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

FORM 10-K

(Mark One)

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

For the Fiscal Year Ended March 31, 2026

OR

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

For the Transition Period from ____ to

Commission File No. 001-35996

VIVOSIM LABS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**27-1488943**
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification No.)*
11555 Sorrento Valley Rd, Suite 100 San Diego, CA *(Address of principal executive offices)*	**92121** *(Zip code)*

Registrant's telephone number, including area code: 858-224-1000

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

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	VIVS	The Nasdaq Stock Market LLC

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates based on the closing stock price as reported on the Nasdaq Capital Market on September 30, 2025, the last trading day of the registrant's most recently completed second fiscal quarter, was $7,538,844. For purposes of this computation only, shares of common stock held by each executive officer, director, and 10% or greater stockholders have been excluded in that such persons may be deemed affiliates.

The number of outstanding shares of the registrant's common stock, as of July 10, 2026 was 3,494,071.

VivoSim Labs, Inc.

Annual Report on Form 10-K

For the Year Ended March 31, 2026

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Important Information Regarding Forward-Looking Statements

Portions of this Annual Report on Form 10-K (including information incorporated by reference) ("Annual Report") include "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995, based on our current beliefs, expectations and projections regarding any strategic transaction process; the ability to advance our research and development activities and pursue development of any of our pipeline products; our technology; our product and service development opportunities and timelines; our business strategies; customer acceptance and the market potential of our technology; products and services; our future capital requirements; our future financial performance; and other matters. This includes, in particular, Item 1. "Business" and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report, as well as other portions of this Annual Report. The words "believe," "expect," "anticipate," "project," "could," "would," and similar expressions, among others, generally identify "forward-looking statements," which speak only as of the date the statements were made. The matters discussed in these forward-looking statements are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from those projected, anticipated or implied in the forward-looking statements. As a result, you should not place undue reliance on any forward-looking statements. The most significant of these risks, uncertainties and other factors are described in Item 1A. "Risk Factors" of this Annual Report. Except to the limited extent required by applicable law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

Item 1. Business.

Overview

VivoSim Labs, Inc. ("VivoSim," “we,” “us,” “our,” the “Company” and “our Company”), is a pharmaceutical and biotechnology services company that is focused on providing testing of drugs and drug candidates in three-dimensional (“3D”) human tissue models of liver and intestine. We offer partners liver and intestinal toxicology insights using our new approach methodologies ("NAM") models. We anticipate accelerated adoption of human tissue models following the U.S. Food and Drug Administration ("FDA") announcement on April 10, 2025 to refine animal testing requirements in favor of these non-animal NAM methods. We also expect to offer bespoke services in the areas of investigational toxicology, mechanism of drug action elucidation, and other applications of these complex human tissue models.

Prior to March 2025, we were a clinical stage biotechnology company that was focused on developing FXR314 in inflammatory bowel disease ("IBD"), including ulcerative colitis ("UC"), based on demonstration of clinical promise in 3D human tissues as well as strong preclinical data. Our clinical focus was in advancing FXR314 in IBD, including UC and Crohn’s disease. We planned to start a Phase 2a clinical trial in UC in the calendar year 2025 and were also exploring the potential for combination therapies using FXR314 and approved mechanisms in preclinical animal studies and our IBD disease models.

In March 2025, we sold our FXR program for $10.0 million, with $9.0 million paid at closing and $1.0 million held in escrow for a period of 15 months, with future milestones of up to $50.0 million in the aggregate to be paid if the lead asset, FXR314, hits key development, regulatory and commercial milestones. In July 2026, we received a milestone payment in the amount of $5.0 million upon the achievement of a certain development milestone related to FXR314.

Effective April 24, 2025, we changed our corporate name to VivoSim Labs, Inc. by filing a Certificate of Amendment to our Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware. We changed our name to reflect our new business model, which includes the use of other longstanding assets of the Company, intestinal and liver tox models and expertise, and our IP portfolio for 3D bioprinting.

We are now offering liver toxicology predictive screening and research services as well as working on predicting and studying the intestinal side effect profiles of drugs that are therapeutic candidates of pharmaceutical and biotech companies at all stages of drug development. Our services offer the potential benefit of reducing the significant risk and cost of bringing therapeutics to market through the regulatory process. It is estimated that less than 10% of drug candidates entering clinical trials are approved, with a portion of the failures due to unexpected liver toxicity or intestinal intolerability. In addition, even approved drugs are occasionally withdrawn after liver toxicity is determined to be caused by the drug in a phenomenon called drug induced liver injury. We presented findings at the May 2025 Digestive Disease Week scientific conference showing that our liver toxicology platform had a best-in-class predictive power. Our liver predictive power was shown to be 87.5% for a set of challenging liver toxicity cases – inclusive of classic cases of “liver tox misses” drugs with unforeseen liver toxicity found in clinical trials or drugs that were withdrawn from the market after liver toxicity issues emerged later. The platform identified correctly that 87.5% of the known liver-toxic drugs could be seen as liver toxic using NAMkind™ liver. This is known as the sensitivity of the platform, which we believe at 87.5% is a world’s best. Importantly, the specificity was 100%, meaning that none of the compounds tested that are not liver toxic were incorrectly identified as having liver toxicity issues by the platform.

We use our proprietary technologies to build functional 3D human tissues that mimic key aspects of native human tissue composition, architecture, function, and disease. We believe these attributes can enable critical complex, multicellular disease models that can be used to study and develop clinically effective drugs across multiple therapeutic areas.

We have also used these human disease models to identify new molecular targets responsible for driving IBD and to explore the mechanism of action of known drugs including JAK inhibitors and related molecules. A portion of our internal research continues to focus on early stage internal drug discovery programs, validating targets, and testing potentially licensable or transactable external drug compounds to identify drug candidates for partnering and/or internal clinical development.

Our Platform Technology

Our 3D human tissue platform is multifaceted. We have expertise in 3D organoids, such as spheroids, and have made significant advances in proprietary cell culture techniques including ratios, components, and conditions that remain protected as our trade secrets. We are developing novel human normal and disease models using high throughput systems, bioprinted and flow/stretch capable 3D systems as appropriate. Our expertise includes important technology such as proprietary bioprinting and related technologies for preparing bio-inks and bioprinting multicellular tissues with complex architecture, grounded in over a decade of peer-reviewed scientific publications. We have a broad portfolio of intellectual property rights covering the principles, enabling instrumentation,

applications, tissue constructs and methods of cell-based printing. We own or exclusively license more than 160 patents and pending applications worldwide covering specific tissue designs, uses, and methods of manufacture.

Intellectual Property

We rely on a combination of patents, trademarks, trade secrets, confidential know-how, copyrights, and a variety of contractual mechanisms such as confidentiality, material transfer, licenses, research collaboration, limited technology access, and invention assignment agreements to protect our intellectual property. Our intellectual property portfolio for our core technology was initially built through licenses from University of Missouri-Columbia ("MU") and the Medical University of South Carolina. We subsequently expanded our intellectual property portfolio by filing our own patent and trademark applications worldwide and negotiating additional licenses and purchases.

On an ongoing basis we review and analyze our full intellectual property portfolio to align it with our current business needs, strategies and objectives. Based on that ongoing review, selected patents and patent applications in various countries are or will be abandoned or allowed to lapse. The numbers provided herein are reflective of those changes.

We solely own or hold exclusive licenses to 39 issued U.S. patents and more than 50 issued international patents in foreign jurisdictions including Australia, Canada, China, Denmark, France, Great Britain, Germany, Ireland, Japan, Sweden, the Netherlands and Switzerland. We solely or jointly own or hold exclusive licenses to 4 pending U.S. patent applications and 2 pending international applications in foreign jurisdictions including Canada and the European Patent Office. These patent families relate to our bioprinting technology and our engineered tissue products and services, including our various uses in areas of tissue creation, in vitro testing, utilization in drug discovery, and in vivo therapeutics.

In-Licensed Intellectual Property

In 2009 and 2010, we obtained world-wide exclusive licenses to intellectual property owned by MU and the Medical University of South Carolina, which now includes 5 issued U.S. patents. Dr. Gabor Forgacs, one of our founders and a former George H. Vineyard Professor of Biophysics at MU, was one of the co-inventors of all of these works (collectively, the “Forgacs Intellectual Property”). The Forgacs Intellectual Property provides us with intellectual property rights relating to cellular aggregates, the use of cellular aggregates to create engineered tissues, and the use of cellular aggregates to create engineered tissue with no scaffold present. The intellectual property rights derived from the Forgacs Intellectual Property also enables us to utilize our NovoGen Bioprinter® to create engineered tissues.

The patent rights we obtained through these exclusive licenses are not only foundational within the field of 3D bioprinting but provide us with favorable priority dates. We are required to make ongoing royalty payments under these exclusive licenses based on net sales of products and services that rely on the intellectual property we in-licensed. For additional information regarding our royalty obligations see “Note 5. Collaborative Research, Development, and License Agreements” in the Notes to the Consolidated Financial Statements included in this Annual Report.

Company Owned Intellectual Property

In addition to the intellectual property we have in-licensed, we have historically innovated and grown our intellectual property portfolio.

With respect to our bioprinting platform, we have 12 issued U.S. patents and 15 issued foreign patents directed to our NovoGen Bioprinter® and methods of bioprinting: U.S. Patent Nos. 8,931,880, 9,149,952, 9,227,339, 9,315,043, 9,499,779, 9,855,369, 10,174,276, 10,967,560, 11,577,450, 11,577,451 and 11,413,805; Australia Patent Nos. 2015202836, 2013249569 and 2014296246; Canada Patent Nos. 2,812,766, 2,868,530 and 2,919,734; China Patent Nos. ZL201180050831.4 and ZL201480054148.1; European Patent Nos. 2838985, 2629975, and 3028042; Japan Patent Nos. 6333231, 6566426 and 6842918; and Russian Patent No. 2560393. These issued patents and pending patent applications carry remaining patent terms ranging from over 9 years to about 7 years.

Our NAMkind Human Liver Tissue is protected by U.S. Patent Nos. 9,222,932, 9,442,105, 10,400,219 and 11,127,774; Australia Patent Nos. 2014236780 and 2017200691; Canada Patent No. 2,903,844; and European Patent No. 2970896. Our Human Kidney Tissue is protected by U.S. Patent Nos. 9,481,868, 10,094,821, 10,962,526 and 11,867,689; Australian Patent No. 2015328173; Canadian Patent No. 2,962,778; Chinese Patent No. ZL201580066469.8; European Patent No. 3204488; and Japan Patent No. 7021177. These issued patents and pending patent applications carry remaining patent terms ranging from over 10 years to just over 8 years.

We currently have several patents and pending patent applications in the U.S. and globally that are directed to additional features on bioprinters, additional tissue types, their methods of fabrication, and specific applications.

Our U.S. Patent Nos. 9,855,369 and 9,149,952, which relate to our bioprinter technology, were the subject of *inter partes review* proceedings filed by Cellink AB and its subsidiaries (collectively, "BICO Group AB"), one of our competitors. Likewise, U.S. Patent Nos. 9,149,952, 9,855,369, 8,931,880, 9,227,339, 9,315,043 and 10,967,560 (all assigned to Organovo, Inc.) and U.S. Patent Nos. 7,051,654, 8,241,905, 8,852,932 and 9,752,116 (assigned to Clemson University and the University of Missouri, respectively) were implicated in a declaratory judgment complaint filed against Organovo, Inc., our wholly owned subsidiary, by BICO Group AB and certain of its subsidiaries in the United States District Court for the District of Delaware. All of these matters have since been settled in a favorable manner for the Company. Specifically, on February 23, 2022, we announced an agreement of a non-exclusive license for BICO Group AB and its affiliate companies to our foundational patent portfolio in 3D bioprinting.

On March 25, 2025, we sold our FXR program and related assets to Eli Lilly and Company (the "FXR Asset Sale"). The consideration for the FXR Asset Sale consisted of (i) an upfront cash payment by Lilly to us equal to $10.0 million, of which $9.0 million was paid at closing and the remaining $1.0 million was deposited into escrow for 15 months to satisfy claims for indemnification, (ii) the assumption by Eli Lilly and Company of certain liabilities related to the FXR program, and (iii) potential milestone payments by Eli Lilly and Company of up to $50.0 million in the aggregate, which are contingent upon the achievement of certain development, regulatory and commercial milestones. In July 2026, we received a milestone payment in the amount of $5.0 million upon the achievement of a certain development milestone related to the FXR Asset Sale.

Employees and Human Capital

As of June 1, 2026, we had 15 employees, of which 9 are full-time. We have also retained some of our former employees as consultants, in addition to a number of expert consultants in specific scientific and operational areas. Our employees are not represented by labor unions or covered under any collective bargaining agreements. We consider our relationship with our employees to be good.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain and motivate select employees, consultants, and directors through the granting of equity-based compensation awards.

Corporate Information

We are operating the business of our subsidiaries, including Organovo, Inc., our wholly-owned subsidiary, which we acquired in February 2012 and which was incorporated in Delaware in April 2007 and our wholly-owned subsidiary, VivoSim, Inc., which was incorporated in Delaware in May 2025. Effective April 24, 2025, we changed our corporate name to VivoSim Labs, Inc. Since April 24, 2025, our common stock has traded on the Nasdaq Capital Market under the symbol "VIVS." Between August 8, 2016 and April 24, 2025, our common stock traded on the Nasdaq Capital Market under the symbol "ONVO."

Our principal executive offices are located at 11555 Sorrento Valley Rd, Suite 100, San Diego CA 92121 and our phone number is (858) 224-1000. Our Internet website can be found at https://www.vivosim.ai. The content of our website is not intended to be incorporated by reference into this Annual Report or in any other report or document that we file.

Available Information

Our investor relations website is under development and will be live as soon as reasonably practicable and is expected to be located at https://www.vivosim.ai. We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Reports filed with the Securities and Exchange Commission (the "SEC") pursuant to the Exchange Act, including annual and quarterly reports, and other reports we file, are expected to be available free of charge, through our website once it is live. The content of our website is not intended to be incorporated by reference into this Annual Report or in any other report or document that we file. We intend to make them available on our website as soon as reasonably possible after we file them with the SEC. The reports we file with the SEC, as well as proxy and information statements and other information that we file electronically with the SEC, are also available on the SEC's website (http://www.sec.gov).

Item 1A. Risk Factors.

Investment in our common stock involves a substantial degree of risk and should be regarded as speculative. As a result, the purchase of our common stock should be considered only by persons who can reasonably afford to lose their entire investment. Before you elect to purchase our common stock, you should carefully consider the risk and uncertainties described below in addition to the other information incorporated herein by reference. Additional risks and uncertainties of which we are unaware or which we currently believe are immaterial could also materially adversely affect our business, financial condition or results of operations. If any of the risks or uncertainties discussed in this Annual Report occur, our business, prospects, liquidity, financial condition and results of operations could be materially and adversely affected, in which case the trading price of our common stock could decline, and you could lose all or part of your investment.

Risk Factor Summary

Below is a summary of the principal factors that make an investment in our common stock speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below and should be carefully considered, together with other information in this Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission before making investment decisions regarding our common stock.

- ***We will incur substantial additional operating losses over the next several years as our services and research and development activities proceed.***
- ***Using our platform technology to develop healthy human tissues and disease models to support both external and internal drug discovery and development is new and unproven.***
- ***We will require access to a constant, steady, reliable supply of human cells to support our services and research and development activities.***
- ***We may require substantial additional funding. Raising additional capital would cause dilution to our existing stockholders and may restrict our operations or require us to relinquish rights to our technologies or to a product candidate.***
- ***We will be supporting external clinical development through our services and pursuing our own R&D programs. Clinical drug development involves a lengthy and expensive process with uncertain timelines and uncertain outcomes, and results of earlier studies and trials may not be predictive of future results.***
- ***The near and long-term viability of our services and R&D efforts will depend on our ability to successfully establish strategic relationships.***
- ***Current and future legislation may increase the difficulty and cost of commercializing drug candidates and may affect the prices that can be charged if drug candidates are approved for commercialization.***
- ***Management has performed an analysis and concluded that substantial doubt exists about our ability to continue as a going concern. Separately, our independent registered public accounting firm has included in its opinion for the year ended March 31, 2026 an explanatory paragraph expressing substantial doubt in our ability to continue as a going concern, which may hinder our ability to obtain future financing.***
- ***We have a history of operating losses and expect to incur significant additional operating losses.***
- ***There is no assurance that an active market in our common stock will continue at present levels or increase in the future.***
- ***The price of our common stock may continue to be volatile, which could lead to losses by investors and costly securities litigation.***
- ***Patents covering our products could be found invalid or unenforceable if challenged in court or before administrative bodies in the United States or abroad.***
- ***We may be involved in lawsuits or other proceedings to protect or enforce our patents or the patents of our licensors, which could be expensive, time-consuming and unsuccessful.***

Risks Related to our Business

We are a pharmaceutical and biotechnology services company focusing on providing testing of drugs and drug candidates in 3D human tissue models, which is an unproven business strategy that may never achieve profitability.

We are a pharmaceutical and biotechnology services company that is focused on providing testing of drugs and drug candidates in three-dimensional (“3D”) human tissue models of liver and intestine. We offer our partners liver and intestinal toxicology insights

using our new approach methodologies ("NAM") models. We anticipate accelerated adoption of human tissue models following the U.S. Food and Drug Administration ("FDA") announcement on April 10, 2025 to refine animal testing requirements in favor of these non-animal NAM methods. We also expect to offer bespoke services in the areas of investigational toxicology, mechanism of drug action elucidation, and other applications of these complex human tissue models. These models may not be accepted by our partners. We may not be able to partner or license our drug candidates. We may never achieve profitability, or even if we achieve profitability, we may not be able to maintain or increase our profitability.

We will incur substantial additional operating losses over the next several years as our services and research and development activities proceed.

We will incur substantial additional operating losses over the next several years as our services and research and development activities proceed. The amount of future losses and when, if ever, we will achieve profitability are uncertain. Our ability to generate revenue and achieve profitability will depend on, among other things:

- entering into partnering arrangements with pharmaceutical companies to provide safety and toxicology assessment services;
- successfully developing human tissues and disease models for drug discovery and development that enable us to identify drug candidates;
- successfully outsourcing certain portions of our development efforts;
- entering into partnering or licensing arrangements with pharmaceutical companies to further develop and conduct clinical trials for any drug candidates we identify;
- obtaining any necessary regulatory approval for any drug candidates we identify; and
- raising sufficient funds to finance our activities and long-term business plan.

We might not succeed at any of these undertakings. If we are unsuccessful at one or more of these undertakings, our business, prospects, and results of operations will be materially adversely affected.

Using our platform technology to develop healthy human tissues and disease models to support both external and internal drug discovery and development is new and unproven.

Utilizing our 3D bioprinting platform technology to develop human tissues and disease models to support both internal and external drug discovery and development will involve new and unproven technologies, disease models and approaches, each of which is subject to the risk associated with new and evolving technologies. To date, we have not identified or developed any drug candidates utilizing our business model. We may experience unforeseen technical complications, unrecognized defects and limitations in our technology or our ability to develop disease models or identify viable drug candidates. These complications could materially delay or substantially increase the anticipated costs and time to identify and develop viable drug candidates, which would have a material adverse effect on our business and financial condition and our ability to continue operations.

We will face intense competition in our services and drug discovery efforts.

The biotechnology and pharmaceutical industry is subject to intense competition and rapid and significant technological change. There are many potential competitors for the services we will provide and our drug discovery efforts, including major drug companies, specialized biotechnology firms, academic institutions, government agencies and private and public research institutions. Many of these competitors have significantly greater financial and technical resources, experience and expertise in the following areas than we have, including:

- research and technology development;
- development of or access to disease models;
- identification and development of drug candidates;
- regulatory processes and approvals; and
- identifying and entering into agreements with potential collaborators.

Principal competitive factors in our industry include: the quality, scientific and technical support, management and the execution of drug development and regulatory approval strategies; skill and experience of employees, including the ability to recruit and retain skilled, experienced employees; intellectual property portfolio; range of capabilities, including drug identification, development and regulatory approval; and the availability of substantial capital resources to fund these activities.

In order to effectively compete, we may need to make substantial investments in our research and technology development, drug candidate identification and development, testing and regulatory approval and licensing and business development activities. There is no assurance that we will be successful in marketing our services or discovering effective drug candidates using our 3D tissue models or disease models using our 3D tissue models. Our technologies and drug development plans also may be rendered obsolete or noncompetitive as a result of drugs, intellectual property, technologies, products and services introduced by competitors. Any of these risks may prevent us from building a successful services and drug discovery business or entering into a strategic partnership or collaboration.

We will require access to a constant, steady, reliable supply of human cells to support our services and research and development activities.

As we pursue providing services and drug development through 3D tissues and disease models, we will require access to a constant, steady, reliable supply of human cells to support our 3D tissue activities. We purchase human cells from selected third-party suppliers based on quality assurance, cost effectiveness, and regulatory requirements. We need to continue to identify additional sources of qualified human cells and there can be no guarantee that we will be able to access the quantity and quality of raw materials needed at a cost-effective price. Any failure to obtain a reliable supply of sufficient human cells or a supply at cost effective prices would harm our business and our results of operations and could cause us to be unable to support our services platform and drug research and development efforts.

Our business will be adversely impacted if we are unable to successfully attract, hire and integrate key additional employees or contractors.

Our future success depends in part on our ability to successfully attract and then retain key additional executive officers and other key employees and contractors to support our services platform and drug discovery plans. Recruiting and retaining qualified scientific and clinical personnel is critical to our success. Competition to hire qualified personnel in our industry is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. If we are unable to attract and retain high quality personnel, our ability to pursue our services platform and drug discovery business will be limited, and our business, prospects, financial condition, and results of operations may be adversely affected.

We may require substantial additional funding. Raising additional capital would cause dilution to our existing stockholders and may restrict our operations or require us to relinquish rights to our technologies or to a product candidate.

We currently do not have any committed external source of funds and do not expect to generate any meaningful revenue in the foreseeable future. If our board of directors decides that we should pursue further research and development activities than already proposed, we will require substantial additional funding to operate our proposed business, including expanding our facilities and hiring additional qualified personnel, and we would expect to finance these cash needs through a combination of equity offerings, debt financings, government or other third-party funding and licensing or collaboration arrangements.

To the extent that we raise additional capital through the sale of equity or convertible debt, the ownership interests of our stockholders will be diluted. In addition, the terms of any equity or convertible debt we agree to issue may include liquidation or other preferences that adversely affect the rights of our stockholders. Convertible debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, and declaring dividends, and may impose limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. Moreover, we have the ability to sell up to $3.1 million of additional shares of our common stock to the public through an “at the market offering” pursuant to a Sales Agreement that we entered into with JonesTrading Institutional Services LLC on March 16, 2018 (the “Sales Agreement”). Any shares of common stock issued in the “at the market offering” (“ATM offering”) will result in dilution to our existing stockholders.

We currently have an effective shelf registration statement on Form S-3 filed with the Securities and Exchange Commission (the “SEC”), which we may use to offer from time to time any combination of debt securities, common and preferred stock and warrants. On March 16, 2018, we entered into the Sales Agreement pursuant to which we have the ability to sell shares of our common stock to the public through an ATM offering. As of March 31, 2026, we have issued and sold pursuant to the Sales Agreement an aggregate of 1,530,001 shares of our common stock for gross proceeds of approximately $52.0 million. However, in the event that the aggregate market value of our common stock held by non-affiliates (“public float”) is less than $75.0 million, the amount we can raise through primary public offerings of securities, including sales under the Sales Agreement, in any twelve-month period using shelf registration statements is limited to an aggregate of one-third of our public float. As of the date of filing of this Annual Report, our public float was less than $75.0 million, and therefore we are limited to an aggregate of one-third of our public float in the amount we could raise through primary public offerings of securities in any twelve-month period using shelf registration statements, with such public float recalculated at the time of sale. If our public float meets or exceeds $75.0 million at any time, we will no longer be subject to the

restrictions set forth in General Instruction I.B.6 of Form S-3. Although we would still maintain the ability to raise funds through other means, such as through the filing of a registration statement on Form S-1 or in private placements, the rules and regulations of the SEC or any other regulatory agencies may restrict our ability to conduct certain types of financing activities, or may affect the timing of and amounts we can raise by undertaking such activities.

Further, additional funds may not be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to curtail or cease our operations. Raising additional funding through debt or equity financing is likely to be difficult or unavailable altogether given the early stage of our technology and any drug candidates we identify. Furthermore, the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our common stock to decline further and existing stockholders may not agree with our financing plans or the terms of such financings.

We will be supporting external clinical development by third parties through our services and pursuing our own R&D programs. Clinical drug development involves a lengthy and expensive process with uncertain timelines and uncertain outcomes, and results of earlier studies and trials may not be predictive of future results.

Before obtaining marketing approval from regulatory authorities for the sale of any drug candidates we identify, any such drug candidates must undergo extensive clinical trials to demonstrate the safety and efficacy of the drug candidates in humans. Human clinical testing is expensive and can take many years to complete, and we cannot be certain that any clinical trials will be conducted as planned or completed on schedule, if at all. We may elect to complete this testing, or some portion thereof, internally or enter into a partnering or development agreement with a pharmaceutical company to complete these trials. Our inability, or the inability of any third party with whom we enter into a partnering or development agreement, to successfully complete preclinical and clinical development could result in additional costs to us and negatively impact our ability to generate revenues or receive development or milestone payments. Our future success is dependent on our ability, or the ability of any pharmaceutical company with whom we enter into a partnering or development agreement, to successfully develop, obtain regulatory approval for, and then successfully commercialize any drug candidates we identify.

Any drug candidates we identify will require additional clinical development, management of clinical, preclinical and manufacturing activities, regulatory approval in applicable jurisdictions, achieving and maintaining commercial-scale supply, building of a commercial organization, substantial investment and significant marketing efforts. We are not permitted to market or promote any of our drug candidates before we receive regulatory approval from the FDA or comparable foreign regulatory authorities, and we may never receive such regulatory approval for any of our drug candidates.

We, or any third party with whom we enter into a partnering or development agreement, may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to earn development or milestone payments or for any drug candidates to obtain regulatory approval, including:

- delays in or failure to reach agreement on acceptable terms with prospective contract research organizations (“CROs”) and clinical sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- failure to obtain sufficient enrollment in clinical trials or participants may fail to complete clinical trials;
- clinical trials of our drug candidates that may produce negative or inconclusive results, and as a result we, or any pharmaceutical company with who we enter into a partnering or development agreement, may decide, or regulators may require, additional clinical trials;
- suspension or termination of clinical research, either by us, any third party with whom we enter into a partnering or development agreement, regulators or institutional review boards, for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
- additional or unanticipated clinical trials required by regulators or institutional review boards to obtain approval or any drug candidates may be subject to additional post-marketing testing requirements to maintain regulatory approval;
- regulators may revise the requirements for approving any drug candidates, or such requirements may not be as anticipated;
- the cost of clinical trials for any drug candidates may be greater than anticipated;

- the supply or quality of any drug candidates or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate or may be delayed;
- unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements may negatively impact the supply chain or cause other disruption; and
- regulatory authorities may suspend or withdraw their approval of a product or impose restrictions on its distribution.

If we, or any third party with whom we enter into a partnering or development agreement, experience delays in the completion of, or termination of, any clinical trial of any drug candidates that we develop, or are unable to achieve clinical endpoints due to unforeseen events, the commercial prospects of our drug candidates will be harmed, and our ability to develop milestones, development fees or product revenues from any of these drug candidates will be delayed.

