | 8-K | 001-35890 | 3.1 | 6/28/2021 | |
| 3.3 | Certificate of Amendment to the Restated Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on June 25, 2021 | 8-K | 001-35890 | 3.2 | 6/28/2021 | |
| 3.4 | Certificate of Designation of Series A Junior Participating Preferred Stock filed with the Secretary of State of the State of Delaware on October 10, 2023 | 8-K | 001-35890 | 3.1 | 10/11/2023 | |
| 3.6 | Certificate of Amendment to the Restated Certificate of Incorporation of the Company, as filed with the Secretary of State of the State of Delaware on April 4, 2025 | 8-K | 001-35890 | 3.1 | 4/7/2025 | |
| 3.6 | Amended and Restated Bylaws of the Registrant | 8-K | 001-35890 | 3.1 | 9/24/2021 | |
| 4.1 | Form of Pre-Funded Warrant | 8-K | 001-35890 | 4.1 | 3/23/2026 | |
| 4.2 | Form of Common Warrant | 8-K | 001-35890 | 4.2 | 3/23/2026 | |
| 10.1 | Form of Securities Purchase Agreement | 8-K | 001-35890 | 10.1 | 3/23/2026 | |
| 10.2 | Form of Registration Rights Agreement | 8-K | 001-35890 | 10.2 | 3/23/2026 | |
| 10.3 | Funding Commitment Letter | | | | | X |
| 10.4 | Waiver Letter Agreement | | | | | X |
| 31.1 | Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | | | | | X |
| 31.2 | Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002 | | | | | X |
| 32.1^ | Certification of Principal Executive Officer and Principal Financial Officer pursuant to Rules 13a-14(b) and 15d-14(b) promulgated under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to section 906 of The Sarbanes-Oxley Act of 2002 | | | | | X |
| 101.INS | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. | | | | | X |
| 101.SCH | Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents | | | | | X |
| 104 | Cover Page formatted as inline XBRL with applicable taxonomy extension contained in Exhibit 101. | | | | | X |

^ These certifications are being furnished solely to accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TEMPEST THERAPEUTICS, INC.

By: /s/ Matthew Angel
Matthew Angel
Chief Executive Officer & President (Principal Executive Officer)

By: /s/ Nicholas Maestas
Nicholas Maestas
Chief Financial Officer & Head of Corporate Strategy (Principal Financial Officer)

Date: May 14, 2026

Exhibit 10.3

November 19, 2025

Tempest Therapeutics, Inc. 2000 Sierra Point Parkway Suite 400
Brisbane, CA 94005 Attention: Stephen Brady

Re: Funding Commitment

Ladies and Gentlemen:

Reference is made to that certain Asset Purchase Agreement (the "***Purchase Agreement***") entered into as of the date hereof by and among Tempest Therapeutics, Inc., a Delaware corporation (the "***Company***"), Erigen LLC, a Delaware limited liability company ("***Erigen***"), and Factor Bioscience Inc., a Delaware corporation ("***Factor***"), pursuant to which the Company shall acquire specified assets and specified liabilities of Erigen pursuant to the Purchase Agreement. Capitalized terms herein used but not defined shall have the meanings ascribed to them in the Purchase Agreement.

In consideration of the benefits Factor expects to derive from the consummation of the transactions contemplated by the Purchase Agreement, Factor hereby agrees and commits as follows:

1. Funding Commitment. Upon the terms and subject to the conditions set forth in this letter agreement (this "***Agreement***"), from the Closing and until the earlier to occur of (i) the 18-month anniversary of the Closing Date, (ii) the receipt by the Company of at least $20,000,000 in gross proceeds from the sale of its equity or debt securities (less any amounts raised prior to the Closing) and (iii) the termination by (A) the Company of the Employment Agreement without Cause (as defined therein), (B) Matt Angel of the Employment Agreement for Good Reason (as defined therein), (C) the Company of the A&R License and Collaboration Agreement or A&R Master Services Agreement for convenience, or (D) Factor or its Affiliate of the A&R License and Collaboration Agreement or A&R Master Services Agreement for the Company's material breach, which breach (x) cannot be or has not been cured within 30 days following delivery to the Company of written notice of such breach and (y) has not been waived by Factor or its Affiliate (such period, the "***Support Period***"), Factor hereby commits to provide to the Company, or arrange for the provision to the Company on terms reasonably acceptable to the Company, funds solely to the extent (and only to the extent) necessary to support the Company's working capital requirements during the Support Period (such commitment, the "***Funding Commitment***"). In furtherance thereof, from time to time during the Support Period, the Company may deliver a written notice (a "***Support Notice***") to Factor requesting that Factor purchase a number of shares of the Company's Common Stock, par value $0.001 per share ("***Common Stock***"), which shares shall be purchased in a private placement in reliance upon the provisions of Section 4(a)(2) of the Securities Act, Rule 506(b) of Regulation D promulgated by the Securities and Exchange Commission or upon such other exemption from the registration requirements of the Securities Act as may be available with respect to the issuance and sale of the shares of Common Stock to be sold by the Company to Factor at the Minimum Price as defined in the Nasdaq listing rules; provided, that, the Company shall not be permitted to submit any Support Notice, and Factor shall not be required to purchase any shares of Common Stock, during any Support Notice Period for any Support Notice for which Factor has already purchased shares of Common Stock pursuant to a previous Support Notice such that the Support Notices have overlapping Support Notice Periods. Such total

number of shares of Common Stock shall not exceed a number of shares equal to (a) the aggregate dollar amount of the Company's total anticipated operating expenses for the thirty (30) days following the date of delivery of the Support Notice (such thirty (30) day period, the "***Support Notice Period***"), as set forth in an operating plan that has been submitted to the Company's board of directors (the "***Board***") by the Chief Executive Officer of the Company and approved by the Board, *divided by* (b) the volume-weighted average closing price of the Common Stock on Nasdaq during the five (5) trading days immediately preceding the date of delivery of the Support Notice (such amount of shares of Common Stock, the "***Share Limit***"). Factor shall, within ten (10) Business Days of receipt of each such Support Notice, purchase the number of shares set forth therein, subject to the Share Limit, pursuant to a mutually agreeable form of securities purchase agreement, based on the National Venture Capital Association "Model PIPE Securities Purchase Agreement," containing customary terms and conditions (each, a "***Factor Purchase Agreement***"). For the avoidance of doubt, Factor shall not, under any circumstances, be obligated to purchase equity securities of the Company or otherwise provide any funds to the Company in an amount exceeding $20,000,000 less any amounts raised and received in the Pre-Closing Financing or otherwise after the date of this Agreement.

2. Except as otherwise set forth in any Factor Purchase Agreement, Factor shall have registration rights with respect to all shares of Common Stock purchased hereunder as if such shares were Registrable Securities pursuant to the Purchase Agreement, *mutatis mutandis*.

3. Factor's obligations under this Agreement will terminate automatically and immediately upon the earlier to occur of (a) the termination of the Purchase Agreement prior to the occurrence of the Closing, (b) the satisfaction in full of the Funding Commitment, and (c) the expiration or termination of the Support Period, at which time all obligations hereunder shall be fully discharged. Upon termination of this Agreement in accordance with the prior sentence, each of Factor and its successors and assignees shall have no further obligations or liabilities hereunder.

4. This Agreement shall be binding solely on Factor and its successors and permitted assignees and inure solely to the benefit of the Company, and nothing set forth in this Agreement shall be construed to confer upon or give to any Person other than the Company any benefits, rights or remedies under or by reason of, or any rights to enforce or cause the Company to enforce, the Funding Commitment or any other provisions of this Agreement. The Company's creditors shall have no right to enforce this Agreement or to cause the Company to enforce this Agreement.

5. Notwithstanding anything to the contrary that may be expressed or implied in this Agreement or any document or instrument delivered substantially contemporaneously herewith, (a) no Person other than Factor and its successors and permitted assignees shall have any obligation hereunder,
(b) there shall be no rights of recovery hereunder or in connection with this Agreement against, and no recourse hereunder or under any documents or instruments delivered in connection herewith shall be had against, any former, current or future Affiliate, equityholder, stockholder, member, director, officer, agent, manager or employee of Factor, Erigen or any of their respective Affiliates (or any successors or assignees of any of the foregoing Persons) (collectively, other than Factor, "***Factor Parties***"), whether by or through attempted piercing of the corporate veil, by or through a claim by or on behalf of any Person (including any Factor Party) against any Factor Parties, by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable Law, or otherwise. No personal liability whatsoever shall attach to, be imposed on, or otherwise be incurred by any Factor Party, as such, for any obligations of Factor under this Agreement or the Funding Commitment contemplated hereby, under any documents or instruments delivered in connection herewith, or for any claim based on, in respect of, or by reason of, such obligations or their creation. This Section 5 shall survive termination of this Agreement.

