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

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2026

or

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

For the transition period from ___ to ____

Commission File Number: 001-36510

LARIMAR THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**20-3857670**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
Three Bala Plaza East, Suite 506 Bala Cynwyd, PA	**19004**
(Address of principal executive offices)	**(Zip Code)**

(844) 511-9056

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	LRMR	The Nasdaq Global Market

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

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

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

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

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

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

As of November 10, 2026, there were 104,634,619 shares of the registrant's Common Stock, $0.001 par value per share, outstanding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements made in this Quarterly Report on Form 10-Q that are not statements of historical or current facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements discuss our business, operations and financial performance and conditions, as well as our plans, objectives and expectations for our business operations and financial performance and condition. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "design," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "positioned," "potential," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. In addition, statements that "we believe" or similar statements reflect our beliefs and opinions on the relevant subject only. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our business.

You should understand that the following important factors could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements:

- uncertainties that our biologics license application ("BLA") filed with the U.S. Food and Drug Administration ("FDA") for nomlabofusp will be accepted for review by the FDA and expectations with respect to the potential approval of the BLA, including the potential granting of priority review, including the potential award and future sale of a Rare Pediatric Disease Priority Review Voucher;
- uncertainties in obtaining successful non-clinical or clinical results that reliably and meaningfully demonstrate safety, tolerability and efficacy profiles that are satisfactory to the FDA, European Medicines Agency ("EMA") and other comparable regulatory authorities for marketing approval for nomlabofusp or any other product candidates that we may develop in the future and unexpected costs that may result therefrom;
- delays in patient recruitment for our clinical trials (including as a result of the impact of FDA approval of competitive products for the treatment of Friedreich's ataxia ("FA"), and/or the impact of other clinical trials of competitive products), delays as a result of clinical and non-clinical results and/or the FDA's request for additional information or studies (whether clinical or non-clinical), changes in clinical protocols, adverse events, regulatory restrictions, including clinical holds, and milestones for nomlabofusp;
- our ability to successfully execute our ongoing open label trial and our planned FORWARD-FA Phase 3 global confirmatory study, including the timing of site initiations and the rate of patient enrollment;
- our ability to benefit from our participation in the FDA's Support for Clinical Trials Advancing Rare Disease Therapeutics ("START") pilot program for the development of nomlabofusp;
- our ability to benefit from the FDA's Breakthrough Therapy Designation;
- the impact, if any, of the FDA's recently announced Rare Disease Framework Initiative on our future clinical development of nomlabofusp or any other product candidates we may develop in the future;
- uncertainties associated with the clinical development and regulatory approval for nomlabofusp in the United States and in other countries, including potential delays in the commencement, enrollment and completion of clinical trials, our ability to submit applications similar to our BLA submission to other countries and our ability to supply to the regulatory authorities in other countries all required data to review and accept an accelerated application, or any other product candidates that we may develop in the future;
- the difficulties and expenses associated with obtaining and maintaining regulatory approval for nomlabofusp or any other product candidates we may develop in the future, and the indication and labeling under any such approval;
- how long we can continue to fund our operations with our existing cash, cash equivalents and marketable securities and our estimates regarding future results of operations, financial position, research and development costs, capital requirements and our access and needs for additional financing;
- our ability, and the ability of third-party manufacturers we engage, to optimize, scale and validate nomlabofusp or any other product candidate's manufacturing process and to manufacture sufficient

quantities of clinical supplies, and, if approved, commercial supplies of nomlabofusp or any other product candidates that we may develop in the future and our ability to maintain our relationships and contracts with our key vendors and to identify and contract with alternate or secondary key vendors;

•our ability to realize any value from nomlabofusp and/or any other product candidates we may develop in the future in light of inherent risks and difficulties involved in successfully bringing product candidates to market and the risk that the product candidates, if approved, will not achieve broad market acceptance;

•our ability to comply with regulatory requirements applicable to our business and other regulatory developments in the United States and other countries;

•the size and growth of the potential markets for nomlabofusp, if approved, or any other product candidates that we may develop in the future, the rate and degree of market acceptance of nomlabofusp or any other product candidate, if approved, that we may develop in the future and our ability to serve those markets;

•given both approved and competing therapies and products in non-clinical and clinical development for the treatment of FA, our ability to obtain and maintain designations or eligibility for expedited regulatory programs, and to commercialize current and future product candidates, if approved, (including the impact of potential barriers to entry if a competitor is able to establish and maintain a strong market position before we are able to commercialize our products);

•our ability to obtain and maintain patent protection and defend our intellectual property rights against third parties;

•the performance and compliance with the rules and regulations of the FDA (and all other regulatory authorities) of third parties upon which we depend, including third-party contract research organizations (“CROs”), third party contract manufacturing organizations ("CMOs"), consultants, distributors, and logistics providers;

•our ability to recruit and retain key scientific, technical, commercial, and management personnel and to retain our executive officers;

•our ability to maintain proper functionality and security of our internal computer and information systems and prevent or avoid cyber-attacks, malicious intrusion, breakdown, destruction, loss of data privacy or other significant disruption;

•the extent to which geopolitical conflicts and tensions (including the war in the Middle East and other regional conflicts around the world), adverse macroeconomic events, including those due to inflationary pressures, rising interest rates, banking instability, monetary policy changes, changes in trade policies, (including tariffs or trade protection measures that have been or may in the future be imposed by the U.S. or other countries), economic slowdowns or recessions, health epidemics, unforeseen emergencies and other outbreaks of communicable diseases that could disrupt our operations, the operations of third parties on which we rely or the operations of regulatory agencies we interact with in the development of nomlabofusp and any other product candidates that we may develop in the future; and

•the potential impact of regulatory developments in the U.S., and other measures being taken worldwide, designed to reduce healthcare costs and limit the overall level of government expenditures.

These forward-looking statements are based on management’s current expectations, estimates, forecasts and projections about our business and the industry in which we operate, and management’s beliefs and assumptions are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. In light of the significant uncertainties in these forward-looking statements, you should not rely upon forward-looking statements as predictions of future events. Although we believe the expectations reflected in the forward-looking statements are reasonable, the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements may not be achieved or occur at all. The factors that could cause or contribute to such differences include, but are not limited to, those discussed in our Annual Report on Form 10-K filed on March 19, 2026 and our Quarterly Reports on Form 10-Q filed on May 14, 2026 and August 4, 2026. All forward-looking statements are applicable only as of the date on which they were made and, except as required by law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this Quarterly Report on Form 10-Q or to reflect the occurrence of any unanticipated events. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Larimar Therapeutics, Inc.

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PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

LARIMAR THERAPEUTICS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 76,986	$ 85,412
Marketable securities	51,672	51,440
Prepaid expenses and other current assets	7,496	5,170
Total current assets	136,154	142,022
Property and equipment, net	597	622
Operating lease right-of-use assets	2,840	2,069
Restricted cash	456	606
Other assets	457	523
Total assets	$ 140,504	$ 145,842
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 5,108	$ 5,216
Accrued expenses	29,155	58,474
Operating lease liabilities, current	1,382	1,105
Total current liabilities	35,645	64,795
Operating lease liabilities	3,393	2,962
Total liabilities	39,038	67,757
Commitments and contingencies (See Note 8)		
Stockholders' equity:		
Preferred stock; $0.001 par value per share; 5,000,000 shares authorized as of September 30, 2026 and December 31, 2025; 500,000 and 250,000 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	1	—
Common stock, $0.001 par value per share; 215,000,000 and 115,000,000 shares authorized as of September 30, 2026 and December 31, 2025, respectively; 104,634,619 and 83,090,392 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	104	83
Additional paid-in capital	629,741	512,779
Accumulated deficit	(528,361)	(434,831)
Accumulated other comprehensive (loss) gain	(19)	54
Total stockholders' equity	101,466	78,085
Total liabilities and stockholders' equity	$ 140,504	$ 145,842

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

LARIMAR THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating expenses:				
Research and development	$ 25,925	$ 44,931	$ 78,956	$ 94,851
General and administrative	6,539	4,568	18,976	13,628
Total operating expenses	32,464	49,499	97,932	108,479
Loss from operations	(32,464)	(49,499)	(97,932)	(108,479)
Other income, net	1,329	1,787	4,402	5,304
Net loss	$ (31,135)	$ (47,712)	$ (93,530)	$ (103,175)
Comprehensive loss:				
Net loss	$ (31,135)	$ (47,712)	$ (93,530)	$ (103,175)
Other comprehensive loss:				
Unrealized (loss) gain on marketable securities	(7)	75	(73)	(82)
Total other comprehensive loss	(7)	75	(73)	(82)
Total comprehensive loss	$ (31,142)	$ (47,637)	$ (93,603)	$ (103,257)
Basic and diluted net loss per share:				
Common stock	$ (0.29)	$ (0.61)	$ (0.90)	$ (1.50)
Preferred stock	(2.85)	$ —	(8.98)	—
Weighted-average shares used in computing basic and diluted net loss per share:				
Common stock	104,211,155	78,324,767	99,355,705	68,824,826
Preferred stock	500,000	—	480,769	—

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

LARIMAR THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share data)
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-in	Accumulated	Other Comprehensive	Total Stockholders'
	Shares	Par Value	Shares	Par Value	Capital	Deficit	Gain (Loss)	Equity
Balances as of December 31, 2025	250,000	$ —	83,090,392	$ 83	$ 512,779	$ (434,831)	$ 54	$ 78,085
Issuance of common stock, net of issuance costs	—	—	23,000,000	23	107,593	—	—	107,616
Issuance of preferred stock in exchange for common stock	250,000	1	(2,500,000)	(3)	2	—	—	—
Vesting of restricted stock units	—	—	288,545	—	—	—	—	—
Exercise of stock options	—	—	4,000	—	14	—	—	14
Stock-based compensation expense	—	—	—	—	1,979	—	—	1,979
Unrealized loss on marketable debt securities	—	—	—	—	—	—	(48)	(48)
Net Loss	—	—	—	—	—	(29,613)	—	(29,613)
Balances as of March 31, 2026	500,000	$ 1	103,882,937	$ 103	$ 622,367	$ (464,444)	$ 6	$ 158,033
Stock-based compensation expense	—	—	—	—	2,149	—	—	2,149
Unrealized loss on marketable debt securities	—	—	—	—	—	—	(18)	(18)
Net Loss	—	—	—	—	—	(32,782)	—	(32,782)
Balances as of June 30, 2026	500,000	1	103,882,937	103	624,516	(497,226)	(12)	127,382
Issuance of common stock, net of issuance costs		—	751,682	1	3,051		—	3,052
Stock-based compensation expense	—	—	—	—	2,174	—	—	2,174
Unrealized loss on marketable debt securities	—	—	—	—	—	—	(7)	(7)
Net Loss	—	—	—	—	—	(31,135)	—	(31,135)
Balances as of September 30, 2026	500,000	1	104,634,619	104	629,741	(528,361)	(19)	101,466