We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on potential product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we focus on research programs and potential product candidates that we identify for specific indications among many potential options. As a result, we may forego or delay pursuit of opportunities with other potential product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial medicines or profitable market opportunities. Our projections of both the number of people who have the diseases that our potential product candidates are intended to treat, as well as the subset of people with these diseases who have the potential to benefit from treatment with our potential product candidates, are based on estimates. If any of our estimates are inaccurate, the market opportunities for any of our potential product candidates could be significantly diminished and have an adverse material impact on our business. Additionally, the potentially addressable patient population for our potential product candidates may be limited, or may not be amenable to treatment with our potential product candidates. Our spending on current and future research and development programs and potential product candidates for specific indications may not yield any commercially viable product candidates. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing, or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate. Any such event could have a material adverse effect on our business, financial condition, results of operations and prospects.

We will rely upon third-party contractors and service providers for the execution of critical aspects of any future development programs. Failure of these collaborators to provide services of a suitable quality and within acceptable timeframes may cause the delay or failure of any future development programs.

We plan to outsource certain functions, tests and services to CROs, medical institutions and collaborators as well as outsource manufacturing to collaborators and/or contract manufacturers, and we will rely on third parties for quality assurance, clinical monitoring, clinical data management and regulatory expertise. We may elect, in the future, to engage a CRO to run all aspects of a clinical trial on our behalf. There is no assurance that such individuals or organizations will be able to provide the functions, tests, biologic supply or services as agreed upon or in a quality fashion and we could suffer significant delays in the development of our drug candidates or development programs.

In some cases, there may be only one or few providers of such services, including clinical data management or manufacturing services. In addition, the cost of such services could be significantly increased over time. We may rely on third parties and collaborators to enroll qualified patients and conduct, supervise and monitor our clinical trials. Our reliance on these third parties and collaborators for clinical development activities reduces our control over these activities. Our reliance on these parties, however, does not relieve us of our regulatory responsibilities, including ensuring that our clinical trials are conducted in accordance with Good Clinical Practice regulations and the investigational plan and protocols contained in the regulatory agency applications. In addition, these third parties may not complete activities on schedule or may not manufacture under Current Good Manufacturing Practice conditions. Preclinical or clinical studies may not be performed or completed in accordance with Good Laboratory Practices regulatory requirements or our trial design. If these third parties or collaborators do not successfully carry out their contractual duties or meet expected deadlines, obtaining regulatory approval for manufacturing and commercialization of our drug candidates may be delayed or prevented. We may rely substantially on third-party data managers for our clinical trial data. There is no assurance that these third parties will not make errors in the design, management or retention of our data or data systems. There is no assurance these third parties will pass FDA or regulatory audits, which could delay or prohibit regulatory approval.

In addition, we will exercise limited control over our third-party partners and vendors, which makes us vulnerable to any errors, interruptions or delays in their operations. If these third parties experience any service disruptions, financial distress or other business

disruption, or difficulties meeting our requirements or standards, it could make it difficult for us to operate some aspects of our business.

The near and long-term viability of our services platform and R&D efforts will depend on our ability to successfully establish strategic relationships.

The near and long-term viability of our services platform and R&D efforts depend in part on our ability to successfully establish new strategic partnering, collaboration and licensing arrangements with biotechnology companies, pharmaceutical companies, universities, hospitals, insurance companies and or government agencies. Establishing strategic relationships is difficult and time-consuming. Potential partners and collaborators may not enter into relationships with us based upon their assessment of our technology or drug candidates or our financial, regulatory or intellectual property position. If we fail to establish a sufficient number of strategic relationships on acceptable terms, we may not be able to develop and obtain regulatory approval for our drug candidates or generate sufficient revenue to fund further research and development efforts. Even if we establish new strategic relationships, these relationships may never result in the successful development or regulatory approval for any drug candidates we identify or the long-term viability of our services platform for a number of reasons both within and outside of our control.

Our ability to effectively monitor and respond to the rapid and evolving developments and expectations relating to sustainability, including environmental, social and governance factors may impose unexpected costs or results in reputational or other harm that could have a material adverse effect on our business.

There is an increasing focus from certain investors, employees, regulators, listing exchanges and other stakeholders concerning corporate responsibility and sustainability matters, including with regard to environmental, social and governance ("ESG") factors. Some investors and investor groups may use these factors—either positively or negatively—to guide their investment strategies and, in some cases, investors may choose not to invest in our Company if they believe our policies or practices relating to corporate responsibility and sustainability do not align with their expectations. Currently, a variety of third-party providers of corporate responsibility and sustainability ratings measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. Investors, particularly institutional investors, use these ratings to benchmark companies against their peers, and major institutional investors have publicly emphasized the importance of ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, companies' efforts and impacts on climate change, human rights, business ethics and compliance, diversity, equity and inclusion ("DEI") and the role of companies' board of directors in overseeing various sustainability-related issues. In light of investors' increased focus on sustainability matters, if we are, for example, perceived as lagging in taking steps with respect to ESG initiatives, certain investors may seek to engage with us on improving our ESG disclosures or performance. They may also make voting decisions, or take other actions to hold us and our board of directors accountable.

In addition, there are rapidly and on-going developments and changing expectations relating to sustainability matters. As a result, the criteria by which our corporate responsibility and sustainability practices are assessed may change, which cause us to undertake costly initiatives or actions to satisfy new demands. If we elect not to or are unable to adequately recognize and respond to such developments and changing governmental, societal, investor and/or consumer expectations relating to sustainability matters, we may miss corporate opportunities, become subject to additional scrutiny or incur unexpected costs.

We may face risk of litigation or reputational damage in the event our sustainability policies or practices do not meet the standards set by various constituencies. We may also face reputation damage if we are unable to achieve an acceptable sustainability rating from third-party rating services. A low sustainability rating by a third-party rating service could also result in the exclusion of our common stock from consideration by certain investors who may elect to invest with our competition instead. Ongoing focus on corporate responsibility and sustainability matters by investors and other parties as described above may impose additional costs or expose us to new risks. Any failure or perceived failure by us in this regard could have a material adverse effect on our reputation and on our business, share price, financial condition, or results of operations, including the sustainability of our business over time.

Further, our emphasis on sustainability issues may not maximize short-term financial results and may yield financial results that conflict with the market's expectations. We may in the future make business decisions consistent with our sustainability goals that we believe, based on considered analysis, will create value and improve our financial performance over the long-term. These decisions, however, may not be consistent with the short-term expectations of our stockholders and may not produce the long-term benefits that we expect, in which case our business, financial condition and results of operations could be harmed.

Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and share price.

Our business, financial condition and share price could be adversely affected by general conditions in the global economy and in the global financial markets. A severe or prolonged economic downturn could result in a variety of risks to our business, including our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our

suppliers, service providers, manufacturers or other partners and there is a risk that one or more would not survive or be able to meet their commitments to us under such circumstances. There can be no assurances that further deterioration in credit and financial markets and confidence in economic conditions will not occur. For example, U.S. debt ceiling and budget deficit concerns have increased the possibility of additional credit-rating downgrades and economic slowdowns, or a recession in the United States. Although U.S. lawmakers passed legislation to raise the federal debt ceiling on multiple occasions, including a suspension of the federal debt ceiling in June 2023, ratings agencies have lowered or threatened to lower the long-term sovereign credit rating on the United States. The impact of this or any further downgrades to the U.S. government's sovereign credit rating or its perceived creditworthiness could adversely affect the U.S. and global financial markets and economic conditions. Moreover, disagreement over the federal budget has caused the U.S. federal government to shut down for periods of time.

Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

Furthermore, the new U.S. administration has substantially departed from prior U.S. government international trade policy and has commenced activities to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries. In addition, the new U.S. administration has initiated or is considering imposing tariffs on certain foreign goods. Related to this action, certain foreign governments, including China, have instituted or are considering imposing reciprocal tariffs on certain U.S. goods. It remains unclear what the new U.S. administration or foreign governments will or will not do with respect to tariffs or other international trade agreements and policies. A trade war or other governmental action related to tariffs or international trade agreements or policies has the potential to disrupt our research activities, affect our suppliers, increase the cost of materials purchased to manufacture our potential products, impact our ability to sell our products outside the United States or to sell our products outside the United States at competitive prices and/or to affect the United States or global economy or certain sectors thereof and, thus, could adversely impact our business and financial condition.

Our use of generative artificial intelligence tools in our operations may expose us to risks related to confidentiality, accuracy, regulatory compliance and intellectual property ownership or rights.

We may utilize generative artificial intelligence ("AI") tools in certain aspects of our operations, including drafting, analysis, administrative functions and other business processes. While these technologies may enhance efficiency, their use involves risks and challenges that could adversely affect our business and reputation, including with regard to cybersecurity, data privacy, IT, confidentiality, regulatory, legal, operational, competitive, reputational and intellectual property, among others.

Generative AI platforms are typically operated by third-party providers and may process information through external systems. Although we maintain internal policies governing the use of such tools, there can be no assurance that confidential, proprietary or sensitive information will not be inadvertently disclosed, misused or accessed by unauthorized parties. Any such disclosure could result in reputational harm, competitive disadvantage, regulatory scrutiny or potential legal liability.

In addition, AI-generated outputs may contain inaccuracies, incomplete information, outdated data or unintended biases. If such outputs are relied upon without appropriate review and validation, they could impair internal decision-making or result in errors in communications or disclosures.

The legal and regulatory landscape surrounding artificial intelligence technologies is evolving. Future laws, regulations or regulatory interpretations could impose additional requirements or restrictions on the use of AI tools, increase compliance costs or limit our ability to utilize such technologies effectively.

Further, uncertainty regarding intellectual property ownership or rights associated with AI-generated materials may create additional legal risk. Any failure to appropriately manage the risks associated with our use of generative AI tools could adversely affect our operations, financial condition or results of operations.

Risks Related to Government Regulation

In the past, we have used hazardous chemicals, biological materials and infectious agents in our business. Any claims relating to improper handling, storage or disposal of these materials could be time consuming and costly.

Our product manufacturing, research and development, and testing activities have involved the controlled use of hazardous materials, including chemicals, biological materials and infectious disease agents. We cannot eliminate the risks of accidental contamination or the accidental spread or discharge of these materials, or any resulting injury from such an event. We may be sued for any injury or contamination that results from our use or the use by third parties of these materials, and our liability may exceed our insurance coverage and our total assets. Federal, state and local laws and regulations govern the use, manufacture, storage, handling and disposal of these hazardous materials and specified waste products, as well as the discharge of pollutants into the environment and human

health and safety matters. We were also subject to various laws and regulations relating to safe working conditions, laboratory and manufacturing practices, and the experimental use of animals. Our operations may have required that environmental permits and approvals be issued by applicable government agencies. If we failed to comply with these requirements, we could incur substantial costs, including civil or criminal fines and penalties, clean-up costs or capital expenditures for control equipment or operational changes necessary to achieve and maintain compliance.

If we fail to obtain and sustain an adequate level of reimbursement for our potential products by third-party payors, potential future sales would be materially adversely affected.

There will be no viable commercial market for our drug candidates, if approved, without reimbursement from third-party payors. Reimbursement policies may be affected by future healthcare reform measures. We cannot be certain that reimbursement will be available for any drug candidate we may develop. Additionally, even if there is a viable commercial market, if the level of reimbursement is below our expectations, our anticipated revenue and gross margins will be adversely affected.

Third-party payors, such as government or private healthcare insurers, carefully review and increasingly question and challenge the coverage of and the prices charged for drugs. Reimbursement rates from private health insurance companies vary depending on the company, the insurance plan and other factors. Reimbursement rates may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. There is a current trend in the U.S. healthcare industry toward cost containment.

Large public and private payors, managed care organizations, group purchasing organizations and similar organizations are exerting increasing influence on decisions regarding the use of, and reimbursement levels for, particular treatments. Such third-party payors, including Medicare, may question the coverage of, and challenge the prices charged for, medical products and services, and many third-party payors limit coverage of or reimbursement for newly approved healthcare products. In particular, third-party payors may limit the covered indications. Cost-control initiatives could decrease the price we might establish for products, which could result in product revenues being lower than anticipated. We believe our drugs will be priced significantly higher than existing generic drugs and consistent with current branded drugs. If we are unable to show a significant benefit relative to existing generic drugs, Medicare, Medicaid and private payors may not be willing to provide reimbursement for our drugs, which would significantly reduce the likelihood of our products gaining market acceptance.

We expect that private insurers will consider the efficacy, cost-effectiveness, safety and tolerability of our potential products in determining whether to approve reimbursement for such products and at what level. Obtaining these approvals can be a time consuming and expensive process. Our business, financial condition and results of operations would be materially adversely affected if we do not receive approval for reimbursement of our potential products from private insurers on a timely or satisfactory basis. Limitations on coverage could also be imposed at the local Medicare carrier level or by fiscal intermediaries. Medicare Part D, which provides a pharmacy benefit to Medicare patients as discussed below, does not require participating prescription drug plans to cover all drugs within a class of products. Our business, financial condition and results of operations could be materially adversely affected if Part D prescription drug plans were to limit access to, or deny or limit reimbursement of, our drug candidates or other potential products.

Reimbursement systems in international markets vary significantly by country and by region, and reimbursement approvals must be obtained on a country-by-country basis. In many countries, the product cannot be commercially launched until reimbursement is approved. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. The negotiation process in some countries can exceed 12 months. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our products to other available therapies.

If the prices for our potential products are reduced or if governmental and other third-party payors do not provide adequate coverage and reimbursement of our drugs, our future revenue, cash flows and prospects for profitability will suffer.

Current and future legislation may increase the difficulty and cost of commercializing drug candidates and may affect the prices that can be charged if drug candidates are approved for commercialization.

In the U.S. and some foreign jurisdictions, there have been a number of adopted and proposed legislative and regulatory changes regarding the healthcare system that could prevent or delay regulatory approval of drug candidates, restrict or regulate post-marketing activities and affect the ability to profitably sell any drug candidates for which regulatory approval is obtained.

In the U.S., the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (“MMA”) changed the way Medicare covers and pays for pharmaceutical products. Cost reduction initiatives and other provisions of this legislation could limit the coverage

and reimbursement rate that we receive for any of our approved products. While the MMA only applies to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates. Therefore, any reduction in reimbursement that results from the MMA may result in a similar reduction in payments from private payors.

In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively the "PPACA"), was enacted. The PPACA was intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against healthcare fraud and abuse, add new transparency requirements for healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. The PPACA increased manufacturers' rebate liability under the Medicaid Drug Rebate Program by increasing the minimum rebate amount for both branded and generic drugs and revised the definition of "average manufacturer price", which may also increase the amount of Medicaid drug rebates manufacturers are required to pay to states. The legislation also expanded Medicaid drug rebates and created an alternative rebate formula for certain new formulations of certain existing products that is intended to increase the rebates due on those drugs. The Centers for Medicare & Medicaid Services ("CMS"), which administers the Medicaid Drug Rebate Program, also has proposed to expand Medicaid rebates to the utilization that occurs in the territories of the U.S., such as Puerto Rico and the Virgin Islands. Further, beginning in 2011, the PPACA imposed a significant annual fee on companies that manufacture or import branded prescription drug products and required manufacturers to provide a discount, equal to 70% off, effective as of 2019, the negotiated price of prescriptions filled by beneficiaries in the Medicare Part D coverage gap, referred to as the "donut hole." Legislative and regulatory proposals have been introduced at both the state and federal level to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, such as bundled payment models. In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under government payor programs, and review the relationship between pricing and manufacturer patient programs. We also expect that additional U.S. federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that the U.S. federal government will pay for healthcare products and services, which could result in reduced demand for our drug candidates, if approved for commercialization.

In Europe, the United Kingdom withdrew from the European Union on January 31, 2020, and entered into a transition period that expired on December 31, 2020. A significant portion of the previous regulatory framework in the United Kingdom was derived from the regulations of the European Union. In 2021, the United Kingdom's Medicines and Healthcare products Regulatory Agency and the European Medicines Agency released guidance explaining the new regulatory framework. We cannot predict the consequences or impact that the new regulatory framework will have on our future operations, if any, in these jurisdictions.

In addition, on August 16, 2022, former President Biden signed into law the Inflation Reduction Act of 2022, which, among other things, includes policies that are designed to have a direct impact on drug prices and reduce drug spending by the federal government, which took effect in 2023. Under the Inflation Reduction Act of 2022, Congress authorized Medicare beginning in 2026 to negotiate lower prices for certain costly single-source drug and biologic products that do not have competing generics or biosimilars. This provision is limited in terms of the number of pharmaceuticals whose prices can be negotiated in any given year and it only applies to drug products that have been approved for at least 9 years and biologics that have been licensed for 13 years. Drugs and biologics that have been approved for a single rare disease or condition are categorically excluded from price negotiation. Further, the new legislation provides that if pharmaceutical companies raise prices in Medicare faster than the rate of inflation, they must pay rebates back to the government for the difference. The new law also capped Medicare out-of-pocket drug costs at an estimated $2,000 a year.

Changes in government funding for the FDA, the SEC and other government agencies could hinder their ability to hire and retain key leadership and other personnel, properly administer drug innovation, or prevent our potential product candidates from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business, financial condition and results of operations.

The ability of the FDA to review and approve new products, to provide feedback on clinical trials and development programs, to meet with sponsors and to otherwise review regulatory submissions can be affected by a variety of factors, including government budget and funding levels, reductions in workforce, ability to hire and retain key personnel, and statutory, regulatory and policy changes. In addition, there may be delays in necessary interactions with regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government or contractor personnel. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. In addition, government

shutdowns, if prolonged, could significantly impact the ability of government agencies upon which we rely, such as the FDA and SEC, to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

In December 2016, the 21st Century Cures Act was signed into law. This legislation is designed to advance medical innovation and empower the FDA with the authority to directly hire positions related to drug and device development and review. However, government proposals to reduce or eliminate budgetary deficits may include reduced allocations to the FDA and other related government agencies. These budgetary pressures may result in a reduced ability by the FDA to perform its roles, including the related impact to academic institutions and research laboratories whose funding is fully or partially dependent on both the level and timing of funding from government sources.

Disruptions at the FDA and other agencies may also slow the time necessary for our potential product candidates to be reviewed or approved by necessary government agencies, which could adversely affect our business, financial condition and results of operations. For example, over the past decade, the U.S. government has shut down several times, and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue to fund our operations.

Finally, with the change in U.S. presidential administrations in 2025, there is substantial uncertainty as to how, if at all, the new administration will seek to modify or revise the requirements and policies of the FDA and other regulatory agencies with jurisdiction over our potential product candidates. The impending uncertainty could present new challenges or potential opportunities as we navigate the clinical development and approval process for our potential product candidates. If we or our collaborators experience delays in obtaining approval or if we or they fail to obtain approval of our potential product candidates, the commercial prospects for our potential product candidates may be harmed and our ability to generate revenue will be materially impaired.

Furthermore, the U.S. Supreme Court's June 2024 decision in Loper Bright Enterprises v. Raimondo, which overturned the long-standing Chevron doctrine that required courts to give deference to regulatory agencies' reasonable interpretations of ambiguous federal statutes, could result in additional legal challenges to regulations and guidance issued by federal agencies, including the FDA, on which we rely. The Loper decision may result in increased regulatory uncertainty, inconsistent judicial interpretations and other impacts to the agency rule-making process, any of which could adversely impact our business and operations. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action or as a result of legal challenges, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, our business could be materially harmed.

Risks Related to Our Capital Requirements, Finances and Operations

Management has performed an analysis and concluded that substantial doubt exists about our ability to continue as a going concern. Separately, our independent registered public accounting firm has included in its opinion for the year ended March 31, 2026 an explanatory paragraph expressing substantial doubt in our ability to continue as a going concern, which may hinder our ability to obtain future financing.

Our financial statements as of March 31, 2026 have been prepared under the assumption that we will continue as a going concern for the next twelve months. Management has performed an analysis and concluded that substantial doubt exists about our ability to continue as a going concern. Separately, our independent registered public accounting firm included in its opinion for the year ended March 31, 2026 an explanatory paragraph referring to our recurring losses from operations and expressing substantial doubt in our ability to continue as a going concern without additional capital becoming available. Our ability to continue as a going concern is dependent upon our ability to obtain additional equity or debt financing, obtain government grants, reduce expenditures, and generate significant revenue. Our financial statements as of March 31, 2026 do not include any adjustments that might result from the outcome of this uncertainty. The reaction of investors to the inclusion of a going concern statement by management and our auditors, and our potential inability to continue as a going concern, in future years could materially adversely affect our share price and our ability to raise new capital or enter into strategic alliances.

Additional funds may not be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to curtail or cease our operations.

There can be no assurance that we will be able to raise sufficient additional capital on acceptable terms or at all. Raising additional funding through debt or equity financing is likely to be difficult or unavailable altogether given the early stage of our therapeutic candidates. If such additional financing is not available on satisfactory terms, or is not available in sufficient amounts, we may be required to delay, limit or eliminate the development of business opportunities and our ability to achieve our business objectives, our competitiveness, and our business, financial condition and results of operations will be materially adversely affected. If we raise additional funds through the issuance of additional debt or equity securities, it could result in dilution to our existing stockholders,

increased fixed payment obligations and the existence of securities with rights that may be senior to those of our common stock. If we incur indebtedness, we could become subject to covenants that would restrict our operations and potentially impair our competitiveness, such as limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. Any of these events could significantly harm our business, financial condition and prospects. Furthermore, the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our common stock to decline further and existing stockholders may not agree with our financing plans or the terms of such financings. In addition, if we seek funds through arrangements with collaborative partners, these arrangements may require us to relinquish rights to our technology or potential future product candidates or otherwise agree to terms unfavorable to us.

We have a history of operating losses and expect to incur significant additional operating losses.

As of March 31, 2026, we had total current assets of approximately $6.6 million and current liabilities of approximately $2.8 million, resulting in working capital of $3.8 million. We have generated operating losses each year since we began operations, including $11.5 million and $12.6 million for the years ended March 31, 2026 and 2025, respectively. As of March 31, 2026, we had an accumulated deficit of $356.0 million. We expect to incur substantial additional operating losses over the next several years as our research and development activities increase.

The amount of future losses and when, if ever, we will achieve profitability are uncertain. Our ability to generate revenue and achieve profitability will depend on, among other things:

- successfully building a services platform supported by adoption by pharmaceutical and biotech companies to support their development efforts;
- successfully developing human tissues and disease models for drug discovery and development that enable us to identify drug candidates;
- successfully outsourcing certain portions of our development efforts;
- entering into collaboration or licensing arrangements with pharmaceutical companies to further develop and conduct clinical trials for any drug candidates we identify;
- obtaining any necessary regulatory approvals for any drug candidates we identify; and
- raising sufficient funds to finance our activities and long-term business plan.

We might not succeed at any of these undertakings. If we are unsuccessful at one or more of these undertakings, our business, prospects, and results of operations will be materially adversely affected. We may never generate significant revenue, and even if we do generate significant revenue, we may never achieve profitability.

Our quarterly operating results may vary, which could negatively affect the market price of our common stock.

Our results of operations in any quarter may vary from quarter to quarter and are influenced by such factors as expenses related to:

- evaluating and implementing strategic alternatives, technology licensing opportunities, potential collaborations, and other strategic transactions;
- litigation;
- research and development expenditures, including commencement of preclinical studies and clinical trials;
- the timing of the hiring of new employees, which may require payments of signing, retention or similar bonuses; and
- changes in costs related to the general global economy.

We believe that operating results for any particular quarter are not necessarily a meaningful indication of future results. Nonetheless, fluctuations in our quarterly operating results could negatively affect the market price of our common stock.

We may identify material weaknesses in our internal control over financial reporting in the future that may cause us to fail to meet our reporting obligations or result in material misstatements of our financial statements.

Our management team is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. generally accepted accounting principles. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis.

We cannot assure you that we will not have material weaknesses or significant deficiencies in our internal control over financial reporting. If we identify any material weaknesses or significant deficiencies that may exist, the accuracy and timing of our financial reporting may be adversely affected, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, and our stock price may decline materially as a result.

The anticipated benefits of the sale of our FXR program may not be fully realized as we may not receive some or all of the potential milestone payments related to the sale of our FXR program.

On March 25, 2025, we sold our FXR program and related assets to Eli Lilly and Company (the "FXR Asset Sale"). The consideration for the FXR Asset Sale included potential milestone payments by Eli Lilly and Company of up to $50.0 million in the aggregate, which are contingent upon the achievement of certain development, regulatory and commercial milestones. In July 2026, we received a milestone payment in the amount of $5.0 million upon the achievement of a certain development milestone related to the FXR Asset Sale; however, there can be no assurance that we will be entitled to receive any additional milestone payments, and there is risk that any or all of the remaining milestone events may not be achieved, that disagreements may occur regarding the achievement of such milestones and that any or all of the remaining payments tied to the achievement of the milestone events might not be received.

Future strategic investments could negatively affect our business, financial condition and results of operations if we fail to achieve the desired returns on our investment.

Our ability to benefit from future external strategic investments depends on our ability to successfully conduct due diligence, evaluate prospective opportunities, and buy the equity of our target investments at acceptable market prices. Our failure in any of these tasks could result in unforeseen loses associated with the strategic investments.

We may also discover deficiencies in internal controls, data adequacy and integrity, product quality, regulatory compliance, product liabilities or other undisclosed liabilities that we did not uncover prior to our investment, which could result in us becoming subject asset impairments, including potential loss of our investment capital. In addition, if we do not achieve the anticipated benefits of an external investment as rapidly as expected, or at all, investors or analysts may downgrade our stock.

We also expect to continue to carry out strategic investments that we believe are necessary to expand our business. There are no assurances that such initiatives will yield favorable results for us. Accordingly, if these initiatives are not successful, our business, financial condition and results of operations could be adversely affected. If these risks materialize, our stock price could be materially adversely affected. Any difficulties in such investments could have a material adverse effect on our business, financial condition and results of operations.

Our business could be adversely impacted if we are unable to retain our executive officers and other key personnel.

Our future success will depend to a significant degree upon the continued contributions of our key personnel, especially our executive officers. We do not currently have long-term employment agreements with our executive officers or our other key personnel, and there is no guarantee that our executive officers or key personnel will remain employed with us. Moreover, we have not obtained key man life insurance that would provide us with proceeds in the event of the death, disability or incapacity of any of our executive officers or other key personnel. Further, the process of attracting and retaining suitable replacements for any executive officers and other key personnel we lose in the future would result in transition costs and would divert the attention of other members of our senior management from our existing operations. Additionally, such a loss could be negatively perceived in the capital markets. Finally, our Executive Chairman also provides services to Viscient Biosciences, Inc. ("Viscient"). He provides services to us and Viscient and does not dedicate all of his time to us, as disclosed in our filings, and we may therefore compete with Viscient for the time commitments of our Executive Chairman from time to time.

We may be subject to security breaches or other cybersecurity incidents that could compromise our information and expose us to liability.

We routinely collect and store sensitive data (such as intellectual property, proprietary business information and personally identifiable information) for ourselves, our employees and our suppliers and customers. We make significant efforts to maintain the security and integrity of our computer systems and networks and to protect this information. However, like other companies in our industry, our networks and infrastructure may be vulnerable to cyber-attacks or intrusions, including by computer hackers, foreign governments, foreign companies or competitors, or may be breached by employee error, malfeasance or other disruption. Any such breach could result in unauthorized access to (or disclosure of) sensitive, proprietary or confidential information of ours, our employees or our suppliers or customers, and/or loss or damage to our data. Any such unauthorized access, disclosure, or loss of information could cause competitive harm, result in legal claims or proceedings, liability under laws that protect the privacy of personal information, and/or cause reputational harm.

Compliance with global privacy and data security requirements could result in additional costs and liabilities to us or inhibit our ability to collect and process data globally, and the failure to comply with such requirements could subject us to significant fines and penalties, which may have a material adverse effect on our business, financial condition and results of operations.