6. Each party acknowledges and agrees that (a) this Agreement is not intended to, and does not, create any agency, partnership, fiduciary or joint venture relationship between the parties hereto and

neither this Agreement nor any other document or agreement entered into by either party hereto relating to the subject matter hereof shall be construed to suggest otherwise and (b) the obligations of Factor under this Agreement are solely contractual in nature.

7. This Agreement, and all claims or causes of action (whether at Law, in contract or in tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by, and construed in accordance with, the Laws of the State of Delaware (without giving effect to choice of law principles thereof or of any other jurisdiction that would mandate or permit the application of the Laws of any jurisdiction other than the State of Delaware).

8. All actions or Legal Proceedings in respect of any claim arising out of, related to, or in connection with, this Agreement, whether in tort or contract or at law or in equity, shall be brought exclusively in Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware or, if such court shall not have or declines to accept jurisdiction over a particular matter, then any federal court within the State of Delaware. ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY ARE HEREBY IRREVOCABLY WAIVED.

9. This Agreement shall be treated as confidential and is being provided to Factor solely in connection with the transactions contemplated by the Purchase Agreement. This Agreement may not be used, circulated, quoted or otherwise referred to in any document, except with the written consent of Factor except as required to comply with applicable accounting and the U.S. Securities and Exchange Commission disclosure obligations, the rules of any national securities exchange or as otherwise set forth in this Section
9. The foregoing notwithstanding, this Agreement may be provided to the Company's Representatives; provided, that in each case, such Persons are directed to treat this Agreement as confidential, except that such parties may disclose (without Factor's consent) the existence of this Agreement to the extent required by applicable Laws, the applicable rules of any national securities exchange or in connection with any securities regulatory agency filings relating to the transactions contemplated by the Purchase Agreement. Notwithstanding the foregoing, nothing in this Section 9 shall restrict the Company, Factor and their respective Affiliates and Representatives from disclosing any information regarding this Agreement in connection with any Legal Proceeding to enforce this Agreement, the Purchase Agreement or any other Ancillary Agreement in accordance with their respective terms.

10. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and, in the case of delivery in person or by overnight courier, shall be deemed to have been duly given upon receipt) by delivery in person or overnight courier to the respective parties at the following addresses, delivery by electronic mail transmission to the respective parties at the following email addresses, or at such other address or email address for a patty as shall be specified in a notice given in accordance with this Section 10:

If to the Company, to:

Tempest Therapeutics, Inc. 2000 Sierra
Point Parkway Suite 400
Brisbane, CA 94005 Attention: Stephen
Brady Email:

With a copy (which shall not constitute notice) to:

Cooley LLP
1299 Pennsylvania Ave, NW Suite 700
Washington, DC 20004 Attention: Laura Berezin
Jaime Chase William Sorabella
Email:

If to Factor, to: Factor Bioscience Inc. 1035 Cambridge Street Suite 17B
Cambridge, MA 02141
Attention: Christopher Rohde, Ph.D. Email:

With a copy (which shall not constitute notice) to:

Morse, Barnes-Brown & Pendleton, P.C. 480 Totten Pond Road, 4th Floor Waltham, MA 02451
Attention: Daniel J. Blanchard
Stanley F. Chalvire Paul R. Rosie
Email:

11. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each of the Company and Factor.

12. If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid, illegal or unenforceable by any rule of law or public policy, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, and, to such end, the provisions of this Agreement are agreed to be severable.