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

LARIMAR THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share data)
(Unaudited)
(Continued)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Gain (Loss)	Total Stockholders' Equity
	Shares	Par Value				
Balances as of December 31, 2024	63,815,065	$ 64	$ 440,758	$ (269,158)	$ 148	$ 171,812
Vesting of restricted stock units	212,827	—	—	—	—	—
Stock-based compensation expense	—	—	1,834	—	—	1,834
Unrealized loss on marketable securities	—	—	—	—	(94)	(94)
Net loss	—	—	—	(29,281)	—	(29,281)
Balances as of March 31, 2025	64,027,892	$ 64	$ 442,592	$ (298,439)	$ 54	$ 144,271
Stock-based compensation expense	—	—	1,828	—	—	1,828
Unrealized loss on marketable securities	—	—	—	—	(63)	(63)
Net loss	—	—	—	(26,182)	—	(26,182)
Balances as of June 30, 2025	64,027,892	64	444,420	(324,621)	(9)	119,854
Issuance of common stock, net of issuance costs	21,562,500	22	65,014	—	—	65,036
Stock-based compensation expense	—	—	1,785	—	—	1,785
Unrealized loss on marketable securities	—	—	—	—	75	75
Net loss	—	—	—	(47,712)	—	(47,712)
Balances as of September 30, 2025	85,590,392	86	511,219	(372,333)	66	139,038

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

LARIMAR THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2026	2025
Cash flows from operating activities:		
Net loss	$ (93,530)	$ (103,175)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	6,302	5,447
Lease expense	(63)	(202)
Depreciation expense	183	263
Accretion of discount on marketable securities	(985)	(1,541)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(2,326)	4,062
Accounts payable	(108)	8,625
Accrued expenses	(29,369)	11,793
Other assets	66	54
Net cash used in operating activities:	(119,830)	(74,674)
Cash flows from investing activities:		
Purchases of property and equipment	(158)	(91)
Purchases of marketable securities	(83,980)	(83,600)
Maturities of marketable securities	84,660	150,000
Net cash provided by (used in) investing activities	522	66,309
Cash flows from financing activities:		
Proceeds from issuance of equity securities	110,718	65,287
Proceeds from exercise of stock options	14	—
Net cash provided by financing activities	110,732	65,287
Net increase (decrease) in cash, cash equivalents and restricted cash	(8,576)	56,922
Cash, cash equivalents and restricted cash at beginning of period	86,018	33,824
Cash, cash equivalents and restricted cash at end of period	$ 77,442	$ 90,746
Supplemental disclosure of non-cash investing and financing activities:		
Offering costs included in accrued expenses	$ 150	$ 301
Leased assets obtained in exchange for new operating lease liabilities	$ 1,510	$ —

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

LARIMAR THERAPEUTICS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1.Description of Business and Basis of Presentation

Larimar Therapeutics, Inc., together with its subsidiary (the "Company" or "Larimar"), is a clinical-stage biotechnology company focused on developing treatments for patients suffering from complex rare diseases using its novel cell penetrating peptide technology platform. Larimar's lead product candidate, nomlabofusp, is a subcutaneously administered, recombinant fusion protein intended to deliver human frataxin ("FXN"), an essential protein, to the mitochondria of patients with Friedreich's Ataxia ("FA"). FA is a rare, progressive, and fatal disease in which patients are unable to produce sufficient FXN due to a genetic abnormality.

Basis of Presentation

The condensed consolidated financial statements include the accounts of Larimar and its wholly owned subsidiary. All intercompany balances and transactions have been eliminated. The accompanying condensed consolidated financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles ("GAAP").

The consolidated balance sheet as of December 31, 2025 was derived from the Company's audited financial statements but does not include all disclosures required by GAAP. The accompanying unaudited condensed consolidated financial statements as of September 30, 2026 and for the three and nine months ended September 30, 2026 and 2025, have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. However, the Company believes that the disclosures are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the year ended December 31, 2025 included in the Company's Annual Report on Form 10-K filed with the SEC on March 19, 2026.

In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair statement of the Company's condensed consolidated financial position as of September 30, 2026, condensed consolidated results of operations for the three and nine months ended September 30, 2026 and condensed consolidated statement of cash flows for the nine months ended September 30, 2026 have been made. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2026.

Liquidity and Capital Resources

Since its inception, the Company has incurred significant recurring operating losses and negative cash flows from operations. The Company has incurred net losses of $93.5 million and $103.2 million for the nine months ended September 30, 2026 and 2025, respectively. In addition, as of September 30, 2026, the Company had an accumulated deficit of $528.4 million. The Company expects to continue to generate operating losses for the foreseeable future. As of September 30, 2026, the Company had approximately $128.7 million of cash, cash equivalents and marketable securities available for use to fund its operations and capital requirements.

The Company has funded its operations to date primarily with proceeds from sales of common stock and proceeds from the sale of prefunded warrants for the purchase of common stock, the acquisition in 2020 of cash, cash equivalents and marketable securities upon the merger with Zafgen, Inc. ("Zafgen") and, prior to the 2020 merger with Zafgen, capital contributions from Chondrial Holdings, LLC.

In July 2025, the Company completed an underwritten public offering of common stock raising net proceeds of approximately $65.0 million.

In February 2026, the Company completed another underwritten public offering of common stock raising net proceeds of approximately $107.6 million.

In the third quarter of 2026, the Company sold 751,682 shares under the ATM Agreement (as defined below) with Guggenheim Securities, LLC for net proceeds of approximately $3.1 million. As of September 30, 2026, $96.9 million remains available for sale under the ATM Agreement.

Going Concern

In accordance with Accounting Standards Update ("ASU") No. 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern", the Company has evaluated whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that these unaudited condensed consolidated financial statements are issued. While the Company expects its cash, cash equivalents and marketable securities will fund its forecasted operating expenses and capital expenditure requirements into late Q2 2027, these cash resources are not sufficient to fund the Company's planned operations for a period of at least one year from the date these unaudited condensed consolidated financial statements are issued.

The Company will need to raise additional capital to fund its ongoing operations. The Company continues to evaluate opportunities to further finance its operating cash needs through a combination of some, or all, of the following: equity or debt offerings, royalty financings, collaborations, strategic alliances, and/or marketing, distribution or licensing arrangements. In addition, the Company believes it will be eligible for the FDA's rare pediatric disease priority review voucher which could then be sold if nomlabofusp receives FDA approval. There is no assurance; however, that additional financing will be available when needed or that the Company will be able to obtain financing on terms acceptable to the Company. If the Company is unable to obtain funding when required in the future, the Company could be required to delay, reduce, or eliminate research and development programs, or commercialization efforts, which could adversely affect its business prospects. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The accompanying unaudited condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of the business. The unaudited condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classifications of liabilities that might result from the outcome of this uncertainty.

2.Summary of Significant Accounting Policies

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. This process involves reviewing open contracts and purchase orders, communicating with our personnel and outside vendors to identify services that have been performed on our behalf and estimating the level of service performed and the associated costs incurred for the services when we have not yet been invoiced or otherwise notified of the actual costs. Significant estimates and assumptions reflected in these condensed consolidated financial statements include, but are not limited to, the accrual of research and development expense, the recording as prepaid expense of payments made in advance of the actual provision of goods or services, valuation of stock-based awards and valuation of leases. Due to inherent uncertainty involved in making estimates, actual results reported in future periods may be affected by changes in these estimates. On an ongoing basis, the Company evaluates its estimates and assumptions.

Research and Development Costs

Costs associated with internal research and development and external research and development services, including drug development, clinical studies and non-clinical studies, are expensed as incurred. Research and development expenses include costs for salaries, employee benefits, subcontractors, facility-related expenses, depreciation, stock-based compensation, third-party license fees, laboratory supplies, and external costs of outside vendors engaged to conduct discovery, non-clinical and clinical development activities and clinical trials as well as to manufacture clinical trial materials, and other costs. The Company recognizes external research and development costs based on an evaluation of the progress to completion of specific tasks using information provided to the Company by its key service providers.

Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. Such prepaid expenses are recognized as an expense when the goods have been delivered or the related services have been performed, or when it is no longer expected that the goods will be delivered, or the services rendered.

Upfront payments, milestone payments and annual maintenance fees under license agreements are currently expensed in the period in which they are incurred.

Patent Costs

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

Stock-Based Compensation

The Company accounts for its stock-based compensation awards in accordance with FASB ASC Topic 718, Compensation-Stock Compensation (ASC 718). ASC 718 requires all stock-based payments to employees, including grants of employee stock options, restricted stock units, modifications to existing stock options, and equity classified warrants to be recognized in the consolidated statements of operations based on their grant date fair values. The grant-date fair value of stock options is estimated using the Black-Scholes option pricing model. The grant-date fair value of restricted stock awards and performance-based restricted stock awards are determined based on the closing price of the Company's common stock on the date of grant (or, if the grant date is not a business day, the closing price on the preceding business day).

Compensation expense of stock options and restricted stock units is recognized over the requisite service period, which is the vesting period of the respective award. Typically, the Company issues awards with only service-based vesting conditions and records the expense for these awards using the straight-line method. The Company accounts for forfeitures as they occur. For performance-based restricted stock awards, the Company recognizes the expense over the estimated period in which the awards are expected to be earned; such period begins once achievement of the performance objective is determined to be probable.