The regulatory framework for the collection, use, safeguarding, sharing, transfer, and other processing of information worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Globally, virtually every jurisdiction in which we operate has established its own data security and privacy frameworks with which we must comply. For example, the collection, use, disclosure, transfer, or other processing of personal data regarding individuals in the European Union, including personal health data, is subject to the EU General Data Protection Regulation (the "GDPR"), which took effect across all member states of the European Economic Area (the "EEA") in May 2018. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including requirements relating to processing health and other sensitive data, obtaining consent of the individuals to whom the personal data relates, providing information to individuals regarding data processing activities, implementing safeguards to protect the security and confidentiality of personal data, providing notification of data breaches, and taking certain measures when engaging third-party processors. The GDPR increases our obligations with respect to clinical trials conducted in the EEA by expanding the definition of personal data to include coded data and requiring changes to informed consent practices and more detailed notices for clinical trial subjects and investigators. In addition, the GDPR imposes strict rules on the transfer of personal data to countries outside the European Union, including the United States, and, as a result, increases the scrutiny that clinical trial sites located in the EEA should apply to transfers of personal data from such sites to countries that are considered to lack an adequate level of data protection, such as the United States. The GDPR also permits data protection authorities to require destruction of improperly gathered or used personal data and/or impose substantial fines for violations of the GDPR, which can be up to four percent of global revenues or 20 million Euros, whichever is greater, and it also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. In addition, the GDPR provides that European Union member states may make their own further laws and regulations limiting the processing of personal data, including genetic, biometric or health data.

The European Data Protection Board continues to release guidelines for industries and impose fines related to the GDPR, some of which have been very significant. To improve coordination among EU supervisory authorities, the European Commission has proposed a new regulation that would help to streamline enforcement of the GDPR in cross-border cases. Meanwhile, there continues to be persistent uncertainty relating to the transfer of personal data from Europe to the U.S., or other non-adequate countries, following the Schrems II decision. On July 10, 2023, the European Commission adopted its adequacy decision on the EU-U.S. Data Privacy Framework (the "DPF"). The decision, which took effect on the day of its adoption, concludes that the United States ensures an adequate level of protection for personal data transferred from the EEA to companies certified to the DPF. However, it remains too soon to tell how the future of the DPF will evolve and what impact it will have on our international activities. At least one challenge to the DPF is pending before the Court of Justice of the European Union.

Further, Brexit has led to, and could continue to lead to legislative and regulatory changes, which may increase our compliance costs. As of January 1, 2021 and the expiry of transitional arrangements agreed to between the United Kingdom and the European Union, data processing in the United Kingdom is governed by a United Kingdom version of the GDPR (combining the GDPR and the Data Protection Act 2018), exposing us to two parallel regimes, each of which authorizes similar fines and other potentially divergent enforcement actions for certain violations. On June 28, 2021, the European Commission adopted an Adequacy Decision for the United Kingdom, allowing for the relatively free exchange of personal data between the European Union and the United Kingdom (as the United Kingdom correspondingly allows transfer back to the EU). However, the European Commission may suspend the Adequacy Decision if it considers that the United Kingdom no longer provides for an adequate level of data protection. A bill to amend the existing UK framework has been reintroduced (in a different form) by the new UK Government and was announced as a bill which will be introduced into Parliament at the King's Speech on July 17, 2024. At this time, there is no specific clarity on the provisions of the bill, or the extent to which it will amend the UK framework, beyond general descriptions on its intended purpose. Other jurisdictions outside the European Union are similarly introducing or enhancing privacy and data security laws, rules and regulations.

In the EEA, the NIS 2 Directive, or NIS 2, is replacing the cybersecurity legal framework under the current NIS framework. NIS 2 applies to certain in-scope healthcare organizations, including to certain providers engaged in research and development of medicinal products. The new regime imposes direct obligations on management in respect of an in-scope organization's compliance with NIS 2, requires covered organizations to put in place certain cyber risk management measures, strengthens incident reporting requirements and provides supervisory authorities with greater oversight. The majority of obligations will come into force when national legislation implementing NIS 2 becomes effective in the relevant EU Member State. EU Member States had until October 17, 2024 to transpose NIS 2 into national legislation, although many countries have still not completed the transposition. As such, the cybersecurity regulatory landscape in the EU is currently fragmented and uncertain. To the extent that we are subject to NIS 2 in the future, we may require additional investment of our resources in compliance programs. Under NIS 2, companies may be subject to administrative fines of up to the higher amount of €10 million or 2% of worldwide turnover.

Similar actions are either in place or under way in the United States. There are a broad variety of data protection and breach notification laws that are applicable to our activities, and a wide range of enforcement agencies at both the state and federal levels that can review companies for privacy and data security concerns based on general consumer protection laws. Each of these laws is subject to varying interpretations and the legislative landscape is constantly evolving and the Federal Trade Commission and state Attorneys General all are aggressive in reviewing privacy and data security protections for consumers. At the federal level, for example, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") which establishes privacy and security standards that limit the use and disclosure of individually identifiable health information, or protected health information, and require the implementation of administrative, physical and technological safeguards to protect the privacy of protected health information and ensure the confidentiality, integrity and availability of electronic protected health information. We may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under HIPAA. Depending on the facts and circumstances, we could be subject to civil, criminal, and administrative penalties if we knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA. Requirements for compliance under HIPAA are also subject to change, as the U.S. Department of Health and Human Services Office of Civil Rights issued a proposed rule that would amend certain security compliance requirements for covered entities and business associates.

New laws also are being considered at both the state and federal levels and several states have passed comprehensive privacy laws. For example, the California Consumer Privacy Act — which went into effect on January 1, 2020 — is creating similar risks and obligations as those created by the GDPR, though the California Consumer Privacy Act does exempt certain information collected as part of a clinical trial subject to the Federal Policy for the Protection of Human Subjects (the Common Rule). As of January 1, 2023, the California Consumer Privacy Act (as amended and expanded by the California Privacy Rights Act) is in full effect, with enforcement by California's dedicated privacy enforcement agency expected to start later in 2023. While California was first among the states in adopting comprehensive data privacy legislation similar to the GDPR, many other states are following suit. Similar laws passed in Virginia, Colorado, Connecticut, and Utah took effect in 2023 while laws in Oregon, Montana, and Texas went into effect in 2024. Additionally, Delaware, Florida, Indiana, Iowa, Kentucky, Maryland, Minnesota, Nebraska, New Hampshire, New Jersey, Rhode Island, and Tennessee have adopted privacy laws, which took or take effect from January 1, 2025 through 2026. Some state laws also minimize what data can be collected from consumers and how businesses may use and disclose it. These state privacy laws also require businesses to make disclosures to consumers about data collection, use and sharing practices. In addition, some of these laws (including the California Privacy Rights Act), along with other standalone health privacy laws, subject health-related information to additional safeguards and disclosures and some specifically regulate consumer health data, such as the Washington My Health My Data Act, which became effective in 2023 and 2024, Nevada's Consumer Health Data Privacy Law, which became effective in 2024, and Connecticut's amendments to its privacy law to address health data, which became effective in 2023. Additionally, a broad range of legislative measures also have been introduced at the federal level. Accordingly, failure to comply with federal and state laws (both those currently in effect and future legislation) regarding privacy and security of personal data could expose us to fines and penalties under such laws. There also is the threat of consumer class actions related to these laws and the overall protection of personal data. This is particularly true with respect to data security incidents, and sensitive personal data, including health and biometric data. Even if we are not determined to have violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which could harm our reputation and business.

Given the breadth and depth of changes in data protection obligations, preparing for and complying with these requirements is rigorous and time intensive and requires significant resources and a review of our technologies, systems and practices, as well as those of any third-party collaborators, service providers, contractors or consultants that process or transfer personal data collected in the European Union. The GDPR, new state privacy laws and other changes in laws or regulations associated with the enhanced protection of certain types of sensitive data, such as healthcare data or other personal data from our clinical trials, and access to certain data such as the European Health Data Space Regulation, could require us to change our business practices and put in place additional compliance mechanisms, may interrupt or delay our development, regulatory and commercialization activities and increase our cost of doing business, and could lead to government enforcement actions, private litigation and significant fines and penalties against us and could have a material adverse effect on our business, financial condition and results of operations.

We and our partners may be subject to stringent privacy laws, information security laws, regulations, policies and contractual obligations related to data privacy and security, and changes in such laws, regulations, policies or how they are interpreted or changes in contractual obligations could adversely affect our business.

There are numerous U.S. federal and state data privacy and protection laws and regulations that apply to the collection, transmission, processing, storage and use of personally-identifying information, which among other things, impose certain requirements relating to the privacy, security and transmission of personal information. The legislative and regulatory landscape for privacy and data protection continues to evolve in jurisdictions worldwide, and there has been an increasing focus on privacy and data protection issues with the potential to affect our business. Failure to comply with any of these laws and regulations could result in enforcement action against us, including fines, imprisonment of company officials and public censure, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

If we are unable to properly protect the privacy and security of health-related information or other sensitive or confidential information in our possession, we could be found to have breached our contracts. Further, if we fail to comply with applicable privacy laws, including applicable HIPAA privacy and security standards, we could face significant administrative, civil and criminal penalties. Enforcement activity can also result in financial liability and reputational harm, and responses to such enforcement activity can consume significant internal resources. In addition, state attorneys general are authorized to bring civil actions seeking either injunctions or damages in response to violations that threaten the privacy of state residents.

We may experience conflicts of interest with Viscient Biosciences, Inc. with respect to business opportunities and other matters.

Keith Murphy, our Executive Chairman, is the Chief Executive Officer, Chairman and principal stockholder of Viscient, a private company that he founded in 2017 that is focused on drug discovery and development utilizing 3D tissue technology and multi-omics (genomics, transcriptomics, metabolomics). In addition, Adam Stern, Douglas Jay Cohen and David Gobel (through the Methuselah Foundation and the Methuselah Fund), members of our board of directors, have invested funds through a convertible promissory note in Viscient, but do not serve as an employee, officer or director of Viscient. Additional members of our Research and Development organization also work at Viscient, and we expect that additional employees or consultants of ours will also be employees of or consultants to Viscient. We use certain Viscient-owned facilities and equipment and allow Viscient to use certain of our facilities and equipment. During fiscal 2025, we provided services to Viscient, and we expect to continue to provide services to Viscient and enter into additional agreements with Viscient in the future.

In addition, we license, as well as cross-license, certain intellectual property to and from Viscient and expect to continue to do so in the future. In particular, pursuant to an Asset Purchase and Non-Exclusive Patent License Agreement with Viscient, dated November 6, 2019, as amended, we have provided a paid up, worldwide, irrevocable, perpetual, non-exclusive license to Viscient under certain of our patents and know-how to (a) make, have made, use, sell, offer to sell, import and otherwise exploit the inventions and subject matter covered by certain patents regarding certain bioprinter devices and bioprinting methods, engineered liver tissues, engineered renal tissues, engineered intestinal tissue and engineered tissue for in vitro research use, (b) to use and internally repair the bioprinters, and (c) to make additional bioprinters for internal use only in connection with drug discovery and development research, target identification and validation, compound screening, preclinical safety, absorption, distribution, metabolism, excretion and toxicology (ADMET) studies, and in vitro research to complement clinical development of a therapeutic compound. Although we have entered, and expect to enter, into agreements and arrangements that we believe appropriately govern the ownership of intellectual property created by joint employees or consultants of Viscient and/or using our or Viscient's facilities or equipment, it is possible that we may disagree with Viscient as to the ownership of intellectual property created by shared employees or consultants, or using shared equipment or facilities.

On December 28, 2020, we entered into an intercompany agreement with Viscient and Organovo, Inc., our wholly-owned subsidiary (the "Intercompany Agreement"). Pursuant to the Intercompany Agreement and subsequent statements of work entered into pursuant thereto, we agreed to provide Viscient certain services related to 3D bioprinting technology, which includes, but is not limited to, histology services, cell isolation, and proliferation of cells, and Viscient agreed to provide us certain services related to 3D bioprinting technology, including bioprinter training, bioprinting services, and qPCR assays, in each case on payment terms specified in the Intercompany Agreement and as may be further determined by the parties. In addition, Viscient and we each agreed to share certain facilities and equipment and, subject to further agreement, to each make certain employees available for specified projects to the other party at prices to be determined in good faith by the parties. During fiscal 2025 and fiscal 2026, the companies added Statements of Work to the Intercompany Agreement, where Viscient agreed to provide us with certain testing services related to our ongoing research and development. Under the Intercompany Agreement, each party will retain its own prior intellectual property and will obtain new intellectual property rights within their respectively defined fields of use.

Due to the interrelated nature of Viscient with us, conflicts of interest may arise with respect to transactions involving business dealings between us and Viscient, potential acquisitions of businesses or products, the development and ownership of technologies and products, the sale of products, markets and other matters in which our best interests and the best interests of our stockholders may conflict with the best interests of the stockholders of Viscient. In addition, we and Viscient may disagree regarding the interpretation of certain terms of the arrangements we previously entered into with Viscient or may enter into in the future. We cannot guarantee that any conflict of interest will be resolved in our favor, or that, with respect to our transactions with Viscient, we will negotiate terms that are as favorable to us as if such transactions were with another third-party. In addition, an executive that provides services to us and Viscient may not dedicate all of such executive's time to us and we may therefore compete with Viscient for the time commitments of our executive officer from time to time.

Risks Related to Our Common Stock and Liquidity Risks

We could fail to maintain the listing of our common stock on the Nasdaq Capital Market, which could seriously harm the liquidity of our stock and our ability to raise capital or complete a strategic transaction.

The Nasdaq Stock Market LLC ("Nasdaq") has established continued listing requirements, including a requirement to maintain a minimum closing bid price of at least $1 per share. If a company trades for 30 consecutive business days below such minimum closing bid price, it will receive a deficiency notice from Nasdaq. Assuming it is in compliance with the other continued listing requirements, Nasdaq would provide such company a period of 180 calendar days in which to regain compliance by maintaining a closing bid price at least $1 per share for a minimum of ten consecutive business days. Our common stock is currently trading below $1 per share and if it continues to trade below the minimum bid price for 30 consecutive business days, we expect that we will receive a deficiency notice from Nasdaq and would be required to regain compliance. There can be no assurance that we will continue to maintain compliance with the minimum bid price requirement or other listing requirements necessary for us to maintain the listing of our common stock on the Nasdaq Capital Market or, if we are not in compliance with the listing requirements necessary for us to maintain the listing of our common stock on the Nasdaq Capital Market, that we will be able to regain compliance with such listing requirements.

As a result of prior non-compliance with the Nasdaq requirement to maintain a minimum of $2,500,000 in stockholders' equity, as set forth in Nasdaq Listing Rule 5550(b)(1) ("Rule 5550(b)(1)"), we were subject to a one year Mandatory Panel Monitor. If, within that one-year monitoring period, the Listing Qualifications Staff of Nasdaq (the "Staff") found us again out of compliance with Rule 5550(b)(1), we would not be permitted to provide the Staff with a plan of compliance with respect to that deficiency and the Staff would not be permitted to grant additional time for us to regain compliance with respect to that deficiency, nor will we be afforded an applicable cure or compliance period pursuant to Nasdaq Listing Rule 5810(c)(3). Instead, the Staff would issue a Delist Determination Letter and we would have an opportunity to request a new hearing with the initial Hearings Panel or a newly convened Hearings Panel if the initial Hearings Panel is unavailable. We would have the opportunity to respond/present to the Hearings Panel as provided by Nasdaq Listing Rule 5815(d)(4)(C). Our securities may be at that time delisted from Nasdaq.

As of March 31, 2026, our stockholders' equity (deficit) was negative $1.1 million and we are therefore not in compliance with Rule 5550(b)(1) and expect that we will either receive a deficiency notice from Nasdaq and will be required to regain compliance in order for our common stock to remain listed on Nasdaq or that we will receive a Delist Determination Letter and be required to request a hearing with a Hearings Panel in order for our common stock to remain listed on Nasdaq. There can be no assurance that we will be able to regain compliance with such listing requirements or that we will be successful in any hearing with a Hearings Panel.

A delisting from Nasdaq and commencement of trading on the Over-the-Counter Bulletin Board would likely result in a reduction in some or all of the following, each of which could have a material adverse effect on stockholders:

- the liquidity of our common stock;
- the market price of our common stock (and the accompanying valuation of our Company);
- our ability to obtain financing or complete a strategic transaction;
- the number of institutional and other investors that will consider investing in shares of our common stock;
- the number of market makers or broker-dealers for our common stock; and
- the availability of information concerning the trading prices and volume of shares of our common stock.

There is no assurance that an active market in our common stock will continue at present levels or increase in the future.

Our common stock is currently traded on the Nasdaq Capital Market, but there is no assurance that an active market in our common stock will continue at present levels or increase in the future. As a result, an investor may find it difficult to dispose of our common stock on the timeline and at the volumes they desire. This factor limits the liquidity of our common stock and may have a material adverse effect on the market price of our common stock and on our ability to raise additional capital.

The price of our common stock may continue to be volatile, which could lead to losses by investors and costly securities litigation.

The trading price of our common stock is likely to be highly volatile and could fluctuate in response to factors such as:

- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- our ability to execute on our current strategic plan;
- reduced government funding for research and development activities;
- actual or anticipated variations in our operating results;
- adoption of new accounting standards affecting our industry;
- additions or departures of key personnel;
- sales of our common stock or other securities in the open market;

- degree of coverage of securities analysts and reports and recommendations issued by securities analysts regarding our business;
- volume fluctuations in the trading of our common stock; and
- other events or factors, many of which are beyond our control.

The stock market is subject to significant price and volume fluctuations. The trading price of our common stock is, and is likely to continue to be, volatile. For example, during the fiscal year ended March 31, 2026, our closing stock price ranged from $1.38 to $4.78 per share. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been initiated against such a company. Litigation initiated against us, whether or not successful, could result in substantial costs and diversion of our management's attention and resources, which could harm our business and financial condition.

Investors may experience dilution of their ownership interests because of the future issuance of additional shares of our capital stock.

We are authorized to issue 200,000,000 shares of common stock and 25,000,000 shares of preferred stock. As of March 31, 2026, there were an aggregate of 10,209,676 shares of our common stock issued and outstanding and available for issuance on a fully diluted basis and no shares of preferred stock outstanding. That total for our common stock includes 2,894,519 shares issued and outstanding, 348,419 shares of our common stock that may be issued upon the vesting of restricted stock units, the exercise of outstanding stock options, or is available for issuance under our equity incentive plans, and 3,708 shares of common stock that may be issued through our Employee Stock Purchase Plan, and 6,963,030 shares of our common stock that may be issued upon the exercise of outstanding warrants.

In the future, we may issue additional authorized but previously unissued equity securities to raise funds to support our continued operations and to implement our business plan. We may also issue additional shares of our capital stock or other securities that are convertible into or exercisable for our capital stock in connection with hiring or retaining employees, future acquisitions, or for other business purposes. If we raise additional funds from the issuance of equity securities, substantial dilution to our existing stockholders may result. In addition, the future issuance of any such additional shares of capital stock may create downward pressure on the trading price of our common stock. There can be no assurance that we will not be required to issue additional shares, warrants or other convertible securities in the future in conjunction with any capital raising efforts, including at a price (or exercise prices) below the price at which shares of our common stock is currently traded on the Nasdaq Capital Market. Moreover, depending on market conditions, we cannot be sure that additional financing will be available when needed or that, if available, financing will be obtained on terms favorable to us or to our stockholders.

We may not have sufficient authorized shares of common stock to cover all of the shares that might be issued upon a cashless exercise of the common warrants. In addition, if we issue substantially all of our available authorized shares of common stock as a result of cashless exercise of common stock, we will not be able to issue additional shares for future capital raising transactions or strategic transactions, for equity awards or pursuant to other transactions or agreements unless we obtain stockholder approval to amend our Restated Certificate of Incorporation, as amended, to increase the number of authorized shares of common stock.

We currently have 200,000,000 shares of common stock authorized under our Certificate of Incorporation, as amended, and as of March 31, 2026, we had 2,894,519 shares of common stock outstanding, 16,043 shares of common stock reserved under our equity plans and employee stock purchase plan, 6,963,030 shares issuable upon the exercise of outstanding warrants, 75,000 shares that may be issued upon the exercise and settlement of outstanding restricted stock units and 261,084 shares issuable upon exercise of outstanding options to purchase shares of common stock under our equity plans. As of March 31, 2026, prior to the closing of 2026 Offering, we had 196,500,934 shares of common stock unreserved and available for future issuance.

If the holders of the 2026 Common Warrants elect to exercise all of the 3,947,369 shares underlying the common warrants on a date when the lower of the two closing bid prices of the common stock in the two days prior to the time of such exercise is $0.01 (which is the floor price used to calculate the Black Scholes Value), using the same assumed Black Scholes Value of $2.03, we would be obligated to issue an aggregate of 720,709,479 shares of our common stock upon exercise of the common warrants. As we only have 196,500,934 shares of common stock available for future issuance as of March 31, 2026, under this example, we would not have sufficient authorized shares to the holders of common warrants. This example is illustrative only and may change based on the actual Black Scholes Value, as well as the closing price of our common stock at the time of any exercise of the common warrants.

Additionally, the 2026 Common Warrants have price protection against subsequent dilutive issuances of shares of common stock, options, warrants and convertible securities, subject to a $0.01 per share of common stock floor.

While the securities purchase agreements that purchasers in this offering entered with us includes a covenant to reserve 250% of the number of shares of common stock issuable upon on the exercise of the common warrants, there is no assurance that we will be able to

continue to reserve such number of shares of common stock, particularly if we issue a large number of shares of our common stock upon cashless exercises of the 2026 Common Warrants.

If there is the limited number of authorized shares available for issuance as a result of cashless exercises of the 2026 Common Warrants, we may not be able to offer and sell all of the remaining unsold amount of shares of our common stock in other future capital raising transactions or strategic transactions unless we obtain stockholder approval to amend our Certificate of Incorporation, as amended, to increase the number of shares we are authorized to issue. If we determine that we need to seek stockholder approval to increase the number of authorized shares in the future, this may cause a delay in our future capital raising, collaboration, partnership or other strategic transactions, and we may be unable to obtain stockholder approval, any of which may have a material adverse effect on our business and financial condition.

We do not intend to pay dividends for the foreseeable future.

We have paid no dividends on our common stock to date and it is not anticipated that any dividends will be paid to holders of our common stock in the foreseeable future. While our future dividend policy will be based on the operating results and capital needs of our business, it is currently anticipated that any earnings will be retained to finance our future expansion and for the implementation of our business plan. As an investor, you should take note of the fact that a lack of a dividend can further affect the market value of our stock and could significantly affect the value of any investment.

Anti-takeover provisions in our organizational documents and Delaware law may discourage or prevent a change of control, even if an acquisition would be beneficial to our stockholders, which could affect our stock price adversely and prevent attempts by our stockholders to replace or remove our current management.

Our Certificate of Incorporation, as amended ("Certificate of Incorporation"), and Amended and Restated Bylaws, as amended ("Bylaws") contain provisions that could delay or prevent a change of control of our Company or changes in our board of directors that our stockholders might consider favorable. Some of these provisions:

- authorize the issuance of preferred stock which can be created and issued by our board of directors without prior stockholder approval, with rights senior to those of the common stock;
- provide for a classified board of directors, with each director serving a staggered three-year term;
- provide that each director may be removed by the stockholders only for cause;
- prohibit our stockholders from filling board vacancies, calling special stockholder meetings, or taking action by written consent; and
- require advance written notice of stockholder proposals and director nominations.

In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. These and other provisions in our Certificate of Incorporation, Bylaws and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by our then-current board of directors, including delaying or impeding a merger, tender offer, or proxy contest involving our Company. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline.

Risks Related to Our Intellectual Property

If we are not able to adequately protect our proprietary rights, our business could be harmed.

Our success will depend to a significant extent on our ability to obtain patents and maintain adequate protection for our technologies, intellectual property and products and service offerings in the United States and other countries. If we do not protect our intellectual property adequately, competitors may be able to use our technologies and gain a competitive advantage.

To protect our products and technologies, we, and our collaborators and licensors, must prosecute and maintain existing patents, obtain new patents and pursue other intellectual property protection. Our existing patents and any future patents we obtain may not be sufficiently broad to prevent others from using our technologies or from developing competing products and technologies. Changes in either the patent laws or interpretations of patent laws in the United States and other countries may also affect the value of our licensed or owned intellectual property or create uncertainty. Moreover, the patent positions of many biotechnology and pharmaceutical companies are highly uncertain, involve complex legal and factual questions and have in recent years been the subject of much litigation. As a result, we cannot guarantee that:

- any patent applications filed by us will issue as patents;
- third parties will not challenge our proprietary rights, and if challenged that a court or an administrative board of a patent office will hold that our patents are valid and enforceable;

- third parties will not independently develop similar or alternative technologies or duplicate any of our technologies by inventing around our claims;
- any patents issued to us will cover our technology and products as ultimately developed;
- we will develop additional proprietary technologies that are patentable;
- the patents of others will not have an adverse effect on our business; or
- as issued patents expire, we will not lose some competitive advantage.

As previously disclosed, we have recommenced certain historical operations and are now focusing our future efforts on developing highly customized 3D human tissues as living, dynamic models for healthy and diseased human biology for drug development. These tissues will be used to provide testing of drugs and drug candidates to our partners. We offer partners liver and intestinal toxicology insights using our new approach methodologies ("NAM") models. Previously, we focused our efforts on developing our in vivo liver tissues to treat end-stage liver disease and a select group of life-threatening, orphan diseases, for which there were limited treatment options other than organ transplant. We also explored the development of other potential pipeline in vivo tissue constructs. As we focus our business on developing highly customized 3D human tissues as part of a services platform, we may sell, discontinue, adjust or abandon certain patents and patent applications relating to our historical operations. There can be no assurance that we will be successful at such efforts or sell or otherwise monetize such assets on acceptable terms, if at all. There is also no guarantee that our remaining patents will be sufficiently broad to prevent others from using our technologies or from developing competing products and technologies.

We may not be able to protect our intellectual property rights throughout the world.

Certain foreign jurisdictions have an absolute requirement of novelty that renders any public disclosure of an invention immediately fatal to patentability in such jurisdictions. Therefore, there is a risk that we may not be able to protect some of our intellectual property in the United States or abroad due to disclosures, which we may not be aware of, by our collaborators or licensors. Some foreign jurisdictions prohibit certain types of patent claims, such as “method-of-treatment/use-type” claims; thus, the scope of protection available to us in such jurisdictions is limited.

Moreover, filing, prosecuting and defending patents on all of our potential products and technologies throughout the world would be prohibitively expensive. Competitors may use our technologies in jurisdictions where we have not sought or obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but where enforcement is not as strong as that in the United States. These products may compete with our future products in jurisdictions where we do not have any issued patents and our patent claims or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biopharmaceuticals, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business.

Patents covering our products could be found invalid or unenforceable if challenged in court or before administrative bodies in the United States or abroad.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. We may be subject to a third-party preissuance submission of prior art to the U.S. Patent and Trademark Office (the “USPTO”), or become involved in opposition, derivation, revocation, reexamination, post-grant and *inter partes review* (“IPR”), or interference proceedings or other similar proceedings challenging our patent rights. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate or render unenforceable, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. Moreover, we may have to participate in interference proceedings declared by the USPTO to determine priority of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge our priority of invention or other features of patentability with respect to our patents and patent applications. Such challenges may result in loss of patent rights, in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology or products. Such proceedings also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us.

For example, our U.S. Patent Nos. 9,855,369 and 9,149,952, which relate to our bioprinter technology, were the subject of IPR proceedings filed by Cellink AB and its subsidiaries (collectively, "BICO Group AB"), one of our competitors. Likewise, U.S. Patent Nos. 9,149,952, 9,855,369, 8,931,880, 9,227,339, 9,315,043 and 10,967,560 (all assigned to Organovo, Inc.) and U.S. Patent Nos. 7,051,654, 8,241,905, 8,852,932 and 9,752,116 (assigned to Clemson University and the University of Missouri, respectively) were implicated in a declaratory judgment complaint filed against Organovo, Inc., our wholly owned subsidiary, by BICO Group AB and certain of its subsidiaries in the United States District Court for the District of Delaware. All of these matters were eventually settled in February 2022.

Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. Patent litigation and other proceedings may also absorb significant management time. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could impair our ability to compete in the marketplace. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition or results of operations. We may become involved in lawsuits to protect or enforce our inventions, patents or other intellectual property or the patents of our licensors, which could be expensive and time consuming.

In addition, if we initiate legal proceedings against a third party to enforce a patent covering our products, the defendant could counterclaim that such patent is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. Third parties may also raise claims challenging the validity or enforceability of our patents before administrative bodies in the United States or abroad, even outside the context of litigation, including through re-examination, post-grant review, IPR, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in the revocation of, cancellation of or amendment to our patents in such a way that they no longer cover our products. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a third party were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our products. Such a loss of patent protection would have a material adverse effect on our business, financial condition, and results of operations.

We may be involved in lawsuits or other proceedings to protect or enforce our patents or the patents of our licensors, which could be expensive, time-consuming and unsuccessful.

Competitors may infringe our patents or the patents of our collaborators or licensors or our licensors may breach or otherwise prematurely terminate the provisions of our license agreements with them. To counter infringement or unauthorized use, we may be required to file infringement claims or lawsuits, which can be expensive and time-consuming. In addition, in an infringement proceeding, a court may decide that a patent of ours or our collaborators or licensors is not valid or is unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated, held unenforceable, or interpreted narrowly and could put our other patent applications at risk of not issuing. Additionally, our licensors may continue to retain certain rights to use technologies licensed by us for research purposes. Patent disputes can take years to resolve, can be very costly and can result in loss of rights, injunctions or substantial penalties. Moreover, patent disputes and related proceedings can distract management's attention and interfere with running our business.

Furthermore, because of the potential for substantial discovery in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments which could harm our business.

As more companies file patents relating to bioprinters and bioprinted tissues, it is possible that patent claims relating to bioprinters or bioprinted human tissue may be asserted against us. In addition, the drug candidates we pursue may also be pursued by other companies, and it is possible that patent claims relating to such drug candidates may also be asserted against us. Any patent claims asserted against us could harm our business. Moreover, we may face claims from non-practicing entities, which have no relevant product revenue and against whom our own patent portfolio may have no deterrent effect. Any such claims, with or without merit, could be time-consuming to defend, result in costly litigation and diversion of resources, cause product shipment or delays or require us to enter into royalty or license agreements. These licenses may not be available on acceptable terms, or at all. Even if we are successful in defending such claims, infringement and other intellectual property litigation can be expensive and time-consuming to litigate and divert management's attention from our core business. Any of these events could harm our business significantly.

Our current and future research, development and commercialization activities also must satisfy the obligations under our license agreements. Any disputes arising under our license agreements could be costly and distract our management from the conduct of our business. Moreover, premature termination of a license agreement could have an adverse impact on our business.

In addition to infringement claims against us, if third parties have prepared and filed patent applications in the United States that also claim technology to which we have rights, we may have to participate in interference proceedings in the USPTO to determine the priority of invention and opposition proceedings outside of the United States. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party.

Third parties may also attempt to initiate reexamination, post grant review or *inter partes review* of our patents or those of our collaborators or licensors in the PTO. We may also become involved in similar opposition proceedings in the European Patent Office or similar offices in other jurisdictions regarding our intellectual property rights with respect to our products and technology.

Changes in U.S. patent law or the patent law of other countries or jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our products.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity and is costly, time-consuming and inherently uncertain. For example, on September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act included a number of significant changes to U.S. patent law, including provisions that affect the way patent applications will be prosecuted and that may also affect patent litigation. In particular, under the Leahy-Smith Act, the United States transitioned in March 2013 to a "first to file" system in which the first inventor to file a patent application is typically entitled to the patent. Third parties are allowed to submit prior art before the issuance of a patent by the USPTO, and may become involved in post-grant proceedings, including opposition, derivation, reexamination, *inter partes review* or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope or enforceability of, or invalidate, our patent rights, which could adversely affect our competitive position.

In addition, the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce patents that we might obtain in the future.

Similarly, changes in patent law and regulations in other countries or jurisdictions or changes in the governmental bodies that enforce them or changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce patents that we have licensed or that we may obtain in the future. For example, the complexity and uncertainty of European patent laws have also increased in recent years. In Europe, in June 2023, a new unitary patent system was introduced, which will significantly impact European patents, including those granted before the introduction of the system. Under the unitary patent system, after a European patent is granted, the patent proprietor can request unitary effect, thereby getting a European patent with unitary Effect, or a Unitary Patent. Each Unitary Patent is subject to the jurisdiction of the Unitary Patent Court, or the UPC. As the UPC is a new court system, there is no precedent for the court, increasing the uncertainty of any litigation. Patents granted before the implementation of the UPC will have the option of opting out of the jurisdiction of the UPC and remaining as national patents in the UPC countries. Patents that remain under the jurisdiction of the UPC may be potentially vulnerable to a single UPC-based revocation challenge that, if successful, could invalidate the patent in all countries who are signatories to the UPC. We cannot predict with certainty the long-term effects of the new unitary patent system.

We depend on license agreements with University of Missouri for rights to use certain patents, pending applications, and know how. Failure to comply with or maintain obligations under these agreements and any related or other termination of these agreements could materially harm our business and prevent us from developing or commercializing new product candidates.

We are party to license agreements with University of Missouri under which we were granted exclusive rights to patents and patent applications that are important to our business and to our ability to develop and commercialize our 3D tissue products fabricated using our NovoGen Bioprinters. Our rights to use these patents and patent applications and employ the inventions claimed in these licensed patents are subject to the continuation of and our compliance with the terms of our license agreements. If we were to breach the terms of these license agreements and the agreements were terminated as a result, our ability to continue to develop and commercialize our NovoGen Bioprinters and 3D tissue products and to operate our business could be adversely impacted.

We may be unable to adequately prevent disclosure of trade secrets and other proprietary information.

In order to protect our proprietary and licensed technology and processes, we rely in part on confidentiality agreements with our corporate partners, employees, consultants, manufacturers, outside scientific collaborators and sponsored researchers and other advisors. These agreements may not effectively prevent disclosure of our confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade

secrets and proprietary information. Failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties.

We employ or engage individuals who were previously employed at other biopharmaceutical companies. Although we have no knowledge of any such claims against us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information of our employees' former employers or other third parties. Litigation may be necessary to defend against these claims. There is no guarantee of success in defending these claims, and even if we are successful, litigation could result in substantial cost and be a distraction to our management and other employees. To date, none of our employees have been subject to such claims.

Risks Related to Litigation

Claims, litigation, government investigations and other proceedings may adversely affect our business, operating results and financial condition.

We are, from time to time, involved in various claims, litigation matters and regulatory proceedings that could have a material adverse effect on us. These matters may include intellectual property disputes, contract disputes, employment and tax matters and other proceedings and litigation, including class action lawsuits. It is not possible to predict the outcome of pending or future litigation and any such claims, with or without merit, could be time consuming and expensive, and may require us to incur substantial costs and divert the resources of management.

For example, on August 27, 2024, H.C. Wainwright & Co., LLC ("H.C. Wainwright") filed a complaint against us in the State of New York alleging that we breached a tail financing provision included in an engagement agreement we entered into with H.C. Wainwright in May 2023. In its complaint, H.C. Wainwright is seeking compensatory and consequential damages and attorneys' fees. On October 18, 2024, we filed an answer to the complaint and on September 2, 2025, we filed counterclaims for rescission, fraudulent inducement, and breach of contract against H.C. Wainwright. H.C. Wainwright moved to dismiss our counterclaims in November 2025. The parties fully briefed that motion between November 2025 and January 2026 and the court has set oral argument for July 15, 2026. We are defending against H.C. Wainwright's claims and pursuing our own counterclaims vigorously, but there is no guarantee that we will be successful in these efforts.

Determining legal reserves or possible losses from claims against us involves judgment and may not reflect the full range of uncertainties and unpredictable outcomes. Until the final resolution of such matters, we may be exposed to losses in excess of the amount recorded, and such excess amounts could have a material effect on our business, results of operations and financial condition. In addition, it is possible that a resolution of any claim, including as a result of a settlement, could require us to make substantial future payments or require us to change our business practices each of which could have a material adverse effect on our business, operating results and financial condition.

General Risk Factors

Compliance with the reporting requirements of federal securities laws can be expensive.

We are a public reporting company in the United States, and accordingly, subject to the information and reporting requirements of the Exchange Act and other federal securities laws, including the compliance obligations of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act"). The costs of complying with the reporting requirements of the federal securities laws, including preparing and filing annual and quarterly reports and other information with the SEC and furnishing audited reports to stockholders, can be substantial.

If we fail to comply with the rules of Section 404 of the Sarbanes-Oxley Act related to accounting controls and procedures, or, if we discover material weaknesses and deficiencies in our internal control and accounting procedures, we may be subject to sanctions by regulatory authorities and our stock price could decline.

Section 404 of the Sarbanes-Oxley Act ("Section 404") requires that we evaluate and determine the effectiveness of our internal control over financial reporting. We believe our system and process evaluation and testing comply with the management certification requirements of Section 404. We cannot be certain, however, that we will be able to satisfy the requirements in Section 404 in all future periods. If we are not able to continue to meet the requirements of Section 404 in a timely manner or with adequate compliance, we may be subject to sanctions or investigation by regulatory authorities, such as the SEC or Nasdaq. Any such action could adversely affect our financial results or investors' confidence in us and could cause our stock price to fall. Moreover, if we are not able to comply with the requirements of Section 404 in a timely manner, or if we identify deficiencies in our internal controls that are deemed to be material weaknesses, we may be required to incur significant additional financial and management resources to achieve compliance.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity

We believe cybersecurity is critical to advancing our technological advancements. As a pharmaceutical and biotechnology services company, we face a multitude of cybersecurity threats that include attacks common in most industries, such as ransomware and denial-of service. Our customers, suppliers, subcontractors, and business partners face similar cybersecurity threats, and a cybersecurity incident impacting us or any of these entities could materially adversely affect our operations, performance, and results of operations. These cybersecurity threats and related risks make it imperative that we expend resources on cybersecurity.

Assessing, identifying, and managing cybersecurity related risks are factored into our overall business approach. We have implemented a governance structure and processes to assess, identify, manage, and report cybersecurity risks and have developed our own practices and framework, which we believe enhance our ability to identify and manage cybersecurity risks. Our Audit Committee oversees management's processes for identifying and mitigating risks, including cybersecurity risks, to help align our risk exposure with our strategic objectives. The IT Risk Committee and our cybersecurity consultant, which has extensive information technology and program management experience, regularly brief the Audit Committee on our cybersecurity and information security posture and the Audit Committee is apprised of any cybersecurity incidents deemed to have a moderate or higher business impact, even if immaterial to us. The Audit Committee retains oversight of cybersecurity because of its importance. In the event of any incident, we intend to follow our detailed incident response playbook, which outlines the steps to be followed from incident detection to mitigation, recovery, and notification, including notifying functional areas (e.g., legal), as well as senior leadership and the Audit Committee, as appropriate.

Additionally, we must also comply with extensive regulations, including requirements imposed by the FDA related to adequately safeguarding patient information. We work with our cybersecurity consultant on assessing cybersecurity risk and on policies and practices aimed at mitigating these risks. Third parties also play a role in our cybersecurity. We engage third-party services to conduct evaluations of our security controls, whether through penetration testing, independent audits, or consulting on best practices to address new challenges.

We rely heavily on our supply chain to deliver our products and services, and a cybersecurity incident at a supplier, subcontractor or business partner could materially adversely impact us. We will require that our subcontractors report cybersecurity incidents to us so that we can assess the impact of the incident on us.

Notwithstanding the extensive approach we take to cybersecurity, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us. See "Risk Factors" for a discussion of cybersecurity risks, including, without limitation, the risk factor under the heading "*We may be subject to security breaches or other cybersecurity incidents that could compromise our information and expose us to liability*". Except as set forth therein, risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected and are not reasonably likely to materially affect our Company, including our business strategy, results of operations, or financial condition.

Item 2. Properties.

In November 2020, we entered into a sixty-two month lease agreement for our long term permanent premises, consisting of approximately 8,051 square feet of lab and office space. In November 2021, we amended the permanent lease agreement to add an additional 2,892 square feet of office space in the same building. In December 2021, we took occupancy of the aforementioned lab and office space, located at 11555 Sorrento Valley Road, San Diego, CA 92121. See "Note 7. Leases" of the Notes to the Consolidated Financial Statements contained within this Annual Report for a further discussion of properties. We believe that our existing facilities are adequate to meet our current needs, and that suitable additional alternative spaces will be available in the future on commercially reasonable terms.

Item 3. Legal Proceedings.

In addition to commitments and obligations in the ordinary course of business, we may be subject, from time to time, to various claims and pending and potential legal actions arising out of the normal conduct of our business.

We assess contingencies to determine the degree of probability and range of possible loss for potential accrual in our financial statements. Because litigation is inherently unpredictable and unfavorable resolutions could occur, assessing litigation contingencies is subjective and requires judgments about future events. When evaluating contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matters. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated or unrelated to possible outcomes, and as such are not meaningful indicators of our potential liability.

See “Note 8. Commitments and Contingencies” of the Notes to the Consolidated Financial Statements contained within this Annual Report for a further discussion of potential commitments and contingencies related to legal proceedings.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information for Common Stock

Our common stock is traded on the Nasdaq Capital Market under the symbol "VIVS."

Holders of Record

As of July 10, 2026, we had 3,494,071 outstanding shares of common stock and approximately 75 holders of record of our common stock. The number of beneficial owners is substantially greater than the number of record holders because a large portion of our common stock is held of record through brokerage firms in "street name."

Dividend Policy

We have never declared or paid any cash dividends on our common stock. We currently intend to retain all future earnings, if any, for use in our business and do not anticipate paying any cash dividends on our common stock in the foreseeable future.

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following management's discussion and analysis of financial condition and results of operations should be read in conjunction with our historical consolidated financial statements and the related notes. This management's discussion and analysis contains forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. Any statements that are not statements of historical fact are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause our actual results or events to differ materially from those expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in section Item 1A. "Risk Factors" in this Annual Report. Except as required by applicable law we do not undertake any obligation to update our forward-looking statements to reflect events or circumstances occurring after the date of this Annual Report.

Overview

We are a pharmaceutical and biotechnology services company that is focused on providing testing of drugs and drug candidates in three-dimensional ("3D") human tissue models of liver and intestine. We offer partners liver and intestinal toxicology insights using our new approach methodologies ("NAM") models. We anticipate accelerated adoption of human tissue models following the U.S. Food and Drug Administration ("FDA") announcement on April 10, 2025 to refine animal testing requirements in favor of these non-animal NAM methods. We also expect to offer bespoke services in the areas of investigational toxicology, mechanism of drug action elucidation, and other applications of these complex human tissue models.

Prior to March 2025, we were a clinical stage biotechnology company that was focused on developing FXR314 in inflammatory bowel disease ("IBD"), including ulcerative colitis ("UC"), based on demonstration of clinical promise in 3D human tissues as well as strong preclinical data. Our clinical focus was in advancing FXR314 in IBD, including UC and Crohn's disease. We planned to start a Phase 2a clinical trial in UC in the calendar year 2025 and were also exploring the potential for combination therapies using FXR314 and approved mechanisms in preclinical animal studies and our IBD disease models.

In March 2025, we sold our FXR program for $10.0 million, with $9.0 million paid at closing and $1.0 million held in escrow for a period of 15 months, with future milestones of up to $50.0 million in the aggregate to be paid if the lead asset, FXR314, hits key development, regulatory and commercial milestones. In July 2026, we received a milestone payment in the amount of $5.0 million upon the achievement of a certain development milestone related to FXR314.

Effective April 24, 2025, we changed our corporate name to VivoSim Labs, Inc. by filing a Certificate of Amendment to our Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware. We changed our name to reflect our new business model, which includes the use of other longstanding assets of the Company, intestinal and liver tox models and expertise, and our IP portfolio for 3D bioprinting.

We are now offering liver toxicology predictive screening and research services as well as working on predicting and studying the intestinal side effect profiles of drugs that are therapeutic candidates of pharmaceutical and biotech companies at all stages of drug development. Our services offer the potential benefit of reducing the significant risk and cost of bringing therapeutics to market through the regulatory process. It is estimated that less than 10% of drug candidates entering clinical trials are approved, with a portion of the failures due to unexpected liver toxicity or intestinal intolerability. In addition, even approved drugs are occasionally withdrawn after liver toxicity is determined to be caused by the drug in a phenomenon called drug induced liver injury. We presented findings at the May 2025 Digestive Disease Week scientific conference showing that our liver toxicology platform had a best-in-class predictive power. Our liver predictive power was shown to be 87.5% for a set of challenging liver toxicity cases – inclusive of classic cases of "liver tox misses" drugs with unforeseen liver toxicity found in clinical trials or drugs that were withdrawn from the market after liver toxicity issues emerged later. The platform identified correctly that 87.5% of the known liver-toxic drugs could be seen as liver toxic using NAMkind™ liver. This is known as the sensitivity of the platform, which we believe at 87.5% is a world's best. Importantly, the specificity was 100%, meaning that none of the compounds tested that are not liver toxic were incorrectly identified as having liver toxicity issues by the platform.

We use our proprietary technologies to build functional 3D human tissues that mimic key aspects of native human tissue composition, architecture, function, and disease. We believe these attributes can enable critical complex, multicellular disease models that can be used to study and develop clinically effective drugs across multiple therapeutic areas.

We have also used these human disease models to identify new molecular targets responsible for driving IBD and to explore the mechanism of action of known drugs including JAK inhibitors and related molecules. A portion of our internal research continues to focus on early stage internal drug discovery programs, validating targets, and testing potentially licensable or transactable external drug compounds to identify drug candidates for partnering and/or internal clinical development.

Critical Accounting Policies, Estimates, and Judgments

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles. Any reference in this Annual Report to applicable guidance is meant to refer to the authoritative accounting principles generally accepted in the United States as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates of the Financial Accounting Standards Board. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We continually evaluate our estimates and judgments used in preparing our financial statements and related disclosures. All estimates affect reported amounts of assets, liabilities, revenues and expenses, as well as disclosures of contingent assets and liabilities. These estimates and judgments are also based on historical experience and other factors that are believed to be reasonable under the circumstances. Materially different results can occur as circumstances change and additional information becomes known.

Our significant accounting policies are set forth in "Note 1. Description of Business and Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements contained within this Annual Report. Of those policies, we believe that the policies discussed below may involve a higher degree of judgment and may be more critical to an accurate reflection of our financial condition and results of operations. Accounting policies regarding stock-based compensation, revenue, and common stock warrant liabilities are considered critical, as they require significant assumptions.

Stock-based compensation

For purposes of calculating stock-based compensation, we estimate the fair value of stock options and shares acquirable under our 2022 Equity Incentive Plan ("2022 Plan"), Amended and Restated 2012 Equity Incentive Plan (the "2012 Plan"), our 2023 Employee Stock Purchase Plan (the "ESPP"), or our 2021 Inducement Equity Plan (the "Inducement Plan") using a Black-Scholes option-pricing model. The determination of the fair value of share-based payment awards utilizing the Black-Scholes model is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. Expected volatility is based on the Company-specific historical volatility rate. For certain options granted with vesting criteria contingent on market conditions, we engage with valuation specialists to calculate fair value and requisite service periods using Monte Carlo simulations. For certain options granted with vesting criteria contingent on pre-defined Company performance criteria, we periodically assess and adjust the expense based on the probability of achievement of such performance criteria. For shares acquirable under our ESPP, we use our Company-specific volatility rate. The expected life of the stock options is based on historical and other economic data trended into the future. The risk-free interest rate assumption is based on observed interest rates appropriate for the expected terms of our stock options. The dividend yield assumption is based on our history and expectation of no dividend payouts. If factors change and we employ different assumptions, our stock-based compensation expense may differ significantly from what we have recorded in the past.

For purposes of calculating stock-based compensation, we estimate the fair value of restricted stock units with pre-defined performance criteria, based on the closing stock price on the date of grant. No exercise price or other monetary payment is required for receipt of the shares issued in settlement of the respective award; instead, consideration is furnished in the form of the participant's service to us.

If there is a difference between the assumptions used in determining our stock-based compensation expense and the actual factors that become known over time, we may change the input factors used in determining stock-based compensation costs for future grants. These changes, if any, may materially impact our results of operations in the period such changes are made.

Revenue

Royalty revenue

We assess whether our license agreements are considered a contract with a customer under ASC Topic 606, Revenue from Contracts with Customers ("Topic 606") or an arrangement with a collaborator subject to guidance under ASC Topic 808, Collaborative Arrangements. At contract inception, we consider a variety of factors in determining the appropriate estimates and assumptions under these arrangements, such as whether we are a principal or agent, whether the elements are distinct performance obligations, whether there are determinable stand-alone prices, and, if applicable, whether any licenses are functional or symbolic. We then recognize as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. Typically, non-refundable upfront fees have been considered fixed, while sales-based royalty payments have been identified as variable consideration which must be evaluated to determine if it has been constrained and, therefore, excluded from the transaction price.

For agreements that include sales-based royalties, we estimate and recognize revenue in the period the underlying sales occur. Key factors considered in the estimate include sales of products that include the underlying licensed intellectual property ("IP") and the location of customers related to the jurisdictions of the licensed IP. In addition, variable consideration must be evaluated to determine

if it is constrained and, therefore, excluded from the transaction price. Differences in the allocation of the transaction price between delivered and undelivered performance obligations can impact the timing of revenue recognition but do not change the total revenue recognized under any agreement.

Product revenue, net

Our former product-based division, Mosaic Cell Sciences ("Mosaic"), which was established in the fourth quarter of fiscal 2024, produced high-quality cell-based products for use in our R&D and for use by life science customers. We recognized product revenue when the performance obligation was satisfied, which was at the point in time that the customer obtained control of our products, typically upon delivery. Product revenues were recorded at the transaction price under Topic 606. We provided no right of return to our customers except in cases where a customer obtained authorization from us for the return. To date, there have been no product returns. We ended Mosaic's commercial operations during the third quarter of fiscal 2025.

Sale of FXR Program

On March 25, 2025, we sold our FXR program and related assets to Eli Lilly and Company (the “FXR Asset Sale”). The consideration for the FXR Asset Sale consisted of (i) an upfront cash payment by Lilly to us equal to $10.0 million, of which $9.0 million was paid at closing and the remaining $1.0 million was deposited into escrow for 15 months to satisfy claims for indemnification, (ii) the assumption by Eli Lilly and Company of certain liabilities related to the FXR program, and (iii) potential milestone payments by Eli Lilly and Company of up to $50.0 million in the aggregate, which are contingent upon the achievement of certain development, regulatory and commercial milestones. In July 2026, we received a milestone payment in the amount of $5.0 million upon the achievement of a certain development milestone related to FXR314.

We assessed whether this agreement was considered a contract with a customer pursuant to Topic 606 or subject to guidance pursuant to ASC Topic 610, Other Income ("Topic 610"). We considered a variety of factors in determining the appropriate assumptions under this arrangement, such as whether the counterparty was a customer, the nature of our operations, both historically and ongoing, and any contingent consideration constraints. We determined the counterparty was not a customer based on the nature of our ordinary business operations and recorded the transaction within other income under Topic 610. Furthermore, we determined the $1.0 million held in escrow was not constrained due to the terms of the indemnification language and it was therefore recognized as a component of the consideration received at the time of closing; however, we did determine future potential milestone payments that may be made by Eli Lilly were constrained due to the uncertainty of the milestones being met. If and when the future milestone payments are no longer considered constrained, we will record such payments in other income.

March 2026 Best Efforts Public Offering

On March 31, 2026, we priced a best efforts public offering (the “2026 Offering”) which consisted of: (i) 286,557 shares of our common stock and 429,836 accompanying common warrants (“2026 Common Warrants”) to purchase up to 429,836 shares of common stock at a combined public offering price of $1.14 per share and accompanying one and a half common warrants to purchase one share common stock and (ii) 2,345,022 pre-funded warrants (“2026 Pre-Funded Warrants”) to purchase 2,345,022 shares of common stock and 3,517,533 accompanying 2026 Common Warrants to purchase up to 3,517,533 shares of common stock at a combined public offering price of $1.139 per pre-funded warrant and accompanying one and a half common warrants to purchase one share of common stock. Each 2026 Common Warrant has an exercise price of $1.71 per share of common stock.

We account for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent reporting period while the warrants are outstanding. As a result of the 2026 Offering, we determined that the common stock and 2026 Pre-Funded Warrants issued are treated as equity instruments. The 2026 Common Warrants issued are treated as a common stock warrant liability and the fair value of the common stock warrant liability is considered a critical accounting estimate.

The fair value of the common stock warrant liability was $5.7 million as of March 31, 2026. The common stock warrant liability was measured using a Monte Carlo model and will be remeasured each reporting period, and the change in fair value will be recorded in earnings. The fair value of the common stock warrant liability is inherently sensitive to changes in the Company's stock price and related volatility assumptions.

Results of Operations

Comparison of the Years Ended March 31, 2026 and 2025

The following table summarizes our results of operations for the years ended March 31, 2026 and 2025 (in thousands, except percentages):

	Year Ended March 31,		Increase (decrease)	
	2026	2025	$	%
Royalty revenue	$ 131	$ 119	$ 12	10%
Product revenue	—	25	(25)	(100%)
Cost of revenues	—	5	(5)	(100%)
Research and development	4,189	5,025	(836)	(17%)
Selling, general and administrative	7,429	7,730	(301)	(4%)
Other income (expense)	(2,354)	10,130	(12,484)	(123%)

Revenues

For each of the years ended March 31, 2026 and 2025, total revenue was $0.1 million. Royalty revenue for each of the years ended March 31, 2026 and 2025, was related to the sales-based royalty revenue earned from licensing intellectual property. Product revenue was related to the Company's former Mosaic division which ended operations during the third quarter of fiscal 2025. Going forward, we expect to generate service revenues related to our service model.

Cost of Revenues

For the years ended March 31, 2026 and 2025, total cost of revenues was zero and less than $0.1 million, respectively, and was related to the Company's former Mosaic division which ended operations during the third quarter of fiscal 2025. Going forward, we expect cost of revenues to increase as we execute our service model.

Research and Development Expenses

The following table summarizes our research and development expenses for the years ended March 31, 2026 and 2025 (in thousands, except percentages):

	Year Ended March 31,		Increase (decrease)	
	2026	2025	$	%
Research and development	$ 3,934	$ 4,712	$ (778)	(17%)
Non-cash stock-based compensation	56	86	(30)	(35%)
Depreciation and amortization	199	227	(28)	(12%)
Total research and development expenses	$ 4,189	$ 5,025	$ (836)	(17%)

Total research and development expenses decreased by $0.8 million, or 17%, from approximately $5.0 million for the year ended March 31, 2025 to approximately $4.2 million for the year ended March 31, 2026. Our full-time research and development staff decreased from an average of thirteen employees for the year ended March 31, 2025 to an average of ten employees for the year ended March 31, 2026. The decrease in total research and development activities consisted of a $0.6 million decrease in personnel related costs, which includes stock-based compensation, due to the decrease in headcount, and a $0.5 million decrease in material related costs mainly due to the write-down of inventory in the prior fiscal year. The decreases were offset by a $0.3 million increase in consulting costs related to specific research and development work to expand commercial service offerings to future customers.