13. This Agreement may be executed in two or more counterparts, and with counterpart signature pages, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument, binding on all of the parties notwithstanding that all such parties have not signed the same counterpart. Delivery of counterpart signature pages to this Agreement by facsimile transmission, by electronic mail in .pdf or .tiff format, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

[*The remainder of this page is intentionally left blank.*]

Very truly yours,

**FACTOR BIOSCIENCE INC.**

By: /s/ Christopher Rohde
Name: Christopher Rohde
Title: Chief Technology Officer

Accepted and Agreed:

**TEMPEST THERAPEUTICS, INC.**

By: /s/ Stephen Brady
Name: Stephen Brady
Title: President and Chief Executive Officer

**Exhibit 10.4**

May 12, 2026

Tempest Therapeutics, Inc.
Attn: Nicholas Maestas, Chief Financial Officer and Head of Corporate Strategy
2000 Sierra Point Parkway, Suite 400
Brisbane, CA 94005

Factor Bioscience Inc.
Attn: Matthew Angel, Ph.D., Chief Executive Officer
1035 Cambridge Street, Suite 17B
Cambridge, MA 02141

Re: Amended and Restated Master Services Agreement (the "*Agreement*") entered into on November 19, 2025, by and between Factor Bioscience Inc. ("*Factor*") and Tempest Therapeutics, Inc. (as the successor in interest to Erigen LLC) ("*Tempest*").

This letter agreement ("*Letter Agreement*") is entered into by and between Factor and Tempest with respect to certain payment obligations of Tempest, including, but not limited to, those set forth in Work Order No. 1 entered into on March 24, 2026 (the "*Work Order*"), by Factor and Tempest under the Agreement. All capitalized terms used and not expressly defined in this Letter Agreement will have the meanings given to them in the Agreement.

In accordance with the Work Order, Factor agreed to perform certain Services on behalf of Tempest in furtherance of the clinical advancement of its TPST-2003, TPST-3003 and TPST-4003 programs and, as consideration for such Services, Tempest agreed to pay Factor in accordance with the Budget set forth in the Work Order.

Accordingly, each of Tempest and Factor hereby agree as follows:

1. Tempest hereby agrees to use its best efforts to promptly raise funds through one or more public or private equity transactions, including without limitation registered direct offerings, private placements, follow-on offerings, and/or warrant inducement transactions (each, a "*Capital Raise Transaction*").

2. Factor hereby agrees to: (a) effective as of June 30, 2026, permanently waive its right to receive the first $2,100,000 payable by Tempest to Factor pursuant to the Agreement (including those amounts set forth in the Work Order); and (b) within ten (10) days of the date first set forth above, return to Tempest the deposit made to Factor under the Work Order in the amount of $150,000, provided that Tempest shall promptly repay Factor such $150,000 on the date that Tempest raises aggregate gross proceeds of $5,000,000 through a Capital Raise Transaction.

3. This Letter Agreement sets forth the entire agreement among the parties as to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, between the parties as to the subject matter hereof.

4. This Letter Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding application of any conflict of laws principles.

*[Signature Page Follows]*

**Exhibit 10.4**

This Letter Agreement is signed below by authorized representatives of Tempest and Factor indicating the parties' acceptance of the terms and conditions of this Letter Agreement.

**AGREED AND ACCEPTED:**

**TEMPEST THERAPEUTICS, INC.**

/s/ Nicholas Maestas
By: Nicholas Maestas
Title: Chief Financial Officer and Head of Corporate Strategy

**AGREED AND ACCEPTED:**

**FACTOR BIOSCIENCE INC.**

/s/ Matthew Angel
By: Matthew Angel
Title: Chief Executive Officer

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**[Signature Page to Letter Agreement]**

**Exhibit 31.1**

**CERTIFICATIONS**

I, Matthew Angel, certify that:

1. I have reviewed this Form 10-Q of Tempest Therapeutics, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: May 14, 2026

By: /s/ Matthew Angel

Matthew Angel

Chief Executive Officer & President (Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATIONS**

I, Nicholas Maestas, certify that:

1. I have reviewed this Form 10-Q of Tempest Therapeutics, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: May 14, 2026

By: /s/ Nicholas Maestas
Nicholas Maestas
Chief Financial Officer & Head of Corporate Strategy (Principal Financial Officer)

**Exhibit 32.1**

**CERTIFICATION**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Matthew Angel, Chief Executive Officer of Tempest Therapeutics, Inc. (the "Company"), and Nicholas Maestas, Chief Financial Officer & Head of Corporate Strategy, of the Company, each hereby certifies that, to the best of his or her knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended March 31, 2026, to which this Certification is attached as Exhibit 32.1 (the "Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

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

Dated: May 14, 2026

/s/ Matthew Angel

Matthew Angel

Chief Executive Officer & President (Principal Executive Officer)

/s/ Nicholas Maestas

Nicholas Maestas

Chief Financial Officer & Head of Corporate Strategy (Principal Financial Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Tempest Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.