The Company classifies stock-based compensation expense in its consolidated statements of operations and comprehensive loss in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

The expected term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The expected dividend yield considers the fact that the Company has never paid cash dividends on common stock and does not expect to pay any cash dividends in the foreseeable future.

Prior to May 28, 2020, the Company had been a private company and lacked company-specific historical and implied volatility information for its common stock. Prior to January 1, 2023, the Company estimated its expected common stock price volatility solely based on the historical volatility of publicly traded peer companies. Beginning on January 1, 2023, based on the availability of sufficient historical trading data of the Company's own common stock on the Nasdaq Global Market to calculate accurately its volatility, the Company began blending its volatility starting from June 2020 (following its merger with Zafgen in 2020) to the date of each stock-based award, and weighing the volatility of its peer group for the amount of time from May 31, 2020 backwards so that the blended volatility equals the expected term of the related stock-based award. As of August 2026, the Company has sufficient historical volatility data for its common stock and therefore no longer uses peer-company data in estimating expected volatility.

Segment Information

Operating segments are defined as components of an enterprise for which separate discrete information is available for evaluation by the chief operating decision maker, or decision making group, in deciding how to allocate resources in assessing performance. The Company is managed on a consolidated basis and has one operating and reportable segment related to the development of clinical and preclinical product candidates for the development of the Company's proprietary new therapies, primarily nomlabofusp, the Company's life science segment. The Company's chief operating decision maker ("CODM") is the Company's chief executive officer ("CEO").

The accounting policies of the life science segment are the same as those described in the summary of significant accounting policies. The CODM assesses performance for the Company and its reportable segment based on net loss, which is reported on the consolidated Statements of Operations. The measure of segment assets is reported on the balance sheet as total consolidated assets. All long-lived assets are located in the United States of America.

To date, the Company has not generated any product revenue. The Company expects to continue to incur significant expenses and operating losses for the foreseeable future as it advances product candidates through all stages of development and clinical trials and regulatory approval.

The CODM uses consolidated financial information, including consolidated net loss, to evaluate performance, forecast future period financial results, allocate resources for the company by, among other things, comparing budgeted to actual results.

The table below summarizes the significant expense categories regularly provided to the CODM for the three and nine months ended September 30, 2026 and 2025:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating expenses:				
Technical operations	$ 14,838	$ 33,850	$ 42,346	$ 62,800
Development [(a)(b)]	9,339	9,653	31,106	27,757
Nomlabofusp support	1,748	1,428	5,504	4,294
General and administrative [(c)(d)]	5,119	3,780	15,215	11,569
Commercial [(e)]	1,420	788	3,761	2,059
Total operating expenses	$ 32,464	$ 49,499	$ 97,932	$ 108,479
Other income, net	(1,329)	(1,787)	(4,402)	(5,304)
Net loss	$ (31,135)	$ (47,712)	$ (93,530)	$ (103,175)

(a)Development expenses include research and development related stock compensation expense of approximately $1.0 million and $0.9 million for the three months ended September 30, 2026 and 2025, respectively.
(b)Development expenses include research and development related stock compensation expense of approximately $3.1 million and $2.7 million for the nine months ended September 30, 2026 and 2025, respectively.
(c)General and administrative expenses include general and administrative related stock compensation expense of approximately $1.2 million and $0.9 million for the three months ended September 30, 2026 and 2025, respectively.
(d)General and administrative expenses include general and administrative related stock compensation expense of approximately $3.2 million and $2.7 million for the nine months ended September 30, 2026 and 2025, respectively.
(e)Commercial expenses relate to commercial readiness activities.

Recently Issued and Adopted Accounting Pronouncements

From time to time, new accounting guidance is issued by the FASB or other standard setting bodies that is adopted by us as of the effective date or, in some cases where early adoption is permitted, in advance of the effective date. We have assessed the recently issued guidance that is not yet effective and believe the new guidance will not have a material impact on the consolidated results of operations, cash flows or financial position.

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses”, which requires disaggregated disclosures in the notes of the financial statements of certain categories of expenses that are included in expense line items on the face of the income statement. This ASU is effective for annual periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December

15, 2027. Early adoption is permitted. The Company will evaluate the impact adopting ASU 2024-03 will have on the Company's consolidated financial statements and disclosures.

Income Taxes

We recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. We record valuation allowances to reduce deferred tax assets to the amount we believe is more likely than not to be realized. During the three and nine months ended September 30, 2026 and 2025, the Company recorded no income tax benefits for the net operating losses incurred in each period due to the uncertainty of realizing a benefit from those items.

On July 4, 2025, Public Law 119-21 ("The Law") became effective. The Law includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The Law did not have a material impact on its estimated annual effective tax rate or cash flows in 2025 and is not expected to have a material impact on the Company's tax provision for the year ended December 31, 2026.

3. Fair Value Measurements and Marketable Securities

Fair Value Measurements

The Company's assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2026 and December 31, 2025 are measured in accordance with the standards of ASC 820, "*Fair Value Measurements and Disclosures*", which establishes a three-level valuation hierarchy for measuring fair value and expands financial statement disclosures about fair value measurements. The valuation hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level – 1	Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level – 2	Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level – 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company's financial instruments consist primarily of cash, cash equivalents, marketable securities, accounts payable and accrued liabilities. For accounts payable and accrued liabilities, the carrying amounts of these financial instruments as of September 30, 2026 and December 31, 2025 were considered representative of their fair values due to their short term to maturity.

The following tables summarize the Company's cash equivalents and marketable securities as of September 30, 2026 and December 31, 2025:

	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(in thousands)		
September 30, 2026				
Cash equivalents:				
Money market funds invested in government securities	$ 71,805	$ 71,805	$ —	$ —
U.S. Treasury Bills	—		—	—
Total cash equivalents	71,805	71,805	—	—
Marketable securities:				
U.S. Treasury Bills	51,672	51,672	—	—
U.S. Government securities	—	—		—
Total marketable securities	51,672	51,672	—	—
Total cash equivalents and marketable securities	$ 123,477	$ 123,477	$ —	$ —
December 31, 2025				
Cash equivalents:				
Money market funds invested in government securities	$ 78,930	$ 78,930	$ —	$ —
Total cash equivalents	78,930	78,930	—	—
Marketable securities:				
U.S. Government securities	51,440	—	51,440	—
Total marketable securities	51,440	—	51,440	—
Total cash equivalents and marketable securities	$ 130,370	$ 78,930	$ 51,440	$ —

The accrued interest receivable related to the Company's investments was $0.2 million and $0.7 million as of September 30, 2026 and December 31, 2025, respectively, and it is included in prepaid expenses and other current assets on the condensed consolidated balance sheet.

The Company classifies its money market funds and U.S. treasury bills, which are valued based on quoted market prices in active markets with no valuation adjustment, as Level 1 assets within the fair value hierarchy.

The Company classifies its investments in U.S. government and agency securities, corporate commercial paper, and corporate bonds, if any, as Level 2 assets within the fair value hierarchy. The fair values of these investments are estimated by taking into consideration valuations obtained from third-party pricing services. The pricing services utilize industry standard valuation models, including both income- and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker/dealer quotes on the same or similar securities, issuer credit spreads, benchmark securities, prepayment/default projections based on historical data and other observable inputs.

As of September 30, 2026 and December 31, 2025, the unrealized losses for available-for-sale investments were non-credit related, and the Company does not intend to sell the investments that were in an unrealized loss position, nor will it be required to sell those investments before recovery of their amortized cost basis, which may be maturity. As of September 30, 2026 and December 31, 2025, no allowances for credit losses for the Company's investments were recorded. During the three and nine months ended September 30, 2026 and 2025, the Company did not recognize any impairment losses related to investments.

As of September 30, 2026 and December 31, 2025, the Company's cash equivalents and marketable securities consisted of a U.S. government money market fund, U.S. Treasury Bills, and U.S. government and agency securities, all held in our name in a separate custody account with U.S. Bank. The U.S. government money market fund has same-day liquidity access and the U.S. government and agency securities all have maturities of 360 days or less.

Marketable Securities

The following table summarizes the Company's marketable securities as of September 30, 2026 and December 31, 2025:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
September 30, 2026				
Assets:				
U.S. Treasury Bills	$ 51,691	$ —	$ (19)	$ 51,672
U.S. Government securities	$ —			
Total marketable securities	$ 51,691	$ —	$ (19)	$ 51,672
December 31, 2025				
Assets:				
U.S. Government securities	$ 51,386	54	—	$ 51,440
Total marketable securities	$ 51,386	$ 54	$ —	$ 51,440

As of September 30, 2026 and December 31, 2025, the Company held no investments that have been in a continuous loss position for 12 months or longer.

4.Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	September 30, 2026	December 31, 2025
	(in thousands)	
Prepaid research and development expenses	$ 6,951	$ 3,666
Interest receivable	216	747
Prepaid insurance	95	504
Other prepaid expenses and other assets	234	253
	$ 7,496	$ 5,170

5.Fixed Assets

Fixed assets, net consisted of the following:

	Useful Life	September 30, 2026	December 31, 2025
		(in thousands)	
Computer equipment	5 years	$ 170	$ 130
Lab equipment	5 years	1,754	1,737
Furniture and fixtures	7 years	642	555
Leasehold improvements	lease term	107	93
		2,673	2,515
Less: Accumulated depreciation		(2,076)	(1,893)
		$ 597	$ 622

Depreciation expense was $0.1 million and $0.2 million for the three and nine months ended September 30, 2026, respectively. Depreciation expense was $0.1 million and $0.3 million for the three and nine months ended September 30, 2025, respectively. In addition, for the three and nine months ended September 30, 2026 and 2025, there was less than $0.1 million of depreciation related to sublet assets recorded as other expense.