Selling, General and Administrative Expenses

The following table summarizes our selling, general and administrative expenses for the years ended March 31, 2026 and 2025 (in thousands, except percentages):

	Year Ended March 31,		Increase (decrease)	
	2026	2025	$	%
Selling, general and administrative	$ 7,166	$ 7,245	$ (79)	(1%)
Non-cash stock-based compensation	247	446	(199)	(45%)
Depreciation and amortization	16	39	(23)	(59%)
Total selling, general and administrative expenses	$ 7,429	$ 7,730	$ (301)	(4%)

Total selling, general and administrative expenses decreased by approximately $0.3 million, or 4%, from $7.7 million for the year ended March 31, 2025 to approximately $7.4 million for the year ended March 31, 2026. Our full-time selling, general, and administrative employees decreased from an average of five employees for the year ended March 31, 2025 to an average of three employees for the year ended March 31, 2026. Our operations for the year ended March 31, 2026 as compared to the year ended March 31, 2025 resulted in a $0.1 million net decrease in personnel related expenses, which includes stock-based compensation, due to the decrease in headcount. Of the $0.1 million decrease, there was a $0.2 million decrease in stock-based compensation due to certain equity awards fully vesting in the prior year. Additionally, there was a $0.2 million increase in recruiting expenses related to hiring our Chief Commercial Officer. The remaining $0.1 million decrease in personnel related expenses was related to the decrease in salary due to lower headcount. There was also a $0.5 million decrease in general corporate costs, which includes legal, investor relations, and offering expenses. Legal expenses decreased by approximately $0.6 million due to the Company selling its FXR program during the year ended March 31, 2025, which resulted in significant decreases in general and IP related legal costs. Investor relations expenses decreased by approximately $0.3 million due to allocating more budget in fiscal 2026 to the execution of the new service model strategy. Other miscellaneous corporate costs such as royalty expense, printing costs, and insurance decreased by approximately $0.3 million. The decreases in corporate costs were offset by increases to offering expenses related to the March 2026 offering, which were approximately $0.7 million. The decreases in general corporate costs were offset by a $0.3 million increase in consulting costs, which was related to executing the new service model strategy.

Other Income (Expense)

Other expense was approximately $2.4 million for the year ended March 31, 2026. Other expense consisted of a $2.7 million loss incurred as a result of the 2026 Offering, due to the fair value of the common stock warrants issued exceeding gross proceeds received. The $2.7 million expense was offset by $0.3 million interest income and a $0.1 million gain on investment in equity securities that were previously liquidated during fiscal 2024. The underlying security from the investment completed its dissolution during fiscal 2026 and the Company received the final liquidation, resulting in the gain. Other income was $10.1 million for the year ended March 2025. This income was related to the sale of our FXR program for $10.0 million during the year ended March 31, 2025.

Financial Condition, Liquidity and Capital Resources

Going forward, we intend to offer partners liver and intestinal toxicology insights using NAM models. We plan to work with pharmaceutical and biotech companies at all stages of drug development to reduce the significant risk and cost of bringing therapeutics to market through the regulatory process. We will also offer bespoke services in the areas of investigational toxicology, mechanism of drug action elucidation, and other applications of these complex human tissue models.

The accompanying Consolidated Financial Statements have been prepared on the basis that we are a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the normal course of business. As of March 31, 2026, we had cash and cash equivalents of approximately $5.0 million and an accumulated deficit of $356.0 million. As of March 31, 2025, we had cash and cash equivalents of $11.3 million and an accumulated deficit of $342.2 million. We had negative cash flows from operations of $10.8 million and $9.5 million for the years ended March 31, 2026 and 2025, respectively.

As of March 31, 2026, we had total current assets of approximately $6.6 million and current liabilities of approximately $2.8 million, resulting in working capital of $3.8 million. At March 31, 2025, we had total current assets of approximately $12.1 million and current liabilities of approximately $3.7 million, resulting in working capital of $8.4 million.

The following table sets forth a summary of the primary sources and uses of cash for the years ended March 31, 2026 and 2025 (in thousands):

	Year Ended March 31,	
	2026	2025
Net cash (used in) provided by:		
Operating activities	$ (10,827)	$ (9,461)
Investing activities	94	9,025
Financing activities	4,445	8,847
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ (6,288)	$ 8,411

Operating activities

Net cash used in operating activities was approximately $10.8 million and $9.5 million for the years ended March 31, 2026 and 2025, respectively. The $1.3 million increase in operating cash usage, for the year ended March 31, 2026, was attributable primarily to $0.6 million in offering expenses related to the March 2026 Offering and $0.8 million decrease to accounts payable and accrued expenses.

Investing activities

Net cash provided by investing activities was $0.1 million and $9.0 million for the years ended March 31, 2026 and 2025, respectively. Net cash provided by investing activities for the year ended March 31, 2026 consisted of proceeds of previously liquidated equity securities. Net cash provided by investing activities for the year ended March 31, 2025 consisted primarily of the sale of our FXR program resulting in $9.0 million of proceeds.

Financing activities

Net cash provided by financing activities was approximately $4.4 million and $8.8 million for the years ended March 31, 2026 and 2025, respectively. During the year ended March 31, 2026, financing activities consisted of a public offering of common stock and accompanying common warrants and pre-funded warrants with gross proceeds of approximately $3.0 million, the sale of common stock through at-the-market (“ATM”) share offerings with net proceeds of approximately $1.8 million, and the repayment of an insurance premium financing liability of approximately $0.4 million. Refer to "Operations funding requirements" below for further information regarding financing activities.

Operations funding requirements

Through March 31, 2026, we have financed our operations primarily through the sale of common stock through public offerings, including our ATM program, from revenue derived from the licensing of intellectual property, products and research-based services, grants, and collaborative research agreements, the sale of our FXR program, and from the sale of convertible notes.

Our ongoing cash requirements include research and development expenses, compensation for personnel, consulting fees, legal and accounting support, insurance premiums, facilities, maintenance of our intellectual property portfolio, license and collaboration agreements, listing on the Nasdaq Capital Market, and other miscellaneous fees to support our operations. We expect our total operating expense for the fiscal year ending March 31, 2027 to be approximately $10.7 million. Based on our current operating plan and available cash resources, we will need substantial additional funding to support future operating activities. We have concluded that the prevailing conditions and ongoing liquidity risks faced by us raise substantial doubt about our ability to continue as a going concern for at least one year following the date these financial statements are issued. The accompanying consolidated financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern.

On January 26, 2024, we filed a shelf registration statement on Form S-3 (File No. 333-276722) to register $150.0 million of common stock, preferred stock, debt securities, warrants and units, or any combination of the foregoing (the “2024 Shelf”). The 2024 Shelf was declared effective by the SEC on February 8, 2024.

On March 16, 2018, we entered into a Sales Agreement with Jones Trading Institutional Services LLC (the “Agent”).

On January 26, 2024, we filed a prospectus with the 2024 Shelf (as amended, the “2024 ATM Prospectus”), pursuant to which we may offer and sell, from time to time, through the Agent, shares of our common stock in ATM sales transactions having an aggregate offering price of up to $2,605,728. We filed amendments to the 2024 ATM Prospectus on February 26, 2025 and again on April 11, 2025, pursuant to which we may offer and sell, from time to time through the Agent, shares of our common stock in ATM sales transactions having an additional aggregate offering price of up to $5,311,508 and $4,766,105, respectively. Any shares offered and sold in these ATM transactions are issued pursuant to the 2024 Shelf.

During the year ended March 31, 2026, we sold 701,729 shares of common stock in ATM offerings for net proceeds of approximately $1.8 million, all of which were sold pursuant to the 2024 Shelf. As of March 31, 2026, we have sold an aggregate of 1,198,134 shares of common stock in ATM offerings under the 2024 ATM Prospectus, with net proceeds of approximately $6.7 million. As of March 31, 2026, there was approximately $140.1 million available in future offerings under the 2024 Shelf, and approximately $3.1 million available for future offerings through our ATM program under the 2024 ATM Prospectus, as amended on April 11, 2025.

In the event that the aggregate market value of our common stock held by non-affiliates (“public float”) is less than $75.0 million, the amount we can raise through primary public offerings of securities, including sales under the Sales Agreement, in any twelve-month period using shelf registration statements is limited to an aggregate of one-third of our public float. As of the date of filing of this Annual Report, our public float was less than $75.0 million, and therefore we are limited to an aggregate of one-third of our public float in the amount we could raise through primary public offerings of securities in any twelve-month period using shelf registration statements, with such public float recalculated at the time of sale. If our public float meets or exceeds $75.0 million at any time, we will no longer be subject to the restrictions set forth in General Instruction I.B.6 of Form S-3.

On March 31, 2026, we priced the 2026 Offering, which consisted of: (i) 286,557 shares of our common stock and 429,836 accompanying common warrants (“2026 Common Warrants”) to purchase up to 429,836 shares of common stock at a combined public offering price of $1.14 per share and accompanying one and a half 2026 Common Warrants to purchase one share common stock and (ii) 2,345,022 pre-funded warrants (“2026 Pre-Funded Warrants”) to purchase 2,345,022 shares of common stock and 3,517,533 accompanying 2026 Common Warrants to purchase up to 3,517,533 shares of common stock at a combined public offering

price of $1.139 per 2026 Pre-Funded Warrant and accompanying one and a half 2026 Common Warrants to purchase one share of common stock. Each 2026 Common Warrant will have an exercise price of $1.71 per share of common stock. The closing of the Offering occurred on March 31, 2026. We received gross proceeds of approximately $3.0 million and net proceeds of approximately $2.4 million from the 2026 Offering, after deducting the offering expenses payable by us, including the placement agent fees. The fair value of the placement agent warrants was approximately $0.1 million and was also considered an offering expense. All offering expenses were included within selling, general, and administrative expenses in the consolidated statement of operations and comprehensive loss during the year ended March 31, 2026. As the fair value of the common stock warrant liability of $5.7 million exceeded the gross proceeds from the offering, we recognized a $2.7 million loss on issuance of common stock during the year ended March 31, 2026.

Having insufficient funds may require us to relinquish rights to our technology on less favorable terms than we would otherwise choose. Failure to obtain adequate financing could adversely affect our operations. If we raise additional funds from the issuance of equity securities, substantial dilution to our existing stockholders would likely result. If we raise additional funds by incurring debt financing, the terms of the debt may involve significant cash payment obligations as well as covenants and specific financial ratios that may restrict our ability to operate our business. We cannot be sure that additional financing will be available if and when needed, or that, if available, we can obtain financing on terms favorable to our stockholders. Any failure to obtain financing when required will have a material adverse effect on our business, operating results, and financial condition.

Contractual Obligations and Commitments

We enter into contracts in the normal course of business with suppliers, consultants, and service providers. These agreements provide for termination at the request of either party generally with less than six-months notice and are therefore cancellable contracts. We do not currently expect any of these agreements to be terminated and did not have any noncancelable obligations under these agreements as of March 31, 2026.

We have operating lease arrangements for office space in San Diego, California. As of March 31, 2026, we had total undiscounted lease payment obligations of $0.5 million payable in the 12 months following March 31, 2026.

See "Note 7. Leases" and "Note 8. Commitments and Contingencies" in the Notes to the Consolidated Financial Statements contained in this Annual Report for additional information.

Effect of Inflation and Changes in Prices

Management does not believe that inflation and changes in price will have a material effect on our operations.

Recent Accounting Pronouncements

For information regarding recently adopted and issued accounting pronouncements, see “Note 12. Recent Accounting Pronouncements” in the Notes to the Consolidated Financial Statements contained in this Annual Report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We invest our excess cash in short term, high quality interest bearing securities including U.S. government and U.S. government agency securities and high-grade corporate commercial paper. The primary objective of our investment activities is to preserve our capital for the purpose of funding our operations. To achieve these objectives, our investment policy allows us to maintain a portfolio of cash, cash equivalents, and short-term investments in a variety of securities, including money market funds. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because the majority of our investments are comprised of cash and cash equivalents. We currently do not hedge interest rate exposure. Due to the nature of our short-term investments, we believe that we are not subject to any material market risk exposure. We have limited foreign currency risk exposure as our business operates primarily in U.S. dollars. We do not have significant foreign currency nor any other derivative financial instruments.

Item 8. Consolidated Financial Statements.

VivoSim Labs, Inc.
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of:
VivoSim Labs, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of VivoSim Labs, Inc., formerly known as Organovo Holdings, Inc., (the "Company") as of March 31, 2026 and 2025, and the related statements of operations and other comprehensive loss, stockholders' equity, and cash flows for each of the years in the two-year period ended March 31, 2026, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025, and the results of its operations and its cash flows for each of the years in the two-year period ended March 31, 2026, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Uncertainty

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred recurring losses and negative cash flows from operations and is dependent on additional financing to fund operations. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Accounting for and Valuation of Warrants

As described in Notes 2 and 6 to the financial statements, the Company completed an offering on March 31, 2026 that included common stock, pre-funded warrants, common warrants, and placement agent warrants. Management evaluated the warrants to determine whether they should be classified as equity or liabilities in accordance with ASC 480 and ASC 815. Certain warrant terms, including exercise price adjustments, beneficial ownership limitations, cashless exercise provisions, and price protection features, required management to apply significant judgment in evaluating the appropriate accounting classification. To the extent warrants were classified as liabilities, management measured the warrants at fair value using valuation techniques that required significant assumptions.

We identified the classification and valuation of the warrants issued in the March 31, 2026 offering as a critical audit matter. The principal considerations for our determination were the significant judgment required by management to evaluate the contractual terms of the warrant agreements and determine whether the warrants should be classified as equity or liabilities under ASC 480 and ASC 815. In particular, the evaluation required consideration of complex warrant provisions, including cashless exercise rights, beneficial ownership limitations, anti-dilution and price protection provisions, exercise price adjustments, settlement provisions, term, and the Black-Scholes exchange feature. In addition, for any warrants classified as liabilities, the determination of fair value required the use of valuation models and significant assumptions. Auditing these judgments involved especially challenging and complex auditor judgment, including the need to evaluate the application of complex accounting guidance to the specific terms of the warrant agreements and, as applicable, the reasonableness of the valuation methodology and significant assumptions used in measuring the warrant liability.

Our audit procedures related to the classification and valuation of the warrants included the following, among others:

- We obtained and inspected the warrant agreements, securities purchase agreement, placement agent agreement, and other offering documents related to the March 31, 2026 offering.
- We evaluated whether management appropriately identified the relevant contractual terms of the common warrants, pre-funded warrants, and placement agent warrants, including provisions related to exercise price, term, cashless exercise, beneficial ownership limitations, anti-dilution and price protection adjustments, settlement alternatives, and the Black-Scholes exchange feature.
- We evaluated management's accounting analysis under ASC 480 and ASC 815, including management's conclusions regarding whether the warrants represented freestanding financial instruments and whether the warrants met the criteria for equity classification or liability classification.
- We assessed management's consideration of whether the warrant provisions could require settlement in a manner that would preclude equity classification, including provisions related to price protection, exercise price adjustments, and cashless or exchange settlement features.
- We tested the mathematical accuracy of management's analysis and agreed key terms used in the analysis to the executed warrant agreements and related offering documents.
- For any warrants classified as liabilities, we evaluated the valuation methodology used by management to estimate fair value and tested significant inputs and assumptions, including the Company's stock price, exercise price, expected term, volatility, risk-free interest rate, expected dividends, and assumptions related to the Black-Scholes exchange feature.
- We involved valuation specialists, to assist in evaluating the appropriateness of the valuation model and the reasonableness of significant assumptions used to estimate the fair value of any liability-classified warrants.
- We evaluated the adequacy of the Company's disclosures in Notes 2 and 6 related to the warrant terms, accounting policy, classification conclusions, and valuation of any liability-classified warrants.

/s/ Rosenberg Rich Baker Berman, P.A.

We have served as the Company's auditor since 2023.

Somerset, New Jersey
July 14, 2026

VIVOSIM LABS, INC.

CONSOLIDATED BALANCE SHEETS
(in thousands except for share and per share data)

	March 31, 2026	March 31, 2025
Assets		
Current Assets		
Cash and cash equivalents	$ 5,024	$ 11,312
Accounts receivable	32	30
Escrow receivable	1,014	—
Prepaid expenses and other current assets	557	789
Total current assets	6,627	12,131
Fixed assets, net	206	419
Restricted cash	143	143
Operating lease right-of-use assets	407	867
Escrow receivable	—	1,000
Prepaid expenses and other assets, net	3	90
Total assets	$ 7,386	$ 14,650
Liabilities and Stockholders' (Deficit) Equity		
Current Liabilities		
Accounts payable	$ 1,021	$ 1,644
Accrued expenses	981	1,226
Insurance premium financing liability	118	128
Liability to be settled in equity	218	218
Operating lease liability, current portion	447	521
Total current liabilities	2,785	3,737
Common stock warrant liabilities	5,700	—
Operating lease liability, net of current portion	—	421
Total liabilities	8,485	4,158
Commitments and Contingencies (Note 8)		
Stockholders' (Deficit) Equity		
Common stock, $0.001 par value; 200,000,000 shares authorized, 2,894,519 and 1,898,068 shares issued and outstanding at March 31, 2026 and 2025, respectively	3	2
Additional paid-in capital	354,898	352,648
Accumulated deficit	(356,000)	(342,157)
Treasury stock, 3 shares at cost	—	(1)
Total stockholders' (deficit) equity	(1,099)	10,492
Total Liabilities and Stockholders' (Deficit) Equity	$ 7,386	$ 14,650

The accompanying notes are an integral part of these Consolidated Financial Statements.

VIVOSIM LABS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE LOSS
(in thousands except for share and per share data)

	Year Ended March 31, 2026	Year Ended March 31, 2025
Revenues		
Royalty revenue	$ 131	$ 119
Product revenue	—	25
Total Revenues	131	144
Cost of revenues	—	5
Research and development expenses	4,189	5,025
Selling, general, and administrative expenses	7,429	7,730
Total costs and expenses	11,618	12,760
Loss from Operations	(11,487)	(12,616)
Other Income (Expense)		
Loss on issuance of common stock	(2,703)	—
Gain on investment in equity securities	94	—
Gain on sale of asset	—	10,000
Interest income	267	140
Interest expense	(12)	(10)
Total Other Income (Expense)	(2,354)	10,130
Income Tax Expense	(2)	(2)
Net Loss	$ (13,843)	$ (2,488)
Comprehensive Loss	$ (13,843)	$ (2,488)
Net loss per common share—basic and diluted	$ (5.35)	$ (1.70)
Weighted average shares used in computing net loss per common share—basic and diluted	2,588,327	1,463,609

The accompanying notes are an integral part of these Consolidated Financial Statements.

VIVOSIM LABS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY

(in thousands)

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Total
	Shares	Amount		Shares	Amount		
Balance at March 31, 2024	**840**	**$ 1**	**$ 343,270**	**—**	**$ (1)**	**$ (339,669)**	**$ 3,601**
Issuance of common stock under employee and director stock option, RSU and purchase plans	10	—	—	—	—	—	—
Issuance of common stock under warrants exercise	425		80				80
Stock-based compensation expense	—	—	532	—	—	—	532
Issuance of common stock from public offering, net	623	1	8,766	—	—	—	8,767
Net loss	—	—	—	—	—	(2,488)	(2,488)
Balance at March 31, 2025	**1,898**	**$ 2**	**$ 352,648**	**—**	**$ (1)**	**$ (342,157)**	**$ 10,492**
Issuance of common stock under employee and director stock option, RSU and purchase plans	8	—	—	—	—	—	—
Retirement of treasury stock	—	—	(1)	—	1	—	—
Stock-based compensation expense	—	—	303	—	—	—	303
Issuance of common stock from public offering, net	989	1	1,948	—	—	—	1,949
Net loss	—	—	—	—	—	(13,843)	(13,843)
Balance at March 31, 2026	**2,895**	**$ 3**	**$ 354,898**	**—**	**$ —**	**$ (356,000)**	**$ (1,099)**

The accompanying notes are an integral part of these Consolidated Financial Statements.

VIVOSIM LABS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended March 31, 2026	Year Ended March 31, 2025
Cash Flows From Operating Activities		
Net loss	$ (13,843)	$ (2,488)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on issuance of common stock	2,703	—
Placement agent warrant offering expense	138	—
Gain on previously liquidated equity securities	(94)	—
Gain on sale of asset	—	(10,000)
Interest accretion on escrow receivable	(14)	—
Accretion on investments	—	(38)
Depreciation and amortization	215	266
Stock-based compensation	303	532
Non-cash lease expense	460	432
Inventory write-off	—	798
Increase (decrease) in cash resulting from changes in:		
Accounts receivable	(2)	3
Inventory	—	(501)
Prepaid expenses and other assets	670	253
Accounts payable	(623)	1,017
Accrued expenses	(245)	717
Operating lease liability	(495)	(452)
Net cash used in operating activities	(10,827)	(9,461)
Cash Flows From Investing Activities		
Purchases of fixed assets	—	(13)
Proceeds from sale of asset	—	9,000
Purchases of investments	—	(2,962)
Maturities of investments	—	3,000
Proceeds from previously liquidated equity securities	94	—
Net cash provided by investing activities	94	9,025
Cash Flows From Financing Activities		
Proceeds from issuance of common stock, net	4,808	8,847
Repayment of insurance premium financing liability	(363)	—
Net cash provided by financing activities	4,445	8,847
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash	(6,288)	8,411
Cash, cash equivalents, and restricted cash at beginning of period	11,455	3,044
Cash, cash equivalents, and restricted cash at end of period	$ 5,167	$ 11,455
Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets		
Cash and cash equivalents	$ 5,024	$ 11,312
Restricted cash	143	143
Total cash, cash equivalents and restricted cash	$ 5,167	$ 11,455
Supplemental Disclosure of Cash Flow Information:		
Escrow receivable	$ —	$ 1,000
Income taxes paid	$ 2	$ 2
Interest paid	$ 12	$ 10
Liability to be settled in equity	$ —	$ 218
Financed insurance premium exchanged for prepaid insurance	$ 353	$ 128
Common stock warrant liabilities	$ 5,700	$ —

The accompanying notes are an integral part of these Consolidated Financial Statements.

VivoSim Labs, Inc.

Notes to Consolidated Financial Statements

Note 1. Description of Business and Summary of Significant Accounting Policies

Nature of Operations

VivoSim Labs, Inc., formerly known as Organovo Holdings, Inc. ("VivoSim" and the "Company"), is a pharmaceutical and biotechnology services company that is focused on providing testing of drugs and drug candidates in three-dimensional ("3D") human tissue models of liver and intestine. The Company offers partners liver and intestinal toxicology insights using its new approach methodologies ("NAM") models. The Company anticipates accelerated adoption of human tissue models following the U.S. Food and Drug Administration ("FDA") announcement on April 10, 2025 to refine animal testing requirements in favor of these non-animal NAM methods. The Company will also offer bespoke services in the areas of investigational toxicology, mechanism of drug action elucidation, and other applications of these complex human tissue models.

Prior to March 2025, the Company was a clinical stage biotechnology company that was focused on developing FXR314 in inflammatory bowel disease ("IBD"), including ulcerative colitis ("UC"), based on demonstration of clinical promise in 3D human tissues as well as strong preclinical data. The Company's clinical focus was in advancing FXR314 in IBD, including UC and Crohn's disease. The Company planned to start a Phase 2a clinical trial in UC in the calendar year 2025 and was also exploring the potential for combination therapies using FXR314 and approved mechanisms in preclinical animal studies and the Company's IBD disease models.

In March 2025, the Company sold its FXR program for $10.0 million, with $9.0 million paid at closing and $1.0 million held in escrow for a period of 15 months, with future milestones of up to $50.0 million in the aggregate to be paid if the lead asset, FXR314, hits key development, regulatory and commercial milestones.

Effective April 24, 2025, the Company changed its corporate name to VivoSim Labs, Inc. by filing a Certificate of Amendment to its Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware. The Company changed its name to reflect its new business model, which includes the use of other longstanding assets of the Company, intestinal and liver tox models and expertise, and its IP portfolio for 3D bioprinting.

The Company is now offering liver toxicology predictive screening and research services as well as working on predicting and studying the intestinal side effect profiles of drugs that are therapeutic candidates of pharmaceutical and biotech companies at all stages of drug development. The Company's services offer the potential benefit of reducing the significant risk and cost of bringing therapeutics to market through the regulatory process. It is estimated that less than 10% of drug candidates entering clinical trials are approved, with a portion of the failures due to unexpected liver toxicity or intestinal intolerability. In addition, even approved drugs are occasionally withdrawn after liver toxicity is determined to be caused by the drug in a phenomenon called drug induced liver injury. The Company presented findings at the May 2025 Digestive Disease Week scientific conference showing that the liver toxicology platform had a best-in-class predictive power. VivoSim's liver predictive power was shown to be 87.5% for a set of challenging liver toxicity cases – inclusive of classic cases of "liver tox misses" drugs with unforeseen liver toxicity found in clinical trials or drugs that were withdrawn from the market after liver toxicity issues emerged later. The platform identified correctly that 87.5% of the known liver-toxic drugs could be seen as liver toxic using NAMkind™ liver. This is known as the sensitivity of the platform, which at 87.5% is a world's best. Importantly, the specificity was 100%, meaning that none of the compounds tested that are not liver toxic were incorrectly identified as having liver toxicity issues by the platform.

The Company uses its proprietary technologies to build functional 3D human tissues that mimic key aspects of native human tissue composition, architecture, function, and disease. The Company believes these attributes can enable critical complex, multicellular disease models that can be used to study and develop clinically effective drugs across multiple therapeutic areas.

The Company has also used these human disease models to identify new molecular targets responsible for driving IBD and to explore the mechanism of action of known drugs including JAK inhibitors and related molecules. A portion of its internal research continues to focus on early stage internal drug discovery programs, validating targets, and testing potentially licensable or transactable external drug compounds to identify drug candidates for partnering and/or internal clinical development.

In February 2024, the Company formed its Mosaic Cell Sciences division ("Mosaic") that was intended to serve as a key source of certain primary human cells that the Company utilizes in its research and development efforts. Mosaic provided the Company with qualified human cells for use in its clinical research and development programs. In addition to supplying the Company with primary human cells, Mosaic offered human cells for sale to life science customers, both directly and through distribution partners, which the Company expected to offset costs and over time become a profit center that offset overall research and development ("R&D") spending by the Company. The Company ended Mosaic's commercial sales operations in the third quarter of fiscal 2025, and any remaining saleable inventory was internally transferred to R&D at that time.

Liquidity and Going Concern

The accompanying Consolidated Financial Statements have been prepared on the basis that the Company is a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the normal course of business. As of March 31, 2026, the Company had cash and cash equivalents of approximately $5.0 million, restricted cash of approximately $0.1 million and an accumulated deficit of approximately $356.0 million. The restricted cash was pledged as collateral for a letter of credit that the Company is required to maintain as a security deposit under the terms of the lease agreements for its facilities. The Company also had negative cash flows from operations of approximately $10.8 million during the year ended March 31, 2026. As of March 31, 2026, the Company had total current assets of approximately $6.6 million and current liabilities of approximately $2.8 million, resulting in working capital of $3.8 million.

Through March 31, 2026, the Company has financed its operations primarily through the sale of common stock through public and at-the-market (“ATM”) offerings, the private placement of equity securities, from revenue derived from the licensing of intellectual property, products and research-based services, grants, and collaborative research agreements, the sale of the Company’s FXR program, and from the sale of convertible notes. During the year ended March 31, 2026, the Company issued 701,729 shares of its common stock through its ATM facility, for net proceeds of approximately $1.8 million.