6.Accrued Expenses

Accrued expenses consisted of the following:

	September 30, 2026	December 31, 2025
	(in thousands)	
Accrued research and development expenses	$ 25,404	$ 53,914
Accrued payroll and related expenses	2,618	3,783
Accrued other	1,133	777
	$ 29,155	$ 58,474

7.Stockholders' Equity and Stock Options

Common Stock

At the Company's annual meeting of stockholder on May 19, 2026, the Company's stockholders approved an increase in the number of authorized shares of common stock, par value $0.001 per share from 115,000,000 shares to 215,000,000 shares. As of September 30, 2026, the Company's Ninth Amended and Restated Certificate of Incorporation, as amended, authorized the Company to issue up to 215,000,000 shares of common stock, par value $0.001 per share, of which 104,634,619 shares were issued and outstanding, and up to 5,000,000 shares of undesignated preferred stock, par value $0.001 per share, of which 500,000 shares were issued and outstanding.

The voting, dividend and liquidation rights of the holders of the Company's common stock are subject to and qualified by the rights, powers and preferences of the holders of the preferred stock. Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Common stockholders are entitled to receive dividends, as may be declared by the board of directors of the Company (the "Board"), if any. No cash dividends have been declared or paid to date.

In July 2025, the Company sold 21,562,500 shares of its common stock in an underwritten public offering at a price of $3.20 per share and received net proceeds of approximately $65.0 million.

In February 2026, the Company sold 23,000,000 shares of its common stock in an underwritten public offering at a price of $5.00 per share and received net proceeds of approximately $107.6 million.

ATM Agreement

In May 2024, the Company entered into a sales agreement (the "ATM Agreement") with Guggenheim Securities, LLC in connection with the establishment of an "at-the-market" offering program under which the Company could sell up to an aggregate of $100 million of shares of common stock (the "ATM Shares") from time to time.

During the three months ended September 30, 2026, the Company sold 751,682 shares of its common stock under the ATM agreement at a weighted-average price of $4.19 per share and received net proceeds of approximately $3.1 million. The ATM Agreement has $96.9 million which remains available for sale.

Preferred Stock

In December 2025, the Company entered into an exchange agreement (the "Exchange Agreement") with Blue Owl Healthcare Opportunities IV Public Investments LP (the "Stockholder") pursuant to which the Stockholder exchanged 2,500,000 shares of the Company's common stock for 250,000 shares of newly designated Series A Convertible Preferred Stock of par value $0.001 per share (the "Series A Preferred Stock"). In January 2026, the Stockholder exchanged an additional 2,500,000 shares of the Company's common stock for an additional 250,000 shares of Series A Preferred Stock.

Each share of the Series A Preferred Stock will be convertible into ten shares of common stock at the option of the holder at any time, subject to certain limitations, including that the holder will be prohibited from converting preferred stock into common stock if, as a result of such conversion, the holder, together with its affiliates, would

beneficially own a number of shares of common stock more than 9.99% of the total common stock then issued and outstanding immediately following the conversion of such shares of Series A Preferred Stock. Holders of the Series A Preferred Stock are permitted to increase this percentage to an amount not to exceed 19.99% upon 60 days' notice.

Shares of Series A Preferred Stock will generally have no voting rights, except as required by law and except that the consent of a majority of the holders of the outstanding Series A Preferred Stock will be required to amend the terms of the preferred stock. In the event of the Company's liquidation, dissolution or winding up, holders of Series A Preferred Stock will participate pari passu with any distribution of proceeds to holders of common stock, calculated on an as-converted basis. Holders of preferred stock are entitled to receive when, as, and if dividends are declared and paid on the common stock, an equivalent dividend, calculated on an as-converted basis. Shares of Series A Preferred Stock are otherwise not entitled to dividends.

The Series A Preferred Stock ranks on parity with the common stock and any class or series of capital stock of the Company created specifically ranking by its terms on parity with the preferred stock. Additionally, it ranks senior to any class or series of capital stock of the Company hereafter created specifically ranking by its terms junior to the preferred stock and junior to any class or series of capital stock of Larimar created specifically ranking by its terms senior to any preferred stock, in each case, as to distributions of assets upon liquidation, dissolution or winding up of the Company, whether voluntarily or involuntarily.

2020 Equity Incentive Plan

The Board adopted the 2020 Equity Incentive Plan (the "2020 Plan") on July 16, 2020 and the stockholders of the Company approved the 2020 Plan on September 29, 2020. The 2020 Plan replaced the predecessor plans (the ("Prior Plans") that the Company assumed following its merger with Zafgen in May 2020. Options outstanding under the Prior Plans will remain outstanding, unchanged, and subject to the terms of the Prior Plans and the respective award agreements, and no further awards will be made under the Prior Plans. However, if any award previously granted under the Prior Plans, expires, terminates, is canceled, or is forfeited for any reason after the approval of the 2020 Plan, the shares subject to that award will be added to the 2020 Plan share pool so that they can be utilized for new grants under the 2020 Plan.

The 2020 Plan provides for the grant of incentive stock options ("ISOs"), nonstatutory stock options ("NSOs"), stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based restricted stock units, and cash or other stock-based awards. ISOs may be granted only to the Company's employees, including the Company's officers, and the employees of the Company's affiliates. All other awards may be granted to the Company's employees, including the Company's officers, the Company's non-employee directors and consultants, and the employees and consultants of the Company's affiliates.

The maximum number of shares that may be issued in respect of any awards under the 2020 Plan is the sum of: (i) 1,700,000 shares plus (ii) an annual increase on January 1, 2021 and each anniversary of such date thereafter through January 1, 2030, equal to the lesser of (A) 4% of the shares issued and outstanding on the last day of the immediately preceding fiscal year, or (B) such smaller number of shares as determined by the Board (collectively, the "Plan Limit"). The maximum aggregate number of shares that may be issued under the 2020 Plan in respect of incentive stock options is 8,000,000 over the ten-year term of the 2020 Plan.

As permitted by the 2020 Plan, the Company added 3,323,616 and 2,552,603 shares available for grant to the 2020 Plan on January 1, 2026 and January 1, 2025, respectively. As of September 30, 2026, 1,086,494 shares of common stock were available for grant under the 2020 Plan.

Stock Options

As of September 30, 2026, the Company had 11,650,891 stock options vested or expected to vest. Of the 11,650,891 options vested and expected to vest, 9,852,437 were granted under the Company's 2020 Plan, 296,727 were granted under the previous Chondrial Therapeutics Inc. ("Chondrial") 2016 plan. (Chondrial merged with and into Zafgen in May of 2020 to form the Company), 1,160,000 Inducement option grants issued outside of the 2020 Plan, and 341,727 options previously granted under the Prior Plans. During the nine months ended September 30, 2026 and twelve months ended December 31, 2025, options to purchase 1,623 and 1,333 shares, respectively, issued under the Prior Plans were cancelled and became available for grant under the 2020 Plan.

The following table summarizes the Company's stock option activity under all plans as well as inducement grants for the nine months ended September 30, 2026 (amounts in millions, except for share, contractual term, and per share data):

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (a) (in millions)
Outstanding as of December 31, 2025	8,535,772	$ 6.51	7.2	
Options granted	3,461,240	3.49		
Options exercised	(4,000)	3.48		
Options forfeited/expired	(342,121)	4.98		
Outstanding as of September 30, 2026	11,650,891	$ 5.66	7.3	$ 0.4
Exercisable as of September 30, 2026	6,225,509	$ 7.37	5.9	$ 0.3
Vested and expected to vest as of September 30, 2026	11,650,891	$ 5.66	7.3	$ 0.4

(a)The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying options and the fair value of the common stock for the options that were ("in the money") as of September 30, 2026.

Options Granted Under the 2020 Plan

During the nine months ended September 30, 2026, the Company granted options to purchase 2,661,240 shares of common stock to employees and directors under the 2020 Plan. The options have an exercise price equal to the closing stock price as of the grant date. Of the 2,661,240 options granted, 2,385,490 were granted to employees and vest over four years, with 25% vesting on the first anniversary of the grant and the remainder vesting in equal monthly installments thereafter and 275,750 options were annual grants to the Company's directors and vest on the earlier of (i) one year from the grant date or (ii) the date of the Company's next annual meeting of stockholders. The weighted-average grant date fair value of options granted under the 2020 Plan during the nine months ended September 30, 2026 was $2.21.

As of September 30, 2026, total unrecognized compensation expense related to unvested stock options granted under the 2020 Plan was $12.4 million, which is expected to be recognized over a weighted average period of 2.25 years.

Inducement Stock Option Grants

During the nine months ended September 30, 2026, the Company granted an option to purchase 800,000 shares of common stock granted outside of the 2020 Plan. These grants were made pursuant to the Nasdaq inducement grant exception in accordance with Nasdaq listing rule 5635(c)(4). The options issued under this inducement grant have an exercise price equal to the closing stock price as of the grant date, and vest over four years, with 25% vesting on the first anniversary of the grant and the remainder vesting in equal monthly installments thereafter. The weighted-average grant date fair value of options granted under this inducement grant during the nine months ended September 30, 2026 was $2.53. There were no inducement grants in the nine months ended September 30, 2025.

As of September 30, 2026, total unrecognized compensation expense related to unvested inducement options granted was $2.2 million, which is expected to be recognized over a weighted average period of 3.74 years.

Restricted Stock Unit, Performance-Based Restricted Stock Unit, and Inducement Restricted Stock Unit Grants

As of September 30, 2026, the Company had 1,245,778 restricted stock units ("RSUs") expected to vest, including 995,778 RSUs granted under the 2020 Plan, 200,000 Performance-Based RSUs also granted under the 2020 Plan and 50,000 inducement RSUs granted outside of the 2020 Plan.

Activity with respect to the Company's RSUs, Performance-Based RSUs and inducement RSUs during the nine months ended September 30, 2026 was as follows (in millions, except share, contractual term, and per share data):

	Number of Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (a) (in millions)
Outstanding as of December 31, 2025	1,000,518	$ 4.03	1.2	
Restricted stock units granted	577,190	3.56		
Restricted stock units vested and released	(288,545)	4.37		
Restricted stock units forfeited	(43,385)	3.57		
Outstanding as of September 30, 2026	1,245,778	$ 3.75	1.3	$ 4.0
Unvested and expected to vest as of September 30, 2026	1,245,778	$ 3.75	1.3	$ 4.0

Restricted Stock Units Granted Under the 2020 Plan

RSUs are granted under the 2020 Plan to certain of the Company's employees in order to retain key employees. The value of an RSU award is based on the Company's stock price on the date of grant. The shares underlying the RSUs are not issued until the RSUs vest.

During the nine months ended September 30, 2026, the Company granted 527,190 shares of RSUs to employees under the 2020 Plan. The RSUs vest annually over four years and have a weighted-average grant date fair value of $3.60 per unit.

As of September 30, 2026, total unrecognized compensation expense for RSUs was $2.7 million, which is expected to be recognized over a weighted average period of 2.57 years.

Performance-Based Restricted Stock Unit Grants Under the 2020 Plan

In January 2025, the Company granted performance-based RSUs (the "January 2025 PSU Awards") to each of the four executive officers of the Company employed at that time under the 2020 Plan. Each award was expressed as a target number of RSUs. The January 2025 PSU Awards include two performance milestones.

The first milestone, which relates to 20% of each grant, will vest if the FDA accepts the filing of a BLA for accelerated approval of nomlabofusp by December 31, 2026. The second milestone, representing 80% of each grant will vest if the FDA approves the Company's nomlabofusp BLA within 12 months of the BLA acceptance (no later than December 31, 2027.) If the first milestone is not achieved by December 31, 2026, the full grant will be forfeited. As of September 30, 2026, the underlying performance criteria of the January 2025 PSU Awards were determined to not be probable of achievement for accounting purposes, and no stock-based compensation expense was recognized in either the three and nine months ended September 30, 2026 or 2025.

As of September 30, 2026, the January 2025 PSU Awards were outstanding covering 200,000 common stock underlying RSUs. The grant date fair value of the performance-based RSUs was $3.46 per unit based on the grant date closing price per share.

As of September 30, 2026, the underlying performance criteria of the January 2025 PSU Awards were determined to be not probable of achievement for accounting purposes, and no stock-based compensation expense was recognized for either the three and nine months ended September 30, 2026 and 2025.

Inducement Restricted Stock Unit Grant

During three months ended September 30, 2026, the Company granted 50,000 RSUs outside of the 2020 Plan. This grant was made pursuant to the Nasdaq inducement grant exception in accordance with Nasdaq listing rule 5635(c)(4). The RSUs issued under this inducement grant vest annually over four years in equal installments, beginning on the first anniversary of the grant date. The weighted-average grant date fair value of RSUs granted under this inducement grant was $3.14.

As of September 30, 2026, total unrecognized compensation expense related to unvested inducement RSU grants was $0.2 million, which is expected to be recognized over a weighted average period of 4.0 years.

Stock Option Valuation

The following table presents, on a weighted average basis, the assumptions used in the Black-Scholes option-pricing model to determine the grant-date fair value of stock options granted to employees during the nine months ended September 30, 2026:

	September 30, 2026
Risk-free interest rate	4.28%
Expected term (in years)	6.19
Expected volatility	97%
Dividend yield	0.00%

Stock-Based Compensation

Stock-based compensation expense was classified in the condensed consolidated statements of operations as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Research and development	$ 1,006	$ 883	$ 3,106	$ 2,733
General and administrative	1,168	902	3,196	2,714
	$ 2,174	$ 1,785	$ 6,302	$ 5,447

8.Commitments and Contingencies

Intellectual Property Licenses

The Company is party to an exclusive License Agreement (the "IU License"), dated November 30, 2016, as amended, with Indiana University (“IU”). Such agreement provides for a transferable, worldwide license to certain patent rights regarding technology used by the Company with respect to the development of nomlabofusp.

In partial consideration for the right and license granted under the agreement, the Company will pay IU a royalty of a low single digit percentage of net sales of licensed products depending on whether there is a valid patent covering such products. As additional consideration for these agreements, the Company is obligated to pay IU certain remaining milestone payments of $2.0 million in the aggregate upon the achievement of certain developmental milestones ($0.7 million upon BLA filing and $1.3 million upon FDA approval). Additionally, the Company will also pay IU sublicensing fees ranging from a high-single digit to a low double-digit percentage of sublicense consideration depending on the Company’s achievement of certain regulatory milestones as of the time of receipt of the sublicense consideration. The Company is also obligated to reimburse IU for patent-related expenses. In the event that the Company disputes the validity of any of the licensed patents, the royalty rate would be tripled during such dispute. The Company is also obligated to pay to IU a minimum annual royalty of less than $0.1 million per annum.

The agreement continues from its effective date through the last to date of expiration of the licensed patent, unless earlier terminated by either party in accordance with the terms of the agreement.

We were previously a party to the License Agreement dated November 30, 2016, with Wake Forest University Health Sciences (“WFUHS”), which licensed certain patent rights regarding technology used by us with respect to the development of nomlabofusp in consideration for an obligation to pay WFUHS a royalty of a low single digit percentage of net sales of licensed products, certain milestones, and certain sublicensing revenue. The WFUHS license expired in December 2025 with the last to expire licensed patent.

Leases

Bala Cynwyd Office Space

On August 8, 2019, the Company entered into an operating lease for 4,642 square footage of office space in Bala Cynwyd, Pennsylvania, effective as of December 15, 2019, for a period of three years and six months with an option to extend the lease for three additional years. Due to required tenant improvements to be completed by the landlord, the Company did not take immediate possession of the leased property and the lease term commenced on February 15, 2020.

On March 9, 2023, the Company executed a lease extension agreement on its original 4,642 square footage of office space in Bala Cynwyd, Pennsylvania (which was set to expire in August 2023) and agreed to lease an additional 3,462 square feet of office space from the same landlord.

The lease extension on the original 4,642 square footage commenced on September 1, 2023 and the Company recorded a right of use asset and lease liability of $0.5 million as of that date.

The new lease on 3,462 additional square footage commenced on October 1, 2023 and the Company recorded a right of use asset and lease liability of $0.3 million as of that date.

On November 24, 2025, the Company executed the second amendment to the lease on the current 8,104 square footage of office space in Bala Cynwyd, Pennsylvania which was set to expire in August 2026 that extended the lease term on the then current 8,104 square footage through January 31, 2030 and agreed to lease an additional 7,107 square feet of space from the same landlord. The lease on the additional space commenced on April 14, 2026 and the Company recorded a right of use asset and lease liability of $1.5 million.

Boston Office Lease

In connection with the Company's 2020 merger with Zafgen, on May 28, 2020, the Company acquired a non-cancellable operating lease for approximately 17,705 square feet of office space (the "Premises"). The lease expires on October 30, 2029. As part of the agreement, the Company was initially required to maintain a letter of credit, of $1.3 million. In October 2024, pursuant to an agreement with the landlord acknowledging that we had achieved certain clinical development milestones required under the lease, this letter of credit was reduced to $0.6 million. In June 2026, upon the agreement with the landlord that we had achieved certain clinical development milestones required in the lease, this letter of credit was further reduced to $0.5 million. During both periods presented, this cash deposit is classified as restricted cash within the condensed consolidated financial statements. In addition to the base rent, the Company is also responsible for its share of operating expenses, electricity and real estate taxes, which costs are not included in the determination of the leases' right-of-use assets or lease liabilities. The right-of-use asset is being amortized to other income/(expense) over the remaining lease term as a result of the sublease described below.

On October 27, 2020, the Company entered into a sublease agreement (the "Sublease") with Massachusetts Municipal Association, Inc. (the "Subtenant"), whereby the Company sublet the entire Premises to the Subtenant. The initial term of the Sublease commenced on December 4, 2020 and continues until October 30, 2029. In connection with the Sublease, the Company evaluated the need for impairment under ASC 360 ("Impairment Testing: Long-Lived Assets Classified as Held and Used") and determined there was no impairment.

The Sublease provided for an initial annual base rent of $0.8 million, which increases annually up to a maximum annual base rent of $1.0 million. The Subtenant also is responsible for paying to the Company future increases in operating costs (commencing on January 1, 2022), future increases in annual tax costs (commencing July 1, 2021) and all utility costs (commencing March 1, 2021) attributable to the Premises during the term of the Sublease. As part of the Sublease, the subtenant deposited a letter of credit in the amount of $0.8 million to assure their performance under the sublease. If there are no uncured events of default under the sublease, the amount of this security deposit decreases over time to $0.4 million on the sixth anniversary of the Sublease. The Company records sublease income on this sublease on a straight-line basis as a component of other income/(expense).

Lab Space

On October 16, 2023, the Company entered into an operating lease for lab space in King of Prussia, Pennsylvania for a period of four years. Due to required tenant improvements to be completed by the landlord, the Company did not take immediate possession of the leased property. The actual lease term commenced on May 10, 2024. Upon commencement of the lease term, the Company recorded a right of use asset and lease liability of $0.5 million which are reflected in these condensed consolidated financial statements.

Lease Expense

Expense arising from operating leases was $0.2 million and $0.5 million during the three and nine months ended September 30, 2026, respectively. Expense arising from operating leases was $0.1 million and $0.4 million during the three and nine months ended September 30, 2025, respectively. For operating leases, the weighted-average remaining lease term for leases as of September 30, 2026 and December 31, 2025 was 3.1 and 3.6 years,

respectively. For operating leases, the weighted average discount rate for leases as of September 30, 2026 and December 31, 2025 was 11.0%. The Company has not entered into any financing leases.

Maturities of lease liabilities due under these lease agreements as of September 30, 2026 are as follows:

(in thousands)	Operating Leases
Three months ending December 31, 2026	$ 454
Year ended December 31, 2027	1,830
Year ended December 31, 2028	1,753
Year ended December 31, 2029	1,532
Thereafter	48
Total lease payments	5,617
Less: imputed interest	(842)
Present value of lease liabilities	$ 4,775

Legal Proceedings

The Company is not currently a party to any litigation, nor is management aware of any pending or threatened litigation against the Company, that it believes would materially affect the Company's business, operating results, financial condition or cash flows.