March 2026 Best Efforts Public Offering

On March 31, 2026, the Company priced a best efforts public offering (the “2026 Offering”) of: (i) 286,557 shares of its common stock and 429,836 accompanying common warrants to purchase up to 429,836 shares of common stock at a combined public offering price of $1.14 per share and accompanying one and a half common warrants to purchase one share common stock and (ii) 2,345,022 pre-funded warrants to purchase 2,345,022 shares of common stock and 3,517,533 accompanying common warrants to purchase up to 3,517,533 shares of common stock at a combined public offering price of $1.139 per pre-funded warrant and accompanying one and a half common warrants to purchase one share of common stock. Each common warrant has an exercise price of $1.71 per share of common stock. The closing of the 2026 Offering occurred on March 31, 2026. In connection with the 2026 Offering, the Company received approximately $3.0 million of gross proceeds and $2.4 million of net proceeds, after deducting the offering expenses payable by the Company, including placement agent fees. The fair value of the placement agent warrants was approximately $0.1 million and was also considered an offering expense. All offering expenses were included within selling, general, and administrative expenses in the consolidated statement of operations and comprehensive loss during the year ended March 31, 2026. Additionally, in connection with the common warrants issued as part of the 2026 Offering, the Company recognized a common stock warrant liability of $5.7 million. As the fair value of the common stock warrant liability exceeded the gross proceeds from the offering, the Company recognized a $2.7 million loss on issuance of common stock during the year ended March 31, 2026. Please refer to "Note 6. Stockholders Equity" for more information regarding the 2026 Offering.

Based on the Company's current operating plan and available cash resources, the Company will need substantial additional funding to support future operating activities. The Company has concluded that the prevailing conditions and ongoing liquidity risks faced by the Company raise substantial doubt about its ability to continue as a going concern for at least one year following the date these Consolidated Financial Statements are issued. The accompanying Consolidated Financial Statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. As the Company continues its operations and is focusing its efforts on services, research, and development, the Company will need to raise additional capital to implement this business plan. The Company cannot predict with certainty the exact amount or timing for any future capital raises. The Company will seek to raise additional capital through debt or equity financings, or through some other financing arrangement. However, the Company cannot be sure that additional financing will be available if and when needed, or that, if available, it can obtain financing on terms favorable to its stockholders. Any failure to obtain financing when required will have a material adverse effect on the Company’s business, operating results, and financial condition.

Basis of Presentation and Principles of Consolidation

The accompanying Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to U.S. GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates promulgated by the Financial Accounting Standards Board ("FASB").

The Consolidated Financial Statements include the accounts of VivoSim and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. On an ongoing basis, management reviews these estimates and assumptions.

Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts payable, accrued expenses, the carrying amounts are generally considered to be representative of their respective fair values because of the short-term nature of those instruments.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Credit Risk and Significant Customers

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash equivalents. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits. The Company has not experienced any material losses in such accounts and believes it is not exposed to significant risk. The Company has invested its excess cash primarily in money market funds and U.S. Treasury securities. Additionally, the Company adheres to established guidelines regarding approved investments and maturities of investments, which are designed to preserve their principal value and maintain liquidity.

The Company is also potentially subject to concentrations of credit risk in its revenues and receivable accounts. The Company's receivables to date have been derived from a relatively small number of customers and third parties. The Company makes judgment as to its ability to collect outstanding receivables and provides reserves against receivables for estimated losses that may result from a customer or third party's ability to pay. Specific amounts determined to be uncollectable are charged against the reserve. The Company has not historically experienced any receivable write-downs and management does not believe significant credit risk exists as of March 31, 2026.

Restricted Cash

As of March 31, 2026 and 2025, the Company had approximately $0.1 million of restricted cash, deposited with a financial institution. The entire amount was held in certificates of deposit to support a letter of credit agreement related to the Company's facility leases entered into in November 2020 and amended in November 2021.

Fair Value Measurement

Financial assets and liabilities are measured at fair value, which is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent reporting period while the warrants are outstanding. Please refer to "Note 6. Stockholders Equity" for more information regarding outstanding warrants and their classification.

Insurance Premium Financing Liability

In September 2025, the Company entered into an insurance premium financing agreement for $0.4 million, with a term of nine months and an annual interest rate of 7.82%. The Company made a down payment of 10% and is required to make monthly principal and interest payments of $40,468 over the term of the agreement, which will mature in June 2026. The insurance premium financing liability was approximately $0.1 million as of March 31, 2026 and 2025, respectively. Related prepaid insurance at March 31, 2026 and March 31, 2025 was approximately $0.2 million, respectively, and is included in prepaid expenses and other current assets on the accompanying consolidated balance sheets.

Fixed Assets and Depreciation

Fixed assets are carried at cost less accumulated depreciation. Expenditures that extend the life of the asset are capitalized and depreciated. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets or, in the case of leasehold improvements, over the lesser of the useful life of the related asset or the remaining lease term. The estimated useful lives of the fixed assets range between one and seven years.

Impairment of Long-Lived Assets

In accordance with authoritative guidance, the Company reviews its long-lived assets, including fixed assets and other assets, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. To determine recoverability of its long-lived assets, the Company evaluates whether future undiscounted net cash flows will be less than the carrying amount of the assets and adjusts the carrying amount of its assets to fair value. Management has determined that no impairment of long-lived assets occurred as of March 31, 2026 and 2025.

Research and Development

Research and development expenses, including direct and allocated expenses, consist of independent research and development costs, as well as costs associated with sponsored research and development. Research and development costs are expensed as incurred.

Acquired In-Process Research and Development

FXR Program

In March 2023, the Company acquired Metacrine's FXR program for $4.0 million. The FXR program was determined to have no alternative future use, and therefore was considered acquired in-process research and development and fully expensed. Acquired in-process research and development expenses were included in total research and development expenses on the Consolidated Statements of Operations and Other Comprehensive Loss. In the year ended March 31, 2023, the Company paid a $2.0 million upfront payment, and the remaining $2.0 million was paid in the year ended March 31, 2024, upon the final transfer of the drug compounds, related data, and IP.

On March 25, 2025, the Company sold its FXR program and related assets to Eli Lilly and Company (the “FXR Asset Sale”). The consideration for the FXR Asset Sale consisted of (i) an upfront cash payment by Lilly to the Company equal to $10.0 million, of which $9.0 million was paid at closing and the remaining $1.0 million was deposited into escrow for 15 months to satisfy any claims for indemnification during such period, (ii) the assumption by Eli Lilly and Company of certain liabilities related to the FXR program, and (iii) potential milestone payments by Eli Lilly and Company of up to $50.0 million in the aggregate, which are contingent upon the achievement of certain development, regulatory and commercial milestones.

The Company assessed whether this agreement was considered a contract with a customer pursuant to Topic 606 or subject to guidance pursuant to ASC Topic 610, Other Income ("Topic 610"). The Company considered a variety of factors in determining the appropriate assumptions under this arrangement, such as whether the counterparty was a customer, the nature of its operations, both historically and ongoing, and any contingent consideration constraints. The Company determined the counterparty was not a customer based on the nature of its ordinary business operations and recorded the transaction within other income under Topic 610. Furthermore, the Company determined the $1.0 million held in escrow was not constrained due to the terms of the indemnification language and it was therefore recognized as a component of the consideration received at the time of closing; however, the Company did determine future potential milestone payments that may be made by Eli Lilly and Company were constrained due to the uncertainty of the milestones being met. If and when the future milestone payments are no longer considered constrained, the Company will record such payments in other income.

Segment Reporting

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated on a regular basis by the chief operating decision maker in deciding how to allocate resources to an individual segment and in assessing performance. As of March 31, 2026, the Company identified only one operating segment. Please refer to "Note 13. Business Segment Information" for further information.

Income Taxes

Deferred income taxes are recognized for the tax consequences in future years for differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the combination of the tax payable for the year and the change during the year in deferred tax assets and liabilities. The Company’s policy regarding uncertainty in income taxes is pursuant to ASC Topic 740-10. Interest and penalties that would be assessed in relation to the settlement value of unrecognized tax benefits is recognized as a component of income tax expense.

Revenue Recognition

Royalty revenue

The Company has entered into a license agreement with a company that includes the following: (i) non-refundable upfront fees and (ii) royalties based on specified percentages of net product sales, if any. At the initiation of the agreement, the Company has analyzed whether it results in a contract with a customer under Topic 606.

The Company has considered a variety of factors in determining the appropriate estimates and assumptions under these arrangements, such as whether the Company is a principal or agent, whether the elements are distinct performance obligations, whether there are determinable stand-alone prices, and whether any licenses are functional or symbolic. The Company has evaluated each performance obligation to determine if it can be satisfied and recognized as revenue at a point in time or over time. Typically, non-refundable upfront fees have been considered fixed, while sales-based royalty payments have been identified as variable consideration which must be evaluated to determine if it has been constrained and, therefore, excluded from the transaction price. Please refer to “Note 5. Collaborative Research, Development, and License Agreements” for further information.

Product revenue, net

The Company’s former product-based division, Mosaic, which was established in the fourth quarter of fiscal 2024, produced high-quality cell-based products for use in its R&D and for use by life science customers. The Company recognized product revenue when the performance obligation is satisfied, which was at the point in time the customer obtained control of the Company’s product, typically upon delivery. Product revenues were recorded at the transaction price under Topic 606. The Company provided no right of return to its customers except in cases where a customer obtained authorization from the Company for the return. To date, there have been no product returns. The Company ended Mosaic's commercial operations during the third quarter of fiscal 2025.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the ASC Topic 718, *Compensation — Stock Compensation*, which establishes accounting for equity instruments exchanged for employee and non-employee services. Under such provisions, stock-based compensation cost is measured at the grant date, based on the calculated fair value of the award (determined using either the Black-Scholes or Monte Carlo option-pricing models, depending on the complexity of the equity grant), and is recognized as an expense, under the straight-line method, over the employee or non-employee's requisite service period (generally the vesting period of the equity grant). The assumed dividend yield is based on the Company's expectation of not paying dividends in the foreseeable future. The Company uses its Company-specific historical volatility rate. The risk-free interest rate assumption is based on U.S. Treasury rates. The weighted average expected life of options is estimated using the average of the contractual term and the weighted average vesting term of the options. Option forfeitures are treated as a reduction of stock-based compensation expense and accounted for as they occur.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity during a period from transactions and other events and circumstances from non-owner sources. The Company is required to record all components of comprehensive income (loss) in the consolidated financial statements in the period in which they are recognized. Net income (loss) and other comprehensive income (loss) are reported, net of their related tax effect, to arrive at comprehensive income (loss).

Net Loss Per Share

Basic and diluted net loss per share has been computed using the weighted-average number of shares of common stock outstanding during the period. The weighted-average number of shares used to compute diluted loss per share includes the assumed exercise of any outstanding pre-funded warrants, and excludes any assumed exercise of stock options, shares reserved for purchase under the Company's 2023 Employee Stock Purchase Plan, the assumed vesting of restricted stock units, the exercise of common warrants, and shares subject to repurchase as the effect would be anti-dilutive. No dilutive effect was calculated for the years ended March 31, 2026 and 2025 as the Company reported a net loss for each respective period and the effect would have been anti-dilutive.

Common stock equivalents excluded from computing diluted net loss per share due to their anti-dilutive effect were approximately 5.0 million shares and 0.7 million shares for the years ended March 31, 2026 and 2025, respectively.

Note 2. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	March 31, 2026	March 31, 2025
Prepaid insurance	$ 280	$ 417
Prepaid expenses	277	360
Other current assets	—	12
Total prepaid expenses and other current assets	$ 557	$ 789

Note 3. Fixed Assets

Fixed assets consisted of the following (in thousands):

	March 31, 2026	March 31, 2025
Laboratory equipment	$ 1,630	$ 1,630
Furniture and fixtures	66	66
Computer software and equipment	244	244
Fixed Assets, gross	1,940	1,940
Less accumulated depreciation	(1,734)	(1,521)
Fixed Assets, net	$ 206	$ 419

As of March 31, 2026 and 2025, all of the Company's fixed assets were active and in use. Depreciation expense for each of the years ended March 31, 2026 and 2025 was approximately $0.2 and $0.3 million, respectively.

Note 4. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	March 31, 2026	March 31, 2025
Accrued payroll and other employee benefits	$ 422	$ 652
Accrued legal and professional fees	523	515
Other accrued expenses	36	59
Total accrued expenses	$ 981	$ 1,226

Note 5. Collaborative Research, Development, and License Agreements

License Agreements

BICO Group AB

In February 2022, the Company entered into a license agreement with Cellink AB and its subsidiaries (collectively, “BICO Group AB”), where the Company agreed to grant a non-exclusive license to BICO Group AB to use the Company’s aforementioned patents for its business operations of manufacturing and selling bioprinters as well as bioinks. As part of the license agreement, BICO Group AB agreed to pay the Company a one time, nonrefundable upfront fee of $1,500,000, as well as ongoing sales-based royalties (based on percentages of BICO Group AB’s net sales) for the use of the granted license, which was recorded as revenue. The sales-based royalties became effective beginning on February 22, 2022, the effective date of the license agreement, and continues until the expiration of the last surviving licensed patent. As the sales-based royalties are required to be paid 45 days after the end of every quarter, there is variable consideration that must be estimated to determine royalty revenue within a given reporting period. Once actual revenue earned is determined in the following fiscal quarter, an adjustment is made from the previously estimated amount. For the years ended March 31, 2026 and 2025, the Company recorded $131,000 and $119,000, respectively, of royalty revenue based on sales-based royalties from the license agreement.

Also as part of the license agreement, certain patents involved in the agreement are sublicensed by the Company from the University of Missouri and certain patents were previously sublicensed by the Company from Clemson University. See below for further information.

University of Missouri

In March 2009, the Company entered into a license agreement with the Curators of the University of Missouri to in-license certain technology and intellectual property relating to self-assembling cell aggregates and to intermediate cellular units. The Company received the exclusive worldwide rights to commercialize products comprising this technology for all fields of use. The Company is required to pay the University of Missouri royalties ranging from 1% to 3% of net sales of covered tissue products, and of the fair market value of covered tissues transferred internally for use in the Company’s commercial service business, depending on the level of net sales achieved by the Company each year.

On December 5, 2022, the Company amended the license agreement with the University of Missouri, whereby the Company agreed to pay a single, upfront payment of $50,000 to the University of Missouri in exchange for the aforementioned licensed intellectual property to be fully paid up by the Company. As a result, the Company will continue to have rights to the licensed intellectual property until its expiration in June 2028, but will no longer owe minimum annual royalty payments, royalty payments based on net sales, or any other payments (other than patent annuities and any prosecution costs) in the future.

Clemson University

In May 2011, the Company entered into a license agreement with Clemson University Research Foundation ("CURF") to in-license certain technology and intellectual property relating to ink-jet printing of viable cells. The Company received the exclusive worldwide rights to commercialize products comprising this technology for all fields of use. The Company was required to pay the university royalties ranging from 1.5% to 3% of net sales of covered tissue products and the fair market value of covered tissues transferred internally for use in the Company’s commercial service business, depending on the level of net sales reached each year. The license agreement terminated in May 2024 upon expiration of the patents licensed and was subject to certain conditions as defined in the license agreement. Minimum annual royalty payments of $40,000 per year were due beginning in calendar 2016. Royalty payments of zero and $40,000 were made for the years ended March 31, 2026 and 2025. The annual minimum royalty was creditable against royalties owed during the same calendar year.

In addition to the annual royalty noted above, CURF was owed 40% of all payments including but not limited to, upfront payments, license fees, issue fees, maintenance fees, and milestone payments received from third parties, including sublicensees, in consideration for sublicensing rights to licensed products. However, per the agreement, in the event that the Company defended the technology by litigation, it could offset any royalties due by legal expenses incurred. As of the expiration of the license agreement in May 2024, the Company's legal expenses exceeded royalties owed from the upfront payment and sales-based royalties related to the BICO Group AB license agreement. Therefore, no royalty expense to CURF was recorded for the year ended March 31, 2026 and no royalty expense related to sales-based royalties was ever recorded under the agreement.

Note 6. Stockholders' Equity

Preferred stock

The Company is authorized to issue 25,000,000 shares of preferred stock. There are no shares of preferred stock currently outstanding, and the Company has no present plans to issue shares of preferred stock.

Common stock

In January 2012, the Company's Board of Directors ("Board") approved the 2012 Amended and Restated Equity Incentive Plan ("2012 Plan"). The 2012 Plan initially authorized the issuance of up to 27,308 shares of common stock for awards of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, RSUs, performance units, performance shares, and other stock or cash awards, and the number of shares issuable pursuant thereto was increased several times to an aggregate of 193,974 shares.

In March 2021, the Board approved the 2021 Inducement Equity Incentive Plan ("Inducement Plan"). The Inducement Plan authorized the issuance of up to 62,500 shares of common stock for awards of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, RSUs, performance units, performance shares, and other stock or cash awards. In February 2022, 4,166 incentive stock options were issued under the Inducement Plan.

On October 12, 2022, the Company's stockholders and the Board approved the 2022 Equity Incentive Plan ("2022 Plan"), and it became effective on that date. The 2022 Plan replaced the 2012 Plan on the effective date. Upon the effective date, the Company ceased granting awards under the 2012 Plan and any shares remaining available for future issuance under the 2012 Plan were cancelled and are no longer available for future issuance. The 2012 Plan continues to govern awards previously granted under it. At the time the Board approved the 2022 Plan, an aggregate of 113,583 shares of the Company's common stock was initially reserved for issuance under the 2022 Plan. The Company committed to reducing the new 2022 Plan share reserve by the number of shares that were granted under the 2012 Plan and the Inducement Plan between July 25, 2022 and October 12, 2022. From July 25, 2022 to October 12, 2022, the Company issued 10,521 shares of its common stock under the 2012 Plan. As a result, the number of shares reserved for future issuance under the 2022 Plan was 103,062 shares of common stock. The Company also committed to reducing the aggregate number of shares of its common stock issuable pursuant to the Inducement Plan from 62,500 shares to 4,250 shares (which includes 4,166 shares of its common stock issuable pursuant to an outstanding option to purchase common stock with an exercise price of $33 per share, leaving only 83 shares available for future issuance under the Inducement Plan) and the share reserve was reduced effective October 12, 2022. On November 20, 2024, the Company's stockholders approved the amendment and restatement of the 2022 Plan (the "A&R 2022 Plan") to increase the number of shares reserved for issuance thereunder by 147,916 shares.

The Company previously had an effective shelf registration statement on Form S-3 (File No. 333-252224), declared effective by the SEC on January 29, 2021 (the "2021 Shelf"), which registered $150.0 million of common stock, preferred stock, warrants and units, or any combination of the foregoing, that expired on January 29, 2024. On January 26, 2024, the Company filed a new shelf registration statement on Form S-3 (File No. 333-276722) to register $150.0 million of the Company's common stock, preferred stock, debt securities, warrants and units, or any combination of the foregoing (the "2024 Shelf"). The 2024 Shelf was declared effective by the SEC on February 8, 2024 and replaced the 2021 Shelf at that time.

On March 16, 2018, the Company entered into a Sales Agreement with Jones Trading Institutional Services LLC (the "Agent"). On January 29, 2021, the Company filed a prospectus supplement to the 2021 Shelf, pursuant to which the Company may offer and sell, from time to time through the Agent, shares of its common stock in ATM sales transactions having an aggregate offering price of up to $50.0 million. Any shares offered and sold were issued pursuant to the 2021 Shelf until it was replaced by the 2024 Shelf.

On January 26, 2024, the Company filed a prospectus with the 2024 Shelf (the "2024 ATM Prospectus"), pursuant to which the Company may offer and sell, from time to time through the Agent, shares of its common stock in ATM sales transactions having an aggregate offering price of up to $2,605,728. The Company filed amendments to the 2024 ATM Prospectus on February 26, 2025 and again on April 11, 2025, providing that the Company may offer and sell, from time to time through the Agent, shares of its common stock in ATM sales transactions having an additional aggregate offering price of up to $5,311,508 and $4,766,105, respectively. Any shares offered and sold in these ATM transactions will be issued pursuant to the 2024 Shelf.

During the year ended March 31, 2026, the Company issued 701,729 shares of common stock in ATM offerings, pursuant to the 2024 Shelf. As of March 31, 2026, the Company has sold an aggregate of 1,198,134 shares of common stock in ATM offerings under the 2024 ATM Prospectus, with gross proceeds of approximately $6.9 million. As of March 31, 2026, there was approximately $140.1 million unallocated and available for future offerings under the 2024 Shelf, and approximately $3.1 million available for future offerings through the Company's ATM program under the 2024 ATM Prospectus.

In the event that the aggregate market value of the Company's common stock held by non-affiliates ("public float") is less than $75.0 million, the amount the Company can raise through primary public offerings of securities, including sales under the Sales Agreement, in any twelve-month period using shelf registration statements is limited to an aggregate of one-third of its public float. As of the date of filing of this Annual Report, the Company's public float was less than $75.0 million, and therefore it is limited to an aggregate of one-third of its public float in the amount it could raise through primary public offerings of securities in any twelve-month period using shelf registration statements, with such public float recalculated at the time of sale. If the Company's public float meets or exceeds $75.0 million at any time, the Company will no longer be subject to the restrictions set forth in General Instruction I.B.6 of Form S-3.

March 2026 Best Efforts Public Offering

On March 31, 2026, the Company priced the 2026 Offering which consisted of: (i) 286,557 shares of its common stock and 429,836 accompanying common warrants ("2026 Common Warrants") to purchase up to 429,836 shares of common stock at a combined public offering price of $1.14 per share and accompanying one and a half common warrants to purchase one share common stock and (ii) 2,345,022 pre-funded warrants ("2026 Pre-Funded Warrants") to purchase 2,345,022 shares of common stock and 3,517,533 accompanying 2026 Common Warrants to purchase up to 3,517,533 shares of common stock at a combined public offering price of $1.139 per pre-funded warrant and accompanying one and a half common warrants to purchase one share of common stock. Each 2026 Common Warrant will have an exercise price of $1.71 per share of common stock.

The per share exercise price for the 2026 Pre-Funded Warrants is $0.001, subject to adjustment as provided therein. The 2026 Pre-Funded Warrants were immediately exercisable, subject to certain beneficial ownership limitations, and will expire when exercised in full. The holder can exercise the 2026 Pre-Funded Warrants by means of a "cashless exercise."

The per share exercise price for the 2026 Common Warrants is $1.71, subject to adjustment as provided therein. The 2026 Common Warrants were immediately exercisable, subject to certain beneficial ownership limitations, and will expire on the date that is five years following the original issuance date. The 2026 Common Warrants have price protection against subsequent dilutive issuances of shares of common stock, options, warrants and convertible securities, subject to a $0.01 per share of common stock floor, as further described in the 2026 Common Warrants. The holders of the 2026 Common Warrants may exchange the 2026 Common Warrants on a cashless basis for a number of shares of common stock determined by multiplying the total number of shares of common stock with respect to which the 2026 Common Warrant is then being exercised by the Black Scholes Value (as defined in the 2026 Common Warrant) divided by the lower of the two closing bid prices of the common stock in the two days prior to the time of such exercise, but in any event not less than $0.01.

In connection with the 2026 Offering, the Company paid Joseph Gunnar & Co. LLC (the "Placement Agent"), which acted as the placement agent in connection with the 2026 Offering, a cash fee of 7.5% of the aggregate gross proceeds raised in the 2026 Offering. Additionally, in connection with the 2026 Offering, the Company issued to the Placement Agent 131,579 warrants to purchase 131,579 shares of common stock ("Placement Agent Warrants") with an exercise price of $1.425 per share of common stock.

The closing of the 2026 Offering occurred on March 31, 2026. The Company received gross proceeds of approximately $3.0 million and net proceeds of approximately $2.4 million from the 2026 Offering, after deducting the offering expenses payable by the Company, including the Placement Agent fees.

Restricted stock units

The following table summarizes the Company's RSUs activity for the year ended March 31, 2026:

	Number of Shares	Weighted Average Price
Unvested at March 31, 2025	8,165	$ 6.57
Granted	75,000	$ 1.73
Vested	(8,165)	$ 6.57
Cancelled / forfeited	—	$ —
Unvested at March 31, 2026	75,000	$ 1.73

Stock options

During the year ended March 31, 2026, under the A&R 2022 Plan, 127,952 stock options were granted at various exercise prices.

On August 5, 2024, the Company granted 83,841 stock options to its Executive Chairman under the A&R 2022 Plan. Of the stock options granted, 47,910 will vest evenly on an annual basis over three years. 11,977 of the options granted have unique vesting criteria based on market conditions, more specifically the Company's stock price. As the market condition based stock options require significant estimates and assumptions to calculate their fair value, the Company engaged with valuation specialists to calculate the fair value and requisite service periods using Monte Carlo simulations. The stock options will be expensed over their determined requisite service periods. The remaining 23,954 options granted have unique vesting criteria based on specific Company performance conditions. The vesting criteria for 11,977 of these options includes the Company achieving cumulative revenue of $1.5 million. The vesting criteria for the remaining 11,977 options includes the Company entering into a definitive agreement that constitutes a major strategic partnership, at the discretion of the Board. As of March 31, 2026, no performance conditions have been met. The grant date fair value of the performance based awards is $118,000 in the aggregate, which will be recognized when the performance condition is satisfied.

The following table summarizes stock option activity for the year ended March 31, 2026:

	Options Outstanding	Weighted-Average Exercise Price	Aggregate Intrinsic Value
Outstanding at March 31, 2025	141,397	$ 22.66	$ —
Options granted	127,952	$ 2.05	$ —
Options canceled	(2,552)	$ 14.51	$ —
Options expired	(5,713)	$ 33.63	$ —
Outstanding at March 31, 2026	261,084	$ 12.40	$ —
Vested and Exercisable at March 31, 2026	60,045	$ 40.47	$ —

The weighted-average remaining contractual term of stock options exercisable and outstanding at March 31, 2026 was approximately 8.5 years.

Warrants

2024 Offering

In connection with a best efforts public offering that occurred in May 2024 ("2024 Offering"), the Company issued common warrants ("2024 Common Warrants") to purchase up to 130,202 shares of common stock at a combined public offering price of $9.60 per share and accompanying common warrant to purchase one share of common stock and (ii) pre-funded warrants ("2024 Pre-Funded Warrants") to purchase 416,666 shares of common stock and accompanying 2024 Common Warrants to purchase up to 416,666 shares of common stock at a combined public offering price of $9.588 per 2024 Pre-Funded Warrant and accompanying 2024 Common Warrant to purchase one share of common stock. The Company has determined that these warrants should be classified as equity instruments since they do not require the Company to repurchase the underlying common stock and do not require the Company to issue a variable amount of common stock. In addition, these warrants are indexed to common stock and do not have any antidilution rights. As of March 31, 2026, all 2024 Pre-Funded Warrants associated with the 2024 Offering were fully exercised and 7,810 of the 2024 Common Warrants were exercised during the year ended March 31, 2025.

The following table summarizes the Company’s 2024 Common Warrants activity from March 31, 2025 to March 31, 2026:

	Number of Warrants	Exercise Price
Outstanding at March 31, 2025	539,060	$ 9.60
Issued	—	—
Exercised	—	—
Outstanding at March 31, 2026	539,060	$ 9.60

2026 Offering

In connection with the 2026 Offering, the Company issued (i) 286,557 shares of its common stock and 429,836 accompanying 2026 Common Warrants to purchase up to 429,836 shares of common stock at a combined public offering price of $1.14 per share and accompanying one and a half 2026 Common Warrants to purchase one share common stock and (ii) 2,345,022 2026 Pre-Funded Warrants to purchase 2,345,022 shares of common stock and 3,517,533 accompanying 2026 Common Warrants to purchase up to

3,517,533 shares of common stock at a combined public offering price of $1.139 per 2026 Pre-Funded Warrant and accompanying one and a half 2026 Common Warrants to purchase one share of common stock. The Company has determined that the 2026 Pre-Funded Warrants should be classified as equity instruments since they do not require the Company to repurchase the underlying common stock and do not require the Company to issue a variable amount of common stock. Each 2026 Common Warrant has an exercise price of $1.71 per share of common stock. The Company has determined that the 2026 Common Warrants should be classified as a common stock warrant liability as the instrument contains a leverage factor and therefore is not considered indexed to the Company's own stock.