9.Net Loss Per Share Giving Effect to Exchange of Common Stock to Series A Preferred Stock

The following table sets forth the computation of basic and diluted net loss per share for the three and nine months ended September 30, 2026 (in thousands, except share and per share amounts). For purposes of earnings per share, the Series A Preferred Stock have the same characteristics as common stock and have no liquidation or other material preferential rights over common stock and accordingly, have been considered as a second class of common stock in the computation of net loss per share regardless of their legal form. Losses are allocated between the common shares and the Series A Preferred Stock on a pro rata basis as they share equally in losses and residual net assets on an as-converted basis.

	Three Months Ended September 30, 2026	Nine Months Ended September 30, 2026
Net Loss	$ (31,135)	$ (93,530)
Allocation of net loss to common	(29,710)	(89,213)
Allocation of net loss to Series A Preferred	(1,425)	(4,317)
Weighted average shares of common stock outstanding, basic and diluted	104,211,155	99,355,705
Weighted average shares of Series A Preferred outstanding, basic and diluted	500,000	480,769
Net loss per share of common stock, basic and diluted	$ (0.29)	$ (0.90)
Net loss per share of Series A Preferred, basic and diluted	$ (2.85)	$ (8.98)

The weighted average number of Series A Preferred Stock reflects only the period of time that this class of securities has been newly designated and issued.

The Company excluded the options below to purchase common stock, unreleased restricted stock units, and performance-based restricted stock units outstanding as of September 30, 2026 and 2025, respectively, from the computation of diluted net loss per share for the nine months ended September 30, 2026 and 2025, respectively,

because they had an anti-dilutive impact due to the net loss incurred for the periods. Additionally, the as-converted preferred shares have been excluded from diluted earnings per share as the effect would not be dilutive.

	As of September 30,	
	2026	2025
Options to purchase common stock	11,650,891	8,608,341
Unvested restricted common stock	1,045,778	809,791
Unvested performance-based restricted common stock	200,000	200,000
	12,896,669	9,618,132

10.Related Party

During the nine months ended September 30, 2026, the Company sponsored patient and caregiver awareness events held by Friedreich's Ataxia Research Alliance ("FARA") for a cumulative $0.2 million. One of the Company's directors is a director of FARA.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q ("Quarterly Report"), and the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2025 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 19, 2026 (the "2025 Annual Report"). *Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks, uncertainties, and assumptions. These statements are based on our beliefs and expectations about future outcomes and are subject to risks and uncertainties that could cause our actual results to differ materially from anticipated results. We undertake no obligation to publicly update these forward-looking statements, whether as a result of new information, future events or otherwise. You should read the "Risk Factors" section included in our 2025 Annual Report, as well as the additional risk factor included in Part II , "Other Information", Part 1A, "Risk Factors"' in addition to the "Cautionary Note Regarding Forward-Looking Statements" sections of this Quarterly Report for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.*

Overview

We are a clinical-stage biotechnology company focused on developing treatments for patients suffering from complex rare diseases using our novel cell penetrating peptide ("CPP") technology platform. Our lead product candidate, nomlabofusp, is a subcutaneously administered, recombinant fusion protein intended to deliver tissue frataxin ("FXN"), an essential protein, to the mitochondria of patients with Friedreich's ataxia ("FA"). FA is a rare, progressive, and fatal disease in which patients are unable to produce sufficient FXN due to a genetic abnormality. Currently, there are no treatment options that address the core deficit of FA, low levels of FXN. Nomlabofusp represents the first potential therapy designed to systemically increase FXN levels in patients with FA.

We believe that our CPP platform, which enables a therapeutic molecule to cross a cell membrane in order to reach intracellular targets, also has the potential to enable the treatment of other rare and orphan diseases. We intend to use our proprietary platform to target additional orphan indications characterized by deficiencies in or alterations of intracellular content or activity.

Since our inception, we have devoted substantially all of our resources to developing nomlabofusp, building our intellectual property portfolio, developing third-party manufacturing capabilities, business planning, raising capital, developing sales and marketing capacities, and providing general and administrative support for such operations.

Nomlabofusp Program Update

We have Orphan Drug Designation, Fast Track Designation, Pediatric Rare Disease Designation and Breakthrough Therapy Designation from the FDA and have been granted orphan drug designation and access to the European Medicines Agency's ("EMA's") Priority Medicines Program ("PRIME") scheme in the European Union (the "EU"). We have also received access in the United Kingdom (the "UK") to the Medicines and Healthcare Regulatory Agency's ("MHRA") Innovative Licensing and Access Pathway ("ILAP"). These programs are designed to facilitate development of certain therapeutics such as those for rare and serious diseases, and those that have the potential to meet an unmet medical need.

In May 2024, the FDA's Center for Drug Evaluation and Research selected nomlabofusp as one of a few drug development programs for participation in the Support for Clinical Trials Advancing Rare Disease Therapeutics ("START") Pilot Program. The objective of the program is to accelerate the development of drugs for rare diseases that lead to significant disability or death by facilitating frequent advice and regular communication with the FDA staff to expedite the review process of biologics and drugs.

We have engaged in multiple discussions and interactions with the FDA in connection with our clinical development of nomlabofusp and communications remain ongoing. We have also had numerous interactions with the EMA, the MHRA, and Canada's Health Canada regarding the clinical development of nomlabofusp.

We have completed four clinical studies: (i) two Phase 1 clinical studies in adults, (ii) a Phase 2 dose exploration study in adults and (iii) a Phase 1 pharmacokinetic ("PK") run-in study in adolescents (12-17 years old). We currently have an ongoing open label ("OL") study (previously referred to as the Open Label Extension, ("OLE") study) in adults and adolescents with FA.

Recent significant developments are as follows:

•In February 2026, the FDA granted Breakthrough Therapy Designation ("BTD") to nomlabofusp for the treatment of adults and children with FA. The designation was based on the FDA's review of available clinical data from our ongoing OL study evaluating nomlabofusp in adult and pediatric patients with FA. BTD is intended to expedite the development and regulatory review of a drug intended to treat a serious condition. A drug is eligible for BTD if preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over available treatments in one or more clinically significant endpoints.

•In February 2026, as a result of a START pilot program meeting with the FDA, we announced continued alignment with the FDA to consider the use of skin FXN as a novel surrogate endpoint reasonably likely to predict clinical benefit to support a planned Biologics License Application ("BLA") submission seeking accelerated approval and that the use of FXN as a novel surrogate endpoint to support accelerated approval. There was also agreement on the type of analyses required to support the exposure response relationships for the nomlabofusp program. The FDA also stated that the adequacy of the safety database will be a matter of review at the time of BLA submission.

•In June 2026, following minutes from a multidisciplinary Type B pre-BLA meeting and FDA review of the nomlabofusp briefing package, we announced continued agreement with the FDA on key elements of a potential BLA submission including:

- oconfirmed that the existing data package appears capable of supporting submission and review of a BLA seeking accelerated approval based on data from the OL study; approval will be a matter of review;
- oreaffirmed its willingness to consider FXN as a novel surrogate endpoint and confirmed that our exposure-response analysis linking nomlabofusp exposure to clinical outcomes may support the BLA submission;
- ostated that the prospectively collected gene expression and lipid biomarker data may provide an opportunity to further characterize the biological activity of nomlabofusp beyond FXN tissue concentrations;
- oagreed to a rolling BLA submission.

•In June 2026, we submitted the first module of our rolling BLA submission.

•In June 2026, we reported open label study data. As of June 2026, 43 adolescent and adult participants in the OL study received at least one dose of nomlabofusp and 22 participants remain in the study with a maximum treatment duration of more than 800 days. More than 10,000 doses of nomlabofusp have been administered.

- oConsistent Long-term Safety Profile:
  - ▪Longer-term dosing was generally well tolerated with thirteen adults on treatment for one year, seven for 18 months and three for two years;
  - ▪The most common adverse events remained mild-to-moderate local injection site reactions, which decreased in frequency over time and did not lead to any withdrawals from the study;
  - ▪Twenty-one participants discontinued since study initiation in January 2024;
    - •Ten participants experienced anaphylaxis and discontinued the study, including nine participants with prior nomlabofusp exposure followed by a subsequent prolonged pause in treatment and then re-exposure; all participants who experienced anaphylaxis

responded to standard therapy and all returned to their usual state of health with no further sequelae;

•Three participants experienced generalized urticaria and discontinued participation in the study, with no new occurrences observed following initiation of antihistamine therapy;

•Other discontinuations included three associated with other adverse events and five discontinuations unrelated to treatment, primarily due to logistical factors such as the inconvenience of participating in a long-term study;

▪Of the eleven participants who had previously not been exposed to nomlabofusp, one had anaphylaxis;

oSustained Increases in Skin FXN Levels Comparable to Asymptomatic Carriers. Skin FXN levels increased following nomlabofusp administration, with 82% (9/11) of participants achieving levels above those in asymptomatic carriers by six months, 100% (9/9) reaching this threshold at one year, and 100% (3/3) maintaining it through 18 months;

oImprovements in Key Clinical Outcome Measures Relative to FACOMS Natural History Reference Group;

▪Directional improvement across key clinical endpoints, including the Modified Friedreich Ataxia Rating Scale (mFARS), the Friedreich Ataxia Rating Scale-Activities of Daily Living (FARS-ADL), 9-hole peg test (9-HPT) was sustained following one year of nomlabofusp treatment (n=13) relative to a worsening in those outcomes observed in the FACOMS reference group. Nomlabofusp treatment led to a 2.6-point benefit in mFARS compared to the FACOMS reference group at one year;

▪Improvement in clinical outcomes was associated with increased skin FXN levels, supporting the potential for nomlabofusp to provide clinical benefit across a broad spectrum of patients with FA, including those with advanced disease;

•In November 2026, we completed the submission of our rolling BLA with the FDA seeking accelerated approval based on increases in tissue frataxin concentrations as a potential novel surrogate endpoint. We have requested priority review of our BLA and have also requested issuance of the rare pediatric disease priority review voucher at the time of approval. Major amendments or other issues can extend the FDA review process and delay potential approval.

Patients are currently enrolling in FORWARD-FA, our global confirmatory Phase 3 study. We plan to have sites in the U.S., E.U., U.K., Canada and Australia. We have obtained feedback from both the FDA and the EMA on the study protocol.

Critical Accounting Policies and Significant Judgments and Estimates

Our condensed, consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles (“GAAP”). The preparation of our consolidated financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amount of assets, liabilities, costs and expenses, and related disclosures. We believe that the estimates and assumptions involved in the accounting policies described below may have the greatest potential impact on our consolidated financial statements and, therefore, consider these to be our critical accounting policies. We evaluate these estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions and conditions.

Research and Development Expense

Costs for certain research and development activities, such as manufacturing, clinical trials and non-clinical studies, are generally recognized based on the evaluation of the progress of completion of specific tasks using information and data provided by our vendors and collaborators, and accordingly, are considered an area of significant judgment and management's review of manufacturing, non-clinical, and clinical expenses. This process involves reviewing open contracts and purchase orders, communicating with our personnel, and outside vendors to identify services that have been performed on our behalf and estimating the level of service performed and the associated costs incurred for the services when we have not yet been invoiced or otherwise notified of the actual costs. We work with vendors and suppliers to ensure that our estimates of our research and development expenses are reasonable. We expect to increase our investment in research and development in order to advance nomlabofusp through additional clinical trials. As a result, we expect that our research and development expenses will continue to increase in the foreseeable future as we pursue clinical development of nomlabofusp, including manufacturing activities, and/or any other product candidates we develop.

Stock Compensation Expense

We measure all stock options granted to employees and directors based on the fair value on the date of grant using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the use of highly subjective assumptions which determine the fair value of stock-based awards. The assumptions used in our option-pricing model represent management's best estimates. These estimates are complex, involve a number of variables, uncertainties, and assumptions and the application of management's judgment, and thus are inherently subjective. If factors change and different assumptions are used, our stock-based compensation expense could be materially different in the future.

We measure restricted stock options and performance-based restricted stock units based on the grant-date fair value of based on the closing price of the Company's common stock on the date of grant (or, if the grant date is not a business day, the closing price on the preceding business day).

For restricted stock unit awards, we recognize expense over the expected service period of the recipient.

For restricted performance-based restricted stock awards we recognize expense over the estimated period the awards are expected to be earned; that period is the period once the performance objective is determined to be likely, once the performance goal is achieved.

The expected term of our stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The expected dividend yield considers the fact that we have never paid cash dividends on common stock and do not expect to pay any cash dividends in the foreseeable future.

Compensation expense of those awards is recognized over the requisite service period, which is generally the vesting period of the respective award. Typically, we issue awards with only service-based vesting conditions and record the expense for these awards using the straight-line method. We account for forfeitures as they occur.

In January 2025, our Board of Directors ("Board") approved the issuance of an aggregate of 200,000 performance-based restricted stock units ("RSUs") to certain of our executive officers (the "January 2025 PSU Awards").

The January 2025 PSU Awards include two performance milestones.

The first milestone, which relates to 20% of each grant, will vest if the FDA accepts the filing of a BLA for accelerated approval of nomlabofusp by December 31, 2026. The second milestone, representing 80% of each grant will vest if the FDA approves our BLA within 12 months of the BLA acceptance (no later than December 31, 2027.) If the first milestone is not achieved by December 31, 2026, the full grant will be forfeited.

As of September 30, 2026, the underlying performance criteria of the January 2025 PSU Awards were determined to be not probable of achievement for accounting purposes and no stock-based compensation expense was recognized for the three months ended September 30, 2026.

We classify stock-based compensation expense in our consolidated statements of operations and comprehensive loss in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

Financial Operations Overview

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products in the foreseeable future. If our development efforts result in clinical success and regulatory approval or collaboration agreements with third parties for our product candidates, we may generate revenue from those product candidates or collaborations.

Operating Expenses

The majority of our operating expenses since inception have consisted primarily of research and development activities, and general and administrative costs.

Research and Development Expenses

Research and development expenses, which consist primarily of costs associated with our product research and development efforts, are expensed as incurred. Research and development expenses consist primarily of:

•third-party contract costs relating to research, formulation, manufacturing, non-clinical studies-and clinical trial activities;

•employee related costs, including salaries, benefits and stock-based compensation expenses for employees and certain individual consultants engaged in scientific research and development functions;

•external costs of outside consultants and vendors;

•payments made under our third-party licensing agreements;

•laboratory consumables; and

•allocated facility-related costs.

At this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the clinical and commercial development of nomlabofusp, or any other product candidates we develop. We are also unable to predict when, if ever, material net cash inflows will commence from sales of our product candidates. The duration, costs, and timing of clinical trials and development of nomlabofusp or any other product candidates we develop will depend on a variety of factors, including:

•the scope, rate of progress and expense of clinical trials and other research and development activities;

•clinical trial results;

•uncertainties in clinical trial enrollment rate or design;

•significant and changing government regulation;

•the timing and receipt of any regulatory approvals;

•the influence of the FDA or other regulatory authorities on our clinical trial design and timing;

•establishing manufacturing capabilities or making arrangements with third-party manufacturers and risk involved with development of manufacturing processes, FDA pre-approval inspection practices and successful completion of manufacturing batches for clinical development and other regulatory purposes;

•our ability to obtain and maintain patent and trade secret protection and regulatory exclusivity for our product candidates; and

•our ability to recruit and retain key research and development personnel.

A change in the outcome of one or more of these variables with respect to the development of a product candidate could significantly change the costs, timing, and viability associated with the development of that product

candidate. For example, if the FDA or another regulatory authority were to require us to conduct additional non-clinical or clinical trials beyond those that we currently anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant delays in enrollment in any of our clinical trials, we could be required to expend significant additional financial resources and time on the completion of clinical development.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel costs, consisting of salaries, related benefits and stock-based compensation, costs related to our executive, finance, commercial, information technology, and costs related to other administrative functions. General and administrative expenses also include insurance expenses and professional fees for auditing, commercial readiness costs, tax, and legal services, including legal expenses to pursue patent protection for our intellectual property and related costs. We expect that our general and administrative expenses, including commercial expenses will increase in the foreseeable future as we hire additional employees to implement, improve, and scale our operational, financial, commercial and management systems.

Results of Operations

Comparison of three months ended September 30, 2026 and 2025

The following table summarizes our results of operations for the three months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		
	2026	2025	Increase (Decrease)
		(in thousands)	
Statement of Operations Data:			
Operating expenses:			
Research and development	$ 25,925	$ 44,931	$ (19,006)
General and administrative	6,539	4,568	1,971
Total operating expenses	32,464	49,499	(17,035)
Loss from operations	(32,464)	(49,499)	17,035
Other income (expense), net	1,329	1,787	(458)
Net loss	$ (31,135)	$ (47,712)	$ 16,577

Research and Development Expenses

Research and development expenses for the three months ended September 30, 2026 decreased $19.0 million compared to the three months ended September 30, 2025. The decrease in research and development expenses was primarily driven by a $19.3 million decrease in drug manufacturing activities at our third-party manufacturers.

General and Administrative expenses

General and administrative expenses for the three months ended September 30, 2026 increased $2.0 million compared to the three months ended September 30, 2025. The increase in general and administrative expenses primarily related to the acceleration of commercial activities as we prepare for the planned third quarter of 2027 launch of nomlabofusp, if approved. This included an increase of $0.6 million in professional fees related to commercial consulting services performed, an increase of $0.5 million in legal fees supporting commercialization and development efforts, an increase of $0.3 million of increased compensation costs associated with additional commercial and related headcount and an increase of $0.3 million of stock compensation costs related to grants issued in 2026.

Other Income (expense), net

Other income (expense), net was $1.3 million in the three months ended September 30, 2026 compared to $1.8 million income in the three months ended September 30, 2025. The decrease was primarily driven by lower interest and accretion income due to lower average investable cash, cash equivalents, and marketable securities balances.

Comparison of nine months ended September 30, 2026 and 2025

The following table summarizes our results of operations for the nine months ended September 30, 2026 and 2025:

	Nine Months Ended September 30,		
	2026	2025	Increase (Decrease)
		(in thousands)	
Statement of Operations Data:			
Operating expenses:			
Research and development	$ 78,956	$ 94,851	$ (15,895)
General and administrative	18,976	13,628	5,348
Total operating expenses	97,932	108,479	(10,547)
Loss from operations	(97,932)	(108,479)	10,547
Other income (expense), net	4,402	5,304	(902)
Net loss	$ (93,530)	$ (103,175)	$ 9,645

Research and Development Expenses

Research and development expenses for the nine months ended September 30, 2026 decreased $15.9 million compared to the nine months ended September 30, 2025. The decrease in research and development expenses was primarily driven by a $20.1 million decrease in drug manufacturing activities at our third-party manufacturers, partially offset by an increase of $4.1 million in professional, software and consulting fees associated with our ongoing and planned clinical trials, data analysis costs, FDA inspection readiness expenditures, as well as Biologics License Application preparation costs.

General and Administrative expenses

General and administrative expenses for the nine months ended September 30, 2026 increased $5.3 million compared to the nine months ended September 30, 2025. The increase in general and administrative expenses primarily related to the acceleration of commercial activities as we prepare for the planned third quarter 2027 launch of nomlabofusp, if approved. This included an increase of $2.2 million in professional fees related to commercial consulting services performed, an increase of $1.3 million of increased compensation costs associated with additional commercial and related headcount, an increase of $1.0 million in legal fees supporting commercialization and development efforts and an increase of $0.5 million of stock compensation costs related to grants issued in 2026 primarily associated with increased headcount period over period.

Other Income (expense), net

Other income (expense), net was $4.4 million income in the nine months ended September 30, 2026 compared to $5.3 million income in the nine months ended September 30, 2025. The decrease was primarily driven by lower interest and accretion income due to lower interest yields and lower average investable cash, cash equivalents, and marketable securities balances.