In connection with the 2026 Offering, the Company issued 131,579 Placement Agent Warrants to purchase 131,579 shares of common stock with an exercise price of $1.425 per share of common stock.

The following table summarizes information about shares issuable under the 2026 Pre-Funded Warrants, the 2026 Common Warrants, and the Placement Agent Warrants from March 31, 2025 to March 31, 2026:

	2026 Pre-Funded Warrants	Exercise Price	2026 Common Warrants	Exercise Price	Placement Agent Warrants	Exercise Price
Outstanding at March 31, 2025	—	$ —	—	$ —	—	$ —
Issued	2,345,022	$ 0.001	3,947,369	$ 1.71	131,579	$ 1.43
Exercised	—	$ —	—	$ —	—	$ —
Outstanding at March 31, 2026	2,345,022	$ 0.001	3,947,369	$ 1.71	131,579	$ 1.43

The fair value of the placement agent warrants was approximately $0.1 million, which was measured using a Black Scholes model, and was expensed during the year ended March 31, 2026 as an offering expense. The expense was included in selling, general, and administrative expenses in the consolidated statement of operations and comprehensive loss. The assumptions that the Company used to determine the fair value of the placement agent warrants were as follows:

	Year Ended March 31, 2026
Dividend yield	—
Volatility	124.02%
Risk-free interest rate	3.81%
Expected life of warrants	3.00 years
Weighted average grant date fair value	$ 1.43

The following table summarizes the Company’s common stock warrant liability, which represents a recurring measurement that is classified with Level 3 of the fair value hierarchy wherein the fair value is estimated using significant unobservable inputs (in thousands):

	March 31, 2026
Beginning common stock warrant liability	$ —
Common warrants issued	5,700
Common warrants exercised	—
Change in fair value	—
Ending common stock warrant liability	$ 5,700

The fair value of the common stock warrant liability was measured using a Monte Carlo model and will be remeasured each reporting period, and the change in fair value will be recorded in earnings. The fair value of the 2026 Common Warrants is inherently sensitive to changes in the Company's stock price and related volatility assumptions. The assumptions that the Company used to determine the fair value at the reporting date were as follows:

	Year Ended March 31, 2026
Dividend yield	—
Volatility	110.00%
Risk-free interest rate	3.90%
Expected life of warrants	5.00 years
Weighted average grant date fair value	$ 1.71

Employee Stock Purchase Plan

In July 2023, the Board adopted, and subsequently on October 31, 2023, the Company's stockholders approved, the ESPP. The ESPP became effective on October 31, 2023. The Company reserved 3,750 shares of common stock for issuance thereunder. The ESPP permits employees to purchase common stock through payroll deductions, limited to 15 percent of each employee's compensation up to $25,000 per employee per year or 42 shares per employee per six-month purchase period. Shares under the ESPP are purchased at 85 percent of the fair market value at the lower of (i) the closing price on the first trading day of the six-month purchase period or (ii) the closing price on the last trading day of the six-month purchase period. The initial offering under the ESPP commenced on March 1, 2024. During the year ended March 31, 2026, there were no shares issued under the ESPP. At March 31, 2026, there were 3,708 shares remaining available for purchase under the ESPP.

Common stock reserved for future issuance

Common stock reserved for future issuance consisted of the following at March 31, 2026:

Common stock issuable pursuant to options outstanding and reserved under the 2012 Plan	27,565
Common stock issuable pursuant to options outstanding and reserved under the A&R 2022 Plan	229,353
Common stock reserved under the A&R 2022 Plan	12,252
Common stock reserved under the ESPP	3,708
Common stock reserved under the 2021 Inducement Equity Plan	83
Common stock issuable pursuant to restricted stock units outstanding under the A&R 2022 Plan	75,000
Common stock issuable pursuant to options outstanding and reserved under the Inducement Plan	4,166
Common stock issuable pursuant to outstanding 2024 Common Warrants	539,060
Common stock issuable pursuant to outstanding 2026 Pre-Funded Warrants	2,345,022
Common stock issuable pursuant to outstanding 2026 Common Warrants	3,947,369
Common stock issuable pursuant to outstanding Placement Agent Warrants	131,579
Total at March 31, 2026	7,315,157

Stock-based compensation expense and valuation information

Stock-based awards include stock options and RSUs under the Company's A&R 2022 Plan, 2012 Plan, inducement awards, performance-based RSUs under an Incentive Award Performance-Based Restricted Stock Unit Agreement, the Inducement Plan, and rights to purchase stock under the ESPP.

Stock-based compensation expense for all stock-based awards consists of the following (in thousands):

	Year Ended March 31, 2026	Year Ended March 31, 2025
Research and development	$ 56	$ 86
General and administrative	247	446
Total	$ 303	$ 532

The total unrecognized compensation cost related to unvested stock option grants as of March 31, 2026 was approximately $0.5 million and the weighted average period over which these grants are expected to vest is 2.68 years.

The total unrecognized stock-based compensation cost related to unvested RSUs as of March 31, 2026 was $0.1 million, which will be recognized over a weighted average period of 0.83 years.

The Company uses either the Black-Scholes or Monte Carlo option-pricing models to calculate the fair value of stock options, depending on the complexity of the equity grants. Stock-based compensation expense is recognized over the vesting period using the straight-line method. The assumed dividend yield is based on the Company's expectation of not paying dividends in the foreseeable future. The Company uses the Company-specific historical volatility rate as the indicator of expected volatility. The risk-free interest rate assumption is based on U.S. Treasury rates. The weighted average expected life of options was estimated using the average of the contractual term and the weighted average vesting term of the options. The measurement and classification of share-based payments to non-employees is consistent with the measurement and classification of share-based payments to employees. The fair value of stock options was estimated at the grant date using the following weighted average assumptions:

	Year Ended March 31, 2026	Year Ended March 31, 2025
Dividend yield	—	—
Volatility	113.22%	99.38%
Risk-free interest rate	3.68%	3.75%
Expected life of options	6.00 years	5.75 years
Weighted average grant date fair value	$ 1.74	$ 5.67

The fair value of each RSU is recognized as stock-based compensation expense over the vesting term of the award. The fair value is based on the closing stock price on the date of the grant.

The Company uses the Black-Scholes valuation model to calculate the fair value of shares issued pursuant to the ESPP. Stock-based compensation expense is recognized over the purchase period using the straight-line method. The fair value of the ESPP shares was estimated at the purchase period commencement date using the following assumptions:

	Year Ended March 31, 2026	Year Ended March 31, 2025
Dividend yield	—	—
Volatility	0.00%	95.20%
Risk-free interest rate	0.00%	5.27%
Expected term	—	6 months
Grant date fair value	$ —	$ 0.39

The assumed dividend yield was based on the Company's expectation of not paying dividends in the foreseeable future. The Company uses the Company-specific historical volatility rate as the indicator of expected volatility. The risk-free interest rate assumption was based on U.S. Treasury rates. The expected life is the 6-month purchase period.

Note 7. Leases

After the initial adoption of ASC Topic 842, on an on-going basis, the Company evaluates all contracts upon inception and determines whether the contract contains a lease by assessing whether there is an identified asset and whether the contract conveys the right to control the use of the identified asset in exchange for consideration over a period of time. If a lease is identified, the Company will apply the guidance from ASC Topic 842 to properly account for the lease.

Operating Leases

On November 23, 2020, the Company entered into a lease agreement, pursuant to which the Company permanently leased approximately 8,051 square feet of office space (the "Permanent Lease") in San Diego once certain tenant improvements were completed by the landlord and the premises were ready for occupancy. Additionally, on November 17, 2021, the Permanent Lease was amended to add an additional 2,892 square feet of office space in the same building. The Permanent Lease commenced on December 17, 2021 and is intended to serve as the Company's permanent premises for approximately sixty-two months. Monthly rental payments are approximately $40,800 with 3% annual escalators.

The Company determined that the Permanent Lease is considered an operating lease under ASC Topic 842, and therefore upon the lease commencement date of December 17, 2021, recognized lease liabilities and corresponding right-of-use assets of $2.3 million. The Company records operating lease expense on a straight-line basis over the life of the lease (referred to as "operating lease expense"). Variable lease expenses associated with the Company's leases, such as payments for additional monthly fees to cover the Company's share of certain facility expenses (common area maintenance) are expensed as incurred.

The table below summarizes the Company's lease liabilities and corresponding right-of-use assets as of March 31, 2026 (in thousands):

	March 31, 2026
ASSETS	
Operating lease right-of-use assets	$ 407
Total lease right-of-use assets	$ 407
LIABILITIES	
Current	
Operating lease liability	447
Total lease liabilities	$ 447
Weighted average remaining lease term:	0.83 years
Weighted average discount rate:	6%

Variable lease expense was approximately $143,000 and $93,000 for the years ended March 31, 2026 and 2025, respectively. Operating lease expense was approximately $503,000 for each of the years ended March 31, 2026 and 2025, respectively.

Cash outflows associated with the Company's operating lease for the years ended March 31, 2026 and 2025 were approximately $539,000 and $524,000, respectively.

Future lease payments relating to the Company's operating lease liabilities as of March, 31, 2026 are as follows (in thousands):

Fiscal year ending March 31, 2027	459
Total future lease payments	459
Less: Imputed Interest	(12)
Total lease obligations	447
Less: Current obligations	(447)
Noncurrent lease obligations	$ —

Note 8. Commitments and Contingencies

Legal matters

In addition to commitments and obligations in the ordinary course of business, the Company may be subject, from time to time, to various claims and pending and potential legal actions arising out of the normal conduct of its business.
On August 27, 2024, H.C. Wainwright & Co., LLC ("H.C. Wainwright") filed a complaint against the Company in the Supreme Court of the State of New York, County of New York alleging that the Company breached a tail financing provision included in an engagement agreement the Company entered into with H.C. Wainwright in May 2023. In its complaint, H.C. Wainwright is seeking compensatory and consequential damages and attorneys' fees. On October 18, 2024, the Company filed an answer to the complaint and on September 2, 2025, the Company filed counterclaims for rescission, fraudulent inducement, and breach of contract against H.C. Wainwright. H.C. Wainwright moved to dismiss the Company's counterclaims in November 2025. The parties fully briefed that motion between November 2025 and January 2026 and the court has set oral argument for July 15, 2026. The Company is defending against H.C. Wainwright's claims and pursuing its own counterclaims vigorously, but there is no guarantee that it will be successful in these efforts.

The Company assesses contingencies to determine the degree of probability and range of possible loss for potential accrual in its Consolidated Financial Statements. Accruals are recognized when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. Gain contingencies are not recognized until realized. Legal fees are expensed as incurred. Because litigation is inherently unpredictable and unfavorable resolutions could occur, assessing litigation contingencies is subjective and requires judgments about future events. When evaluating contingencies, the Company may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matters. In addition, damage amounts claimed in litigation against it may be unsupported, exaggerated or unrelated to possible outcomes, and as such are not meaningful indicators of its potential liability.

The Company regularly reviews contingencies to determine the adequacy of its accruals and related disclosures and monitors each related legal issue and adjusts accruals as might be warranted based on new information and further developments. During the three months ended September 30, 2024, the Company recognized an accrual of $0.6 million (which was considered a financing fee related to the 2024 Offering discussed in Note 6. Stockholders' Equity) for the loss contingencies associated with the above described H.C. Wainwright complaint. As of March 31, 2026, the accrual has not changed. Of the $0.6 million loss contingency accrual, $0.4 million is included in accrued expenses on the accompanying consolidated balance sheets. The remaining $0.2 million of the loss contingency accrual is classified as a liability to be settled in equity on the accompanying consolidated balance sheets. The liability to be settled in equity relates to a fixed number of warrants that were included in the complaint as part of the sought compensatory damages. The Company recorded the loss contingency accrual as it determined that an unfavorable outcome is probable or reasonably possible and believed that the amount or range of any possible loss was reasonably estimable. However, amounts accrued for legal contingencies often result from a complex series of judgments about future events and uncertainties that rely heavily on estimates and assumptions including timing of related payments, and the outcome of legal proceedings and claims brought against the Company is subject to significant uncertainty. If one or more legal matters were resolved against the Company in a reporting period, the Company's consolidated financial statements for that reporting period could be materially adversely affected.

Note 9. Income Taxes

The following table summarizes the (loss) income before income tax expense by jurisdiction for the period indicated (in thousands):

	March 31, 2026	March 31, 2025
Pre-tax book income (loss)		
Domestic	$ (13,841)	$ (2,486)
Foreign	—	—
Total	$ (13,841)	$ (2,486)

A reconciliation of the statutory federal rate and the effective rate, for operations, is as follows for the years ended March 31, 2026 and 2025 (in thousands, except percentages):

	March 31, 2026		March 31, 2025	
Income taxes (benefit) at statutory federal rate	$ (2,907)	21.0%	$ (522)	21.0%
State and local taxes, net of federal benefit [1]	(21)	0.2%	(31)	1.2%
Tax credits	(179)	1.3%	(321)	12.9%
Changes in valuation allowance	152	(1.1)%	(141)	5.7%
Nontaxable or nondeductible items				
Change in fair value of derivative liability	568	(4.1)%	—	0.0%
Stock-based compensation	55	(0.4)%	75	(3.0)%
Financing fees	156	(1.1)%	—	0.0%
Other				
Removal of federal net operating losses and research development credits	2,126	(15.4)%	867	(34.9)%
Other true-ups	(7)	0.0%	(21)	1.0%
Changes in unrecognized tax benefits	59	(0.4)%	96	(3.9)%
Provision for income taxes	$ 2	(0.0)%	$ 2	0.0%

[(1)] State taxes in California comprise the majority (greater than 50%) of the tax effect in this category.
For the years ended March 31, 2026 and 2025, federal and state income tax payments were insignificant and therefore are not presented in disaggregated detail.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred tax assets are as follows as of March 31, 2026 and 2025 (in thousands, except percentages):

	March 31, 2026	March 31, 2025
Deferred tax assets:		
Amortization	$ 861	$ 1
Section 174 R&D capitalization	1,730	2,380
Accrued expenses and reserves	78	132
Operating lease liability	99	207
Stock-based compensation	342	336
Other, net	4	5
Total deferred tax assets	3,114	3,061
Valuation allowance	(2,997)	(2,807)
Net deferred tax assets	$ 117	$ 254
Deferred tax liabilities:		
Operating lease right-of-use assets	(90)	(191)
Depreciation	(27)	(63)
Total deferred tax liabilities	$ (117)	$ (254)
	$ —	$ —

A full valuation allowance has been established to offset the deferred tax assets as management cannot conclude that realization of such assets is more likely than not. Under the Internal Revenue Code ("IRC") Sections 382 and 383, annual use of the Company's net operating loss and research tax credit carryforwards to offset taxable income may be limited based on cumulative changes in ownership. The Company has not completed an analysis to determine whether any such limitations have been triggered as of March 31, 2026. Until this analysis is completed, the Company has removed the deferred tax assets related to net operating losses from deferred tax asset schedule. Further, until a study is completed and any limitation known, approximately $1.8 million for each of the years ended March 31, 2026 and 2025, are being considered as an uncertain tax position netted against the deferred tax asset. Due to the existence of the valuation allowance, future changes in the Company's unrecognized tax benefits will not impact its effective tax rate. Any carryforwards that will expire prior to utilization as a result of such limitations will be removed from deferred tax assets with a corresponding reduction of the valuation allowance. The valuation allowance increased by approximately $190,000 and decreased by approximately $177,000 for the years ended March 31, 2026 and 2025, respectively.

Federal and State NOLs that have not been recognized as a DTA are $231.6 million and $43.9 million, respectively, as of March 31, 2026.

Federal net operating loss carryforwards ("NOLs") of approximately $88 million will carryforward indefinitely and be available to offset up to 80% of future taxable income each year. The remaining federal net operating losses will begin to expire in 2028, unless previously utilized. The state net operating loss carryforwards will begin to expire in 2028, unless previously utilized.

Federal and State research tax credit carryforwards that have not been recognized as a DTA are $5.5 million and $4.9 million at March 31, 2026, respectively. The federal research tax credit carryforwards begin to expire in 2028. The state research tax credit carryforwards do not expire.

The Company did not record any accruals for income tax accounting uncertainties for the year ended March 31, 2026.

The Company recognizes interest expense and penalties associated with uncertain tax positions as a component of income tax expense. Accruals for interest and penalties related to income tax matters were not material as of March 31, 2026.

The Company is subject to tax in the United States and California. As of March 31, 2026, the Company's tax years from inception are subject to examination by the tax authorities due to the generation of net operating losses. The Company is not currently under examination by any jurisdiction.

Note 10. Related Parties

From time to time, the Company enters into agreements with one or more related parties in the ordinary course of its business. These agreements are ratified by the Board or a committee thereof pursuant to its related party transaction policy.

Viscient Biosciences ("Viscient") is an entity for which Keith Murphy, the Company's Executive Chairman, serves as the Chief Executive Officer and President.

Viscient Biosciences

On December 28, 2020, the Company entered into an intercompany agreement (the "Intercompany Agreement") with Viscient and Organovo, Inc., the Company's wholly-owned subsidiary, which included an asset purchase agreement for certain lab equipment. Pursuant to the Intercompany Agreement, the Company agreed to provide Viscient certain services related to 3D bioprinting technology, which includes, but is not limited to, histology services, cell isolation, and proliferation of cells and Viscient agreed to provide the Company certain services related to 3D bioprinting technology, including bioprinter training, bioprinting services, and qPCR assays, in each case on payment terms specified in the Intercompany Agreement and as may be further determined by the parties. In addition, the Company and Viscient each agreed to share certain facilities and equipment and, subject to further agreement, to each make certain employees available for specified projects for the other party at prices to be determined in good faith by the parties. During fiscal 2025 and fiscal 2026, the companies added Statements of Work to the Intercompany Agreement, where Viscient agreed to provide the Company with certain consulting and testing services related to the Company's ongoing R&D. The Company evaluated the accounting for the Intercompany Agreement and concluded that any services provided by Viscient to the Company will be expensed as incurred, and any compensation for services provided by the Company to Viscient will be considered a reduction of personnel related expenses. Any services provided to Viscient do not fall under Topic 606 as the Intercompany Agreement is not a contract with a customer. For the fiscal years ended March 31, 2026 and 2025, the Company incurred approximately $604,000 and $118,000 in R&D consulting expenses from Viscient, respectively. As of March 31, 2026 and 2025, the accounts payable balance to Viscient was approximately $56,000 and zero, respectively. Additionally, for the fiscal years ended March 31, 2026 and 2025, the Company provided approximately $5,000 and $3,000 of histology services to Viscient, respectively.

Note 11. Defined Contribution Plan

The Company has a defined contribution 401(k) plan covering substantially all employees. Under the terms of the 401(k) plan, the Company makes matching contributions on up to the first 6% of compensation contributed by its employees. Amounts expensed under the Company's 401(k) plan for the years ended March 31, 2026 and 2025 were approximately $71,000 and $66,000, respectively.

Note 12. Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies. Unless otherwise stated, the Company believes that the impact of the recently issued accounting pronouncements that are not yet effective will not have a material impact on its consolidated financial position or results of operations upon adoption.

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The update requires a public business entity to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, all entities are required to disclose income taxes paid, net of refunds received disaggregated by federal, state/local, and foreign and by jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. Adoption of the ASU allows for either the prospective or retrospective application of the amendment and is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The new disclosure requirements are included in the Company's Form 10-K for fiscal year ending March 31, 2026, and were applied on a retrospective basis.

Recently Issued Accounting Pronouncements

On July 4, 2025, the U.S. government enacted comprehensive legislation commonly referred to as the One Big Beautiful Bill Act, or the 2025 Act. The 2025 Act makes changes to U.S. corporate income taxes including reinstating the option to claim 100% accelerated depreciation deductions on qualified property, with prospective application beginning January 20, 2025 and immediate expensing of domestic research and development costs, with prospective application beginning January 1, 2025. The impact of this legislation was not material to the Company's consolidated financial position and results of operations for the year ended March 31, 2026.

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 is intended to improve the disclosures of expenses by providing more detailed information about the types of expenses in commonly presented expense captions. The standard is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December

15, 2027, with early adoption permitted. The standard can be applied either prospectively or retrospectively. The Company has not yet completed its assessment of the impact of ASU 2024-03 on the Company's Consolidated Financial Statements.

Note 13. Business Segment Information

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated on a regular basis by the CODM in deciding how to allocate resources to an individual segment and in assessing performance. The Company identified one operating segment in fiscal 2026, named the R&D segment, which did not impact prior periods. During fiscal 2026, the Company's operating segment was as follows:

Research & Development

The R&D segment focuses on providing testing of drugs and drug candidates in 3D human tissue models of liver and intestine, offering partners liver and intestinal toxicology insights using its NAM models. The Company plans to work with pharmaceutical and biotech companies at all stages of drug development to reduce the significant risk and cost of bringing therapeutics to market through the regulatory process and offer bespoke services in the areas of investigational toxicology, mechanism of drug action elucidation, and other applications of these complex human tissue models.

For purposes of evaluating performance and allocating resources, the Company's CODM, its Executive Chairman, regularly reviews Consolidated Net Loss as reported in the Company's Consolidated Statements of Operations and Comprehensive Loss as compared to budget. The measure of segment assets is reported in the Consolidated Balance Sheets as Total Consolidated Assets.

In addition to the significant expense categories included within Consolidated Net Loss presented in the Company's Consolidated Statements of Operations and Other Comprehensive Loss, see below for disaggregated expense amounts for the years ended March 31, 2026 and 2025 (in thousands):

	Year Ended March 31, 2026	Year Ended March 31, 2025
Revenue		
Royalty revenue	$ 131	$ 119
Product revenue	—	25
Total revenue	131	144
Operating expenses		
Cost of revenues	—	5
Research and development (a) (b)	3,934	4,712
Selling, general, and administrative expenses (a)(b)	7,166	7,245
Non-cash stock-based compensation (see Note 6)	303	532
Depreciation and amortization (see Note 3)	215	266
Total operating expenses	$ 11,618	$ 12,760
Consolidated operating loss	$ (11,487)	$ (12,616)

(a) Stock-based compensation expense of $56,000 and $86,000 related to research and development and $247,000 and $446,000, related to selling, general, and administration have been excluded for the years ended March 31, 2026 and 2025, respectively.
(b) Depreciation and amortization expense of $199,000 and $227,000 related to research and development and $16,000 and $39,000 related to selling, general, and administration have been excluded for the years ended March 31, 2026 and 2025, respectively.

Note 14. Subsequent Events

In July 2026, the Company received a milestone payment of $5.0 million in connection with the FXR Asset Sale upon the achievement of a certain development milestone.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed pursuant to the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Executive Chairman and Chief Financial Officer (our principal executive officer and principal financial and accounting officer, respectively), as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision of our Executive Chairman and our Chief Financial Officer, and with the participation of all members of management, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act. Based on this evaluation, our Executive Chairman and our Chief Financial Officer concluded that our disclosure controls and procedures were designed and operating effectively as of the end of the period covered by this Annual Report.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our system of internal control over financial reporting is designed to provide reasonable assurance to our management and the board of directors regarding the preparation and fair presentation of our Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles.

Our management, under the supervision of our Executive Chairman and our Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of March 31, 2026. In making this assessment, we used the framework included in *Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the criteria set forth in *Internal Control — Integrated Framework* (2013), our management concluded that our internal control over financial reporting was effective as of March 31, 2026.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the fourth quarter of the fiscal year ended March 31, 2026, to which this report relates that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Executive Chairman and our Chief Financial Officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. 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. Further, because of the inherent limitations in all control systems, no evaluation of controls 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 detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on 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. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Item 9B. Other Information.

During the fiscal quarter ended March 31, 2026, none of our directors or officers (as defined in Section 16 of the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Board of Directors Information

Our Board of Directors ("Board") is comprised of five directors. Our Board is divided into three classes, with one class standing for election each year for a three-year term. There are currently one Class I director, two Class II directors, and two Class III directors.

In addition to the information set forth below regarding our directors and the skills that led our Board to conclude that these individuals should serve as directors, we also believe that all of our directors have a reputation for integrity, honesty and adherence to the highest ethical standards. We believe they each have demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to our Company and to their Board duties.

Information About Our Directors

The following sets forth information regarding the business experience of our current directors:

Name	Age[1]	Position(s)	Director Class
Keith Murphy	54	Director and Executive Chairman	Class III
Adam Stern	62	Director	Class III
Douglas Jay Cohen	55	Lead Independent Director	Class II
David Gobel	73	Director	Class II
Alison Tjosvold Milhous	47	Director	Class I

(1) As of June 15, 2026.

Class III Directors Continuing in Office Until the 2026 Annual Meeting of Stockholders

Keith Murphy, Director and Executive Chairman, re-joined our Board in July 2020 and has served as our Executive Chairman since September 2020. Mr. Murphy is the Chief Executive Officer and Chairman of Viscient Biosciences, Inc. (“Viscient”), a private company that he founded in 2017 that is focused on drug discovery and development utilizing 3D tissue technology and multi-omics (genomics, transcriptomics, metabolomics). Mr. Murphy previously served as the President and Chief Executive Officer of VivoSim from February 2012 through April 2017, and as Chairman from February 2012 through August 2017. Mr. Murphy also previously served as President, Chief Executive Officer, and Chairman of Organovo, Inc., VivoSim's primary operating company prior to its going-public transaction, from August 2007 to February 2012. Prior to founding VivoSim, Mr. Murphy served in various roles at Amgen, Inc. from August 1997 to July 2007 including as Global Operations Leader for the osteoporosis/bone cancer drug Prolia/Xgeva (denosumab). Prior to joining Amgen, Mr. Murphy served at Alkermes, Inc., a biotechnology company, from July 1993 to July 1997, where he played a role on the development team for their first approved product, Nutropin (hGH) Depot. Mr. Murphy has served as a member of the board of directors of Matinas BioPharma Holdings, Inc. (NYSE: MTNB) since March 2025 and served as a member of the board of directors of Kintara Therapeutics, Inc. from August 2020 to February 2022, and served on its compensation committee and nominating and corporate governance committee. He holds a B.S. in Chemical Engineering from MIT and is an alumnus of the UCLA Anderson School of Management.

We believe Mr. Murphy’s previous experience in the biotechnology field, especially in developing novel products, his experience and expertise with our 3D bioprinting technology and product development opportunities and strategy, and his educational experience qualify him to be a member of our Board.

Adam Stern, Director, re-joined our Board in July 2020. Mr. Stern is Head of Private Equity, Merchant & Venture Banking (MVB) at ThinkEquity, LLC. since February 2026 and leads the formation and strategic development of ThinkStern Ventures. Prior to ThinkEquity, he was CEO of SternAegis Ventures from December 2012 to February 2026 and had been the Head of Private Equity Banking at Aegis Capital Corp from December 2012 to February 2026. Prior to SternAegis, Mr. Stern served as Senior Managing Director at Spencer Trask Ventures, Inc., a private equity and venture firm, from 1997 to 2012, where he managed the structured finance group focusing primarily on technology and life sciences companies. From 1989 to 1997, Mr. Stern was at Josephthal & Co., Inc., Members of the New York Stock Exchange, where he served as Head of Private Equity and Managing Director. He has been a FINRA licensed securities broker since 1987 and a Registered General Securities Principal since 1991. Mr. Stern previously served as a director of VivoSim from February 2012 to June 2013. Mr. Stern is a current director at DarioHealth Corp. (Nasdaq: DRIO), privately held Amplifica Holdings, Group, Inc., and Aerami Therapeutics Holdings Inc. Mr. Stern is a former director of Adgero Biopharmaceuticals Holdings, Matinas BioPharma Holdings, Inc. (NYSE: MTNB), Hydrofarm Holdings Group Inc. (Nasdaq:

HYFM), InVivo Therapeutics, Inc. (Nasdaq: NVIV) and PROLOR Biotech prior to its sale in 2013 to Opko Health, Inc. (Nasdaq: OPK). Mr. Stern graduated with a Bachelor of Arts degree from the University of South Florida in 1987.