Financing Activities, including Recent Material Financings

We have funded our operations to date primarily with proceeds from sales of common stock, proceeds from the sale of prefunded warrants for the purchase of common stock, the acquisition in 2020 of cash, cash equivalents, marketable securities, and restricted cash upon the merger with Zafgen, Inc. (“Zafgen”) and prior to the 2020 merger with Zafgen, capital contributions from Chondrial Holdings, LLC.

In July 2025, we completed an underwritten public offering in which we issued and sold 21,562,500 shares of our common stock, including the exercise in full of the underwriters' option to purchase additional shares, at a public offering price of $3.20 per share. We received net proceeds of approximately $65.0 million, after deducting underwriting discounts, commissions and other offering expenses.

In February 2026, we completed an underwritten public offering in which we issued and sold 23,000,000 shares of our common stock, including the exercise in full of the underwriters' option to purchase additional shares, at a public offering price of $5.00 per share. We received net proceeds of approximately $107.6 million, after deducting underwriting discounts, commissions, and other offering expenses.

During the three months ended September 30, 2026, the Company sold 751,682 shares of its common stock under the ATM agreement at a weighted-average price of $4.19 per share and received net proceeds of approximately $3.1 million. $96.9 million remains available for sale under the ATM Agreement.

Cash Flows

The following table summarizes our sources and uses of cash for each of the periods presented below:

	Nine Months Ended September 30,	
	2026	2025
	(in thousands)	
Net cash used in operating activities	$ (119,830)	$ (74,674)
Net cash provided by (used in) investing activities	522	66,309
Net cash provided by financing activities	110,732	65,287
Net increase (decrease) in cash, cash equivalents and restricted cash	$ (8,576)	$ 56,922

Net cash used in operating activities

During the nine months ended September 30, 2026, operating activities used $119.8 million of cash, resulting from our net loss of $93.5 million, adjusted for noncash expenses of $5.4 million and changes in our operating assets and liabilities resulting in a use of cash of $31.7 million. Our net loss was primarily attributed to research and development activities related to our nomlabofusp program and our general and administrative expenses as described above. Noncash expenses primarily relate to stock-based compensation expenses. The change in operating assets and liabilities was primarily due to decreases in cash, marketable securities, accounts payable, and accrued expenses.

During the nine months ended September 30, 2025, operating activities used $74.7 million of cash, resulting from our net loss of $103.2 million, adjusted for noncash expenses of $4.0 million and changes in our operating assets and liabilities resulting in a source of cash of $24.5 million. Our net loss was primarily attributed to research and development activities related to our nomlabofusp program and our general and administrative expenses as described above. Noncash expenses primarily relate to stock-based compensation expenses. The change in operating assets and liabilities was primarily due to increases in prepaid expenses, accounts payable, and accrued expenses.

Net cash provided by (used in) investing activities

During the nine months ended September 30, 2026, investing activities provided $0.5 million of cash from the maturities of marketable securities partially offset by purchase of marketable securities and purchases of property and equipment.

During the nine months ended September 30, 2025, investing activities provided $66.3 million. This source of cash resulted from the maturities of $150.0 million of marketable securities partially offset by purchases of $83.6 million of marketable securities.

Net cash provided by financing activities

During the nine months ended September 30, 2026, financing activities provided $110.7 million of cash flows from offerings of common stock.

During the nine months ended September 30, 2025, financing activities provided $65.3 million of cash flows from an offering of common stock.

Operating Capital Requirements

Since our inception, we have not generated any revenue from any sources, including from product sales, and have incurred significant operating losses and negative cash flows from our operations. We have incurred net losses of approximately $93.5 million and $103.2 million for the nine months ended September 30, 2026 and 2025, respectively. As of September 30, 2026, we had an accumulated deficit of $528.4 million. We have devoted substantially all of our resources to developing nomlabofusp, building our intellectual property portfolio, developing

third-party manufacturing capabilities, business planning, commercial readiness, capital raising, and providing general and administrative support for such operations.

As of September 30, 2026, we had approximately $128.7 million of cash, cash equivalents and marketable securities. In accordance with Accounting Standards Update ("ASU") No. 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern", we have evaluated whether there are certain conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that these unaudited condensed consolidated financial statements are issued. These cash resources are not sufficient to fund our planned operations for a period of at least one year from the date these financial statements are issued. While we expect our cash, cash equivalents and marketable securities will fund our forecasted operating expenses and capital expenditure requirements into late Q2 2027. If we encounter unexpected delays in, or if there are other unanticipated changes to our operating plan from our current assumptions that negatively impact our operations, we may reduce expenditures in order to further extend our existing cash resources.

We expect to incur significant expenses and operating losses for the foreseeable future as we continue to incur expenses in connection with our ongoing activities, if and as we:

- seek to identify and advance development of additional product candidates into clinical development and identify additional indications for our product candidates;
- identify, acquire or in-license other product candidates and technologies;
- maintain, leverage and expand our intellectual property portfolio; and
- expand our operational, financial, commercial and management systems and personnel, including personnel to support our clinical development and future commercialization efforts and our operations as a public company.

Until we can generate substantial revenue, if ever, we will need to raise additional capital to fund our ongoing operations, and continue to evaluate opportunities to further finance our operating cash needs through a combination of some, or all, of the following: equity, debt and royalty offerings, collaborations, strategic alliances, and/or marketing, distribution or licensing arrangements. There is no assurance, however, that additional financing will be available when needed or that we will be able to obtain financing on terms acceptable to us. If we are unable to obtain funding when required in the future, we could be required to delay, reduce, or eliminate research and development programs, or commercialization efforts, which could adversely affect our business prospects. These conditions raise substantial doubt about our ability to continue as a going concern.

Off-Balance Sheet Arrangements

During the periods presented we did not have, and we currently do not have, any off-balance sheet arrangements, as defined under applicable SEC rules, such as relationships with unconsolidated entities or financial partnerships, which are often referred to as structured finance or special purpose entities, established for the purpose of facilitating financing transactions that are not required to be reflected on our balance sheets.

Recently Issued Accounting Pronouncements

Please read Note 2 to our condensed consolidated financial statements included in Part I of Item 1 of this Quarterly Report on Form 10-Q for a description of recent accounting pronouncements applicable to our business, if any.

Other Company Information

None.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a "smaller reporting company" as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and are not required to provide the information under this item.

Item 4. Controls and Procedures

We maintain “disclosure controls and procedures,” as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosure.

The design of any disclosure controls and procedures is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

With respect to the quarter ended September 30, 2026, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective.

Management does not expect that our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a cost-effective control system, no evaluation of internal control over financial reporting can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been or will be detected.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that have occurred during the fiscal quarter ended September 30, 2026, which have materially affected or reasonably likely to materially affect our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are subject to claims in legal proceedings arising in the normal course of business. To our knowledge, during the nine months ended September 30, 2026, there were none, and as of the date of this Quarterly Report, there are no threatened or pending legal actions that could reasonably be expected to have a material adverse effect on our business, financial condition, results of operations, or cash flows.

Item 1A. Risk Factors

You should carefully consider the risk factors described in our 2025 Annual Report under the caption "Item 1A. Risk Factors." Except as set forth below, there have been no material changes in our risk factors disclosed in our 2025 Annual Report. The risks described in our 2025 Annual Report are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or future results.

We completed the rolling submission of our BLA to the FDA for marketing approval of nomlabofusp using the accelerated approval pathway; however, there can be no assurance that the FDA will accept the BLA for filing or the FDA will approve our BLA submission for accelerated approval.

We completed the rolling submission of our BLA to the FDA in November 2026 to request marketing approval of nomlabofusp. The FDA may not accept the submission for filing or approve our BLA for a variety of reasons. The FDA may refuse to accept our planned BLA for substantive review (thereby issuing a "refuse to file" letter) or may conclude after review of our data that our application is insufficient to obtain an accelerated approval (thereby issuing a "complete response" letter). Further, as previously disclosed, the FDA stated that the adequacy of the safety database will be a matter of review at the time of BLA submission.

We also rely on third parties for non-clinical, clinical and manufacturing activities to support the conduct of our trials and our BLA submission. As part of the FDA review process, we are subject to inspections by FDA. Each of our third-party sites, vendors and suppliers including our clinical sites, non-clinical sites and manufacturing sites, are also subject to FDA inspections, and there is no guarantee that these sites will pass the FDA's inspection. Accordingly, any regulatory or other issues experienced by these third parties could impact the FDA's acceptance of our application or any subsequent approval. The FDA conducted a cGMP inspection of our third-party drug product (fill and finish) manufacturer and issued a Form 483 letter. The manufacturer is implementing a remediation plan to address the FDA's observations, but there can be no assurance that this plan will be adequate or address all the issues in a timely manner to the FDA's satisfaction, which could result in a delay in potential approval or launch. Our strategy is to have back-up sources for key components in our supply chain. As we are doing with our drug substance manufacturer, we are in the process of qualifying an additional drug product (fill and finish) manufacturer. The remediation of issues at our sites or vendors could have a material adverse effect on our business, operating results, financial condition and prospects.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements

During the quarter ended September 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified 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 exhibits filed as part of this Quarterly Report are set forth on the Exhibit Index, which is incorporated herein by reference.

EXHIBIT INDEX

Exhibit No.	Description
10.1*	Employment Agreement, dated September 3, 2026, by and between the Company and John B. Harlow, Jr.
10.2*	First Amendment to Employment Agreement, dated November 11, 2026, by and between the Company and John B. Harlow, Jr.
10.3*	Form of Restricted Stock Unit Award Agreement Non-Plan Inducement Award.
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tag re embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

LARIMAR THERAPEUTICS, INC.

Date: November 16, 2026

By: /s/ Carole S. Ben-Maimon, M.D.
Carole S. Ben-Maimon, M.D.
Chief Executive Officer
(Principal Executive Officer)

Date: November 16, 2026

By: /s/ Michael Celano
Michael Celano
Chief Financial Officer
(Principal Financial and Accounting Officer)