We believe Mr. Stern's extensive experience in corporate finance, his expertise in the life sciences industries and his previous experience as a member of our Board qualify him to be a member of our Board.

Class I Director Continuing in Office until the 2027 Annual Meeting of Stockholders

Alison Tjosvold Milhous, Director, has served on our Board since September 2020. She has more than 20 years of audit and technical accounting experience and is a certified public accountant. She is currently the Senior Vice President of Accounting at Erasca, Inc., a clinical-stage precision oncology company. Prior to joining Erasca, she was an independent consultant assisting public and private companies with accounting and reporting needs primarily within the life sciences and technology industries. Ms. Milhous was previously an audit partner at Grant Thornton LLP from August 2015 through September 2019 and held various positions with increasing responsibility at Grant Thornton since 2002. She began her career in June 2000 at Arthur Andersen LLP. Ms. Milhous received a Bachelor of Science degree in Business Administration with a dual concentration in Accounting and Finance from California State Polytechnic University, San Luis Obispo.

We believe Ms. Milhous' extensive financial and accounting experience and her experience providing audit and consulting services to life sciences companies qualify her to serve as a member of our Board.

Class II Directors Continuing in Office Until the 2028 Annual Meeting of Stockholders

Douglas Jay Cohen, Lead Independent Director, has served on our Board since September 2020 and has served as our Lead Independent Director since September 2022. He has served as President and Chief Executive Officer of IR Medtek LLC since January 2019, a medical device company developing a non-invasive probe for cancer detection by primary care physicians using a technology licensed from the Ohio State University. Prior to IR Medtek, Mr. Cohen served as President and Chief Executive Officer of Beacon Street Innovations, an advanced technology printing company from September 2016 to present. From January 1994 to September 2016, Mr. Cohen served as Vice President of Operations and Engineering at Screen Machine Industries, an industrial and construction heavy equipment manufacturer. As an active investor in startup companies, Mr. Cohen has invested in more than 20 biotech startups in the past 10 years, including investing in VivoSim in 2013 and maintaining a position in the company ever since. Mr. Cohen received a B.S. from the Massachusetts Institute of Technology.

We believe Mr. Cohen's experience in the life sciences industry, his experience in managing emerging growth companies and his experience in developing business strategies qualifies him to serve as a member of our Board.

David Gobel, Director, has served on our Board since September 2020. He has served as Chief Executive Officer of Methuselah Fund LLC since December 2016 and as Chief Executive Officer of Methuselah Foundation since September 2001, promoting increasing the healthy human lifespan by various means including: performance prizes, targeted grant making, education, and the creation/funding of biotech startups. Mr. Gobel became Chief Venture Strategist at Transportation Security Administration from January 2009 until March 2013, where he was responsible for strategic planning, innovation management and creation of a novel Venture Capital capability for TSA and then Department of Homeland Security by partnering with In-Q-Tel. Mr. Gobel was a member of the board of Volumetric Biotechnologies, a company that focuses on the development of biohologrаphic human tissue printing, from April 2018 to January 2020. Since July 2018, Mr. Gobel has served as member of the board for Turn Bio, and since May 2020 as chairman of the board of Turn Bio. Mr. Gobel served as a board member of Leucadia Therapeutics from October 2015 to August 2022, and as an independent founding board member of Oisin Therapeutics since December 2014.

We believe Mr. Gobel's previous services as chief executive officer for other biotechnology companies, his experience and expertise with human tissue printing companies and his extensive board experience qualify him to serve as a member of our Board.

No Family Relationships
There are no family relationships between any of our officers and directors.

Executive Officers

The following persons are our executive officers and hold the positions set forth opposite their names as of June 15, 2026:

Name	Age	Position
Keith Murphy	54	Executive Chairman
Norman Staskey	55	President and Chief Financial Officer

Tony Lialin	55	Chief Commercial Officer
Amar Sethi	55	Chief Scientific Officer

See the section entitled “Information About Our Directors” above for a description of the business experience and educational background of Mr. Murphy.

Norman Staskey, President and Chief Financial Officer, joined us in December 2024. Mr. Staskey is currently employed by Danforth Advisors, LLC (“Danforth”), a professional financial consulting services firm. He has over twenty years of experience and has been with Danforth since May 2021, serving as their Senior Director. Mr. Staskey is a seasoned executive with significant experience in managing and leading teams as well as overseeing the financial and operational responsibilities of private and publicly traded life sciences companies. Mr. Staskey has served as the Chief Financial Officer of Azitra, Inc. since October 2022. From September 2014 to May 2021, Mr. Staskey was employed by EY (formally Ernst & Young), most recently as a managing director in EY’s Financial Accounting and Advisory services practice. Mr. Staskey received his B.S. of Business Administration from Cleveland State University and is a Certified Public Accountant in the State of Ohio.

Tony Lialin, Chief Commercial Officer, joined us in August 2025. Mr. Lialin brings more than two decades of experience turning breakthrough life science platforms into scalable, predictable revenue. He has built commercial teams from the ground up, forged strategic pharma partnerships, and helped scale multiple businesses that were later acquired by leading industry players. Prior to joining the Company, Mr. Lialin had served as Chief Commercial Officer of DPBIO from June 2025 to August 2025. From April 2025 to June 2025, he served as Vice President Business Development of Seonix Bio and from April 2022 to April 2024, he served as Vice President Sales & Consumer Success of ONI. From March 2020 to April 2022, Mr. Lialin served as Chief Commercial Officer of Invivoscribe, Inc.

Amar Sethi, Chief Scientific Officer, joined us in November 2025. Dr. Sethi is a transformational R&D executive with three decades of experience encompassing pharmaceutical drug development, CRO leadership, translational medicine, and diagnostic innovation. He has led global Phase I–IV clinical programs, FDA breakthrough and orphan drug designations, BLA filings, and advanced biomarker strategies across metabolic disorders, nephrology, hematology, rare diseases, and cardiovascular biology. His expertise includes establishing CAP/CLIA/GCP/GLP-compliant infrastructures, scaling bioanalytical and biomarker teams, and guiding scientific strategy for both early and late-stage assets. Dr. Sethi’s career bridges drug-development leadership with biomarker innovation. Prior to joining the Company, Dr. Sethi served as Associate Vice President of Clinical Science at Omeros Corp from October 2019 to July 2025, where he led a pivotal global Phase 3 program for a Breakthrough Therapy/Orphan-designated biologic and supported multiple monoclonal antibody programs now approved or advancing into late stages. As President & Chief Medical Officer of Pacific Biomarkers, he drove 70% business growth, led successful M&A initiatives, and developed FDA-qualified novel biomarker platforms, including a gold-standard Acute Kidney Injury panel uniquely qualified by the FDA. His tenure at NIH and Copenhagen University Hospitals further established him as a scientific authority in clinical chemistry, cardiometabolic research, and translational diagnostics.

Code of Business Conduct

We have adopted the VivoSim Labs, Inc. Code of Business Conduct (the “Code of Business Conduct”) that applies to all of our officers, directors, employees and consultants. Among other matters, our Code of Business Conduct is designed to deter unlawful or unethical behavior and to promote the following:

- Prohibiting conflicts of interest (including protecting corporate opportunities);
- Protecting our confidential and proprietary information and that of our customers and vendors;
- Treating our employees, customers, suppliers and competitors fairly;
- Encouraging full, fair, accurate, timely and understandable disclosure;
- Protecting and properly using company assets;
- Conducting research activities with honesty, objectivity, transparency and accountability;
- Complying with laws, rules and regulations (including insider trading laws); and
- Encouraging the reporting of any unlawful or unethical behavior.

Any waiver of the Code of Business Conduct for our executive officers, directors or employees may be made only by our Nominating and Corporate Governance Committee and will be promptly disclosed on our website. We have posted a copy of our Code of Business Conduct, and intend to post amendments to this code, on our website as permitted under SEC rules and regulations. The full text of our Code of Business Conduct is available on our website at www.vivosim.ai.

Audit Committee. Our Audit Committee currently consists of Ms. Milhous (Chair), Mr. Cohen and Mr. Stern. The functions of the Audit Committee include the retention of our independent registered public accounting firm, reviewing and approving the planned scope, proposed fee arrangements and results of the Company's annual audit, reviewing the adequacy of the Company's accounting and financial controls and reviewing the independence of the Company's independent registered public accounting firm. The Board has determined that each member of the Audit Committee is an "independent director" under the Nasdaq listing standards, is financially literate under Nasdaq listing standards, and at least one member has financial sophistication under Nasdaq listing standards. The Board has also determined that Ms. Milhous is an "audit committee financial expert" within the applicable definition of the SEC. The Audit Committee is governed by a written charter approved by the Board, a copy of which is available on our website at www.vivosim.ai.

Insider Trading Policy; Prohibition Against Hedging and Pledging Policy

Our Board has adopted the VivoSim Labs, Inc. Insider Trading Policy (the "Insider Trading Policy"), which provides guidelines to our employees, directors, officers and consultants with respect to transactions in our securities, including the purchase, sale and/or other disposition of our securities. We adopted the Insider Trading Policy and the procedures set forth therein to help avoid inadvertent instances of improper insider trading. We believe the Insider Trading Policy is reasonably designed to promote compliance with insider trading laws, rules and regulations and listing standards applicable to the Company.

The Insider Trading Policy prohibits our officers, directors and employees from engaging in hedging transactions, including prepaid variable forwards, equity swaps, collars and exchange funds. It further prohibits holding our stock in a margin account, short sales of our stock, and any transactions in put options, call options or other derivative securities involving our stock. Additionally, the Insider Trading Policy generally prohibits our officers, directors and employees from pledging our stock as collateral to secure loans.

Consideration of Director Nominees

General. In evaluating nominees for membership on our Board, our Nominating and Corporate Governance Committee applies the Board membership criteria set forth in our Corporate Governance Guidelines. Under these criteria, the Nominating and Corporate Governance Committee takes into account many factors, including an individual's business experience and skills (including skills in core areas such as operations, management, technology, relevant industry knowledge (e.g., research tools, contract research services, therapeutics, drug discovery, reimbursement, medical/surgical), accounting and finance, regulatory matters and clinical trials, leadership, strategic planning and international markets), independence, judgment, professional reputation, integrity and ability to represent the best interests of the Company and its stockholders. In addition, the Nominating and Corporate Governance Committee will consider the ability of the nominee to commit sufficient time and attention to the activities of the Board, as well as the absence of any potential conflicts with the Company's interests. The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. The Board does not have a formal policy with respect to diversity of nominees. Rather, our Nominating and Corporate Governance Committee considers these Board membership criteria as a whole and seeks to achieve diversity of occupational and personal backgrounds on the Board. Our Board will be responsible for selecting candidates for election as directors based on the recommendation of the Nominating and Corporate Governance Committee.

Our Nominating and Corporate Governance Committee regularly assesses the appropriate size of our Board, and whether any vacancies on our Board are expected due to retirement or other reasons. In the event that vacancies are anticipated, or otherwise arise, the Committee will consider various potential nominees who may come to the attention of the Committee through current Board members, professional search firms, stockholders or other persons. Each potential nominee brought to the attention of the Committee, regardless of who recommended such potential nominee, is considered on the basis of the criteria set forth in our Corporate Governance Guidelines.

Stockholder Nominees. The Nominating and Corporate Governance Committee will review a reasonable number of candidates for director recommended by a single stockholder who has held more than 1.0% of our common stock for more than one year and who satisfies the notice, information and consent provisions set forth in our Bylaws and Rule 14a-19 of the Exchange Act ("Rule 14a-19"). The Board will use the same evaluation criteria and process for director nominees recommended by stockholders as it uses for other director nominees. A stockholder wishing to formally nominate an individual for election to the Board must do so by following the procedures described in the Bylaws and Rule 14a-19.

Item 11. Executive Compensation.

The following discussion is designed to provide our stockholders with an understanding of our compensation philosophy and objectives as well as an overview of the analysis that our Compensation Committee performed in setting the compensation of our executive officers for Fiscal 2026 (i.e., the period from April 1, 2025 to March 31, 2026).

This discussion summarizes the Compensation Committee's determination of how and why, in addition to what, compensation actions were taken for our named executive officers, as follows:

- Keith Murphy, our Executive Chairman and Principal Executive Officer;
- Norman Staskey, our Chief Financial Officer and Principal Financial Officer;
- Tony Lialin, our Chief Commercial Officer[(1)]; and
- Amar Sethi, our Chief Scientific Officer[(2)]

(1) Mr. Lialin was hired by the Company on August 11, 2025.

(1) Dr. Sethi was hired by the Company on November 24, 2025.

These four individuals are collectively referred to in this Annual Report as our "named executive officers".

Recent "Say-on-Pay" Votes

Our recent stockholder advisory votes, commonly referred to as a "Say-on-Pay" vote, to approve the compensation of our named executive officers for Fiscal 2025 (i.e., the period from April 1, 2024 to March 31, 2025) was approved by our stockholders, with approximately 90% of stockholder votes cast in favor of the proposal.

During Fiscal 2026, our Executive Chairman and Chief Financial Officer maintained significant stockholder engagement efforts to monitor how our investors vote, obtain their views on key corporate governance and disclosure matters and determine how best to respond to feedback each year going forward. Specifically, we reached out to our stockholders representing over 95% of our institutional stock holdings multiple times. None of the stockholders indicated a need or desire to engage with the Company to discuss or express any concerns.

Going forward, we plan to continue to:

- at least annually, reach out to institutional stockholders representing a majority of the shares held by our institutional stockholders; and
- invite them to engage and participate in calls to discuss our executive compensation programs, their feedback and questions and how we may best address them.

One or more members of executive management are expected to be active participants on all such calls, as will one or more members of our Compensation Committee. All such feedback will be shared with our Board.

In evaluating potential changes to our executive compensation programs' structure and disclosure, the Compensation Committee will closely examine, and aim to understand further, our stockholders' feedback, including any common themes from our stockholders' feedback. The Compensation Committee will also seek the advice of independent compensation consultants with respect to the design of our executive compensation program.

Compensation Philosophy and Objectives

Our executive compensation program focuses on creating alignment between our stockholders and executive officers by including both performance- and incentive-based compensation elements. Our compensation package also combines both short- and long-term components (cash and equity, respectively) at the levels the Compensation Committee determined to be appropriate to motivate, reward, and retain our executive officers. Our executive compensation program is designed to achieve the following key objectives:

- Attract, retain, and reward talented executives and motivate them to contribute to the Company's success and to build long-term stockholder value;
- Establish financial incentives for executives to achieve our key financial, operational, and strategic goals;
- Enhance the relationship between executive pay and stockholder value by utilizing long-term equity incentives; and
- Recognize and reward executives for superior performance.

Use of Market Data and Benchmarking

The Compensation Committee endeavors to set compensation at competitive levels. In order to do this, the Compensation Committee compares our compensation packages with the packages offered by other peer companies that are similarly situated, and with which we compete for talent. Selection criteria includes:

- Industry, specifically biotechnology and medical research,
- Company focus, with an emphasis on technology platforms,
- Stage of leading drug candidate, with an emphasis on Phase II/III,
- Market capitalization, targeting less than $100 million,
- Number of employees, targeting less than 50 employees, and
- Location, specifically nationwide.

For Fiscal 2026, the Compensation Committee engaged Anderson Pay Advisors ("Anderson"), an independent compensation consultant, as the Compensation Committee's advisor reporting directly to the chair of the Compensation Committee. The Compensation Committee determined that no conflict of interest exists that would preclude Anderson from serving as an independent consultant to the Compensation Committee.

The Compensation Committee requested that Anderson conduct a review and analysis of our executive compensation programs as compared against competitive benchmarks. This included a benchmarking analysis against prevailing market practices of a peer group of comparable companies approved by the Compensation Committee and broader industry trends and benchmarks. The analysis included a review of the "Total Direct Compensation" (which includes salary, cash incentives, and equity awards) of our executive officers, and was based on an assessment of market trends covering available public information as well as proprietary information provided by Anderson.

For Fiscal 2026, based on recommendations from Anderson, our Compensation Committee determined that our peer group should be modified to better reflect our current market valuation as well as the growing importance of our therapeutics program to our overall business model. With input from Anderson, our Compensation Committee added a group of companies focused on technology platforms, with comparable size, revenues, market valuations, and stage of leading drug candidate. Our Compensation Committee also replaced some of the companies previously included in our peer group because their market valuations had grown too high for direct comparison to our Company, and/or their business focus had become less relevant for direct comparison to our Company. Our Compensation Committee then used the compensation data from this revised peer group in setting executive compensation for Fiscal 2026.

The peer group for Fiscal 2026 included:

Aligos Therapeutics, Inc.	Hepion Pharmaceuticals, Inc.	Scorpius Holdings, Inc.
Anika Therapeutics, Inc.	Hoth Therapeutics, Inc.	Seelos Therapeutics, Inc.
Aprea Therapeutics, Inc.	Immunic Therapeutics, Inc.	Soligenix, Inc.
Ayala Pharmaceuticals	Imunon, Inc.	Theriva Biologics, Inc.
Bolt Biotherapeutics, Inc.	LadRx Corp.	Traws Pharma, Inc.
Cumberland Pharmaceuticals, Inc.	Lifecore Biomedical	
Galmed Pharmaceuticals Ltd.	Pulmatrix, Inc.	

Determination of Executive Compensation

In addition to peer group data, the Compensation Committee considered relevant publicly available market data and surveys and the compensation reports it received from Anderson. The Compensation Committee also reviewed and considered the compensation recommendations of our Executive Chairman, the Company's overall performance during Fiscal 2026, the Company's financial status and operating runway, each executive officer's responsibilities and contribution to the Company's achievement of the Fiscal 2026 corporate goals, and each executive officer's individual performance during Fiscal 2026. With respect to new hires, our Compensation Committee considered the executive officer's background and historical compensation in lieu of prior year performance in addition to benchmark data for the newly hired executive's position.

Commitment to Good Compensation Governance Practices

In designing our executive compensation program, our Compensation Committee intends to create alignment between our stockholders and executive officers and to implement good compensation governance by:

- ***Annual Advisory Vote on the Compensation of our Named Executive Officers*** – We provide our stockholders with the ability to vote annually on the compensation of our named executive officers.
- ***Independent Compensation Consultant*** – The Compensation Committee engaged Anderson during Fiscal 2025 to serve as its independent compensation consultant. Anderson did not provide any other services to the Company during the periods it served as a consultant to the Compensation Committee.
- ***Performance and Incentive Based*** – Approximately 40% of the Total Direct Compensation our executive officers could earn was performance and incentive based, thereby aligning the interests of our executive officers with our stockholders' interests. As both our Executive Chairman and Chief Financial Officer are retained through consulting firms, neither are eligible for performance based compensation.
- ***Compensation Risk Assessment*** – The Compensation Committee oversees and evaluates an annual risk assessment of the Company's compensation program. The Compensation Committee believes that the performance goals established for incentives do not encourage excessive risk-taking or have the potential to encourage behavior that may have a material adverse effect on the Company.
- ***Prohibitions on Hedging, Pledging and Margin Activities*** – Our insider trading policy prohibits hedging transactions by Company employees. Under the policy, all short-term, speculative or hedging transactions in VivoSim securities are prohibited by all employees. In addition, the policy specifically prohibits the use of VivoSim securities for pledging and margin activities.
- ***No Single Trigger Change in Control Vesting*** - We do not provide for the acceleration of vesting solely upon the occurrence of a change in control in our equity awards for our directors and executive officers.
- ***No Excise Tax Gross Ups*** – We do not include excise tax gross ups for any change in control payments.
- ***Director and Executive Officer Stock Ownership Guidelines*** – We have adopted stock ownership guidelines that require each director and executive officer to accumulate and hold a specified value of our stock within five years of most recently starting employment with us or becoming a director.

The Compensation Committee believes that the program and policies described above demonstrate the Company's commitment to, and consistent execution of, an effective performance-oriented executive compensation program.

Components of Executive Compensation

The framework established by the Compensation Committee, based on the data provided by Anderson, for our executive compensation program consists of a base salary, performance-based cash incentives and long-term equity-based incentives. The Compensation Committee endeavors to combine these compensation elements to develop a compensation package that provides competitive pay, rewards our executive officers for achieving our commercial, operational and strategic objectives and aligns the interests of our executive officers with those of our stockholders.

Salary. The Compensation Committee has provided, and will continue to provide, our executive officers with a base salary to compensate them for services provided during the fiscal year. In addition to benchmark data from our peer group, our Compensation Committee considers the Company's overall performance during the prior fiscal year, cash burn, the Company's financial status and operating profile, each executive officer's responsibilities and contribution to the achievement of the prior year's corporate goals, and each executive officer's individual performance during the prior fiscal year. The evaluations and recommendations proposed by our Executive Chairman are also considered (other than with respect to determining his own compensation). With respect to new hires, the Compensation Committee considers an executive's background and historical compensation in lieu of prior year performance as well as benchmark data for the new hire's position. Our Compensation Committee evaluates and sets the base salaries for our executives following annual performance evaluations, as well as upon a promotion or other change in responsibility. Our Compensation Committee expects to continue to utilize these policies going forward.

Pursuant to the terms of our consulting agreement with Multi Dimensional Bio Insight LLC ("MDBI"), a biotechnology consulting firm through which we retain Mr. Murphy, MDBI has the right, on an annual basis, to increase hourly consultant rates by up to 4%. From January 1, 2021 to May 1, 2022, the hourly rate for Mr. Murphy's services was $375, which was increased to $413 effective May 1, 2022 and remained the same throughout Fiscal 2026. The cash amount paid to MDBI increased from $726,674 for Fiscal 2025 to $740,210 for Fiscal 2026, with approximately a 2% increase in Mr. Murphy's hours for Fiscal 2026 as compared to Fiscal 2025.

Pursuant to the terms of our consulting agreement with Danforth Advisors, LLC ("Danforth"), a financial consulting firm through which we retain Mr. Staskey, Danforth has the right, on an annual basis, to increase hourly consultant rates by up to 4%. From January 1, 2025 to March 31, 2026, the hourly rate for Mr. Staskey's services was $450. The cash amount paid to Danforth for Mr. Staskey's services increased from $20,925 for Fiscal 2025 to $119,475 for Fiscal 2026, with approximately a 470% increase in Mr. Staskey's

hours for Fiscal 2026 as compared to Fiscal 2025. The significant increase in hours from Fiscal 2025 to Fiscal 2026 is due to Mr. Staskey's hiring on December 30, 2024, which was at the end of the third quarter of Fiscal 2025.

Mr. Lialin was hired by the Company on August 11, 2025. Mr. Lialin's base salary in Fiscal 2026 was $360,000.

Dr. Sethi was hired by the Company on November 24, 2025. Dr. Sethi's base salary in Fiscal 2026 was $360,000.

The cash amounts or base salaries paid to our named executive officers for Fiscal 2026 as compared to Fiscal 2025 are set forth in the following table:

Name and Title	Fiscal 2026 Cash Payments/Base Salaries	Fiscal 2025 Cash Payments/Base Salaries
Keith Murphy, *Executive Chairman*[1]	$ 800,174	$ 726,674
Norman Staskey, *Chief Financial Officer*[2]	119,475	20,925
Tony Lialin, *Chief Commercial Officer*[3]	360,000	—
Amar Sethi, *Chief Scientific Officer*[4]	360,000	—

(1) Mr. Murphy was appointed our Executive Chairman on September 15, 2020. The Company retains Mr. Murphy through MDBI, a biotechnology consulting firm, pursuant to the terms of a consulting agreement, pursuant to which the Company has agreed to pay MDBI $375-390 per hour of services provided by Mr. Murphy, with an annual increase in rates by up to 4%. The amounts reported under "Fiscal 2026 Cash Payments/Base Salaries" and "Fiscal 2025 Cash Payments/Base Salaries" are comprised of the actual amounts paid to MDBI for its consulting services. Mr. Murphy did not directly receive a base salary from the Company in Fiscal 2026 or Fiscal 2025. Mr. Murphy's increase in base salary was primarily due to additional time commitment of Mr. Murphy in his consulting role as Executive Chairman of the Company. Mr. Murphy also received a one-time performance cash bonus of $73,500 during Fiscal 2026.

(2) Mr. Staskey was appointed our Chief Financial Officer on December 30, 2024. The Company retains Mr. Staskey through Danforth, a financial consulting firm, pursuant to the terms of a consulting agreement, pursuant to which the Company has agreed to pay Danforth $450 per hour of services provided by Mr. Staskey, with an annual increase in rates by up to 4%. The amounts reported under "Fiscal 2026 Cash Payments/Base Salaries" and "Fiscal 2025 Cash Payments/Base Salaries" are comprised of the actual amounts paid to Danforth for its consulting services related to Mr. Staskey. Mr. Staskey did not directly receive a base salary from the Company in Fiscal 2026 or Fiscal 2025.

(3) Mr. Lialin was hired by the Company on August 11, 2025. Mr. Lialin's base salary in Fiscal 2026 was $360,000.

(4) Dr. Sethi was hired by the Company on November 24, 2025. Dr. Sethi's base salary in Fiscal 2026 was $360,000.

Performance-Based Cash Incentive Awards. Our executive compensation program includes an annual performance-based cash incentive award, which provides our executive officers with an annual cash incentive opportunity as a percentage of their base salaries based upon the achievement of corporate and individual performance goals evaluated and approved by the Compensation Committee. For Fiscal 2026, the Compensation Committee determined that the annual target bonus opportunity expressed as a percentage of base salary for Mr. Lialin and Dr. Sethi should be 40% of each of their respective base salaries. Each executive officer is eligible to receive an increase in his target bonus amount based on the achievement of individual and corporate goals. If the base performance level is met for a corporate goal, the Compensation Committee has the discretion to assign zero percentage to that performance goal or a bonus percentage on an interpolated basis between zero and 100%, resulting in an actual bonus significantly less than an executive's target bonus. For performance above a performance goal, the bonus percentage for that performance goal may exceed the target bonus. The Company continues to use an objectives and key results goal-setting framework ("OKRs") used by individuals, teams, and the Company to define measurable goals and track their outcomes, originally developed and implemented by Andrew Grove at Intel. See: http://www.whatmatters.com.

The Compensation Committee approved bonus payments for Fiscal 2026 as follows:

Name and Title	Percentage of Goal (%)	Fiscal 2026 Bonus Award ($)
Keith Murphy, *Executive Chairman*[1]	—	$ 73,500
Tony Lialin, *Chief Commercial Officer*[2]	100%	88,615
Amar Sethi, *Chief Scientific Officer*[3]	100%	47,077

(1) Mr. Murphy received a one-time performance based cash bonus during Fiscal 2026.

(2) Mr. Lialin was hired by the Company on August 7, 2025, and therefore his bonus was pro-rated for Fiscal 2026.

(3) Dr. Sethi was hired by the Company on November 24, 2025, and therefore his bonus was pro-rated for Fiscal 2026.

Mr. Staskey is retained through Danforth, a financial consulting firm, pursuant to the terms of a consulting agreement. As such, Mr. Staskey is not eligible to receive a bonus for services provided during the fiscal year.

Equity-Based Incentive Awards. In addition to base salaries and annual performance-based cash incentives, the Compensation Committee has provided long-term, equity-based incentive awards to our executive officers. In determining the size and terms of the awards, the Compensation Committee considered benchmark data from our peer group, publicly available market and survey data and the individual performance of the named executive officers.

The Compensation Committee granted the following awards to our executive officers for Fiscal 2026 (neither Mr. Murphy, in his role as Executive Chairman, nor Mr. Staskey received any equity awards during Fiscal 2026 and therefore are not included in this table):

Name	Stock Option Awards (#)	Stock Awards (#)	Option Awards ($)[1]	Stock Awards ($)	Total ($)
Tony Lialin	40,000[2]	—	$ 60,177	$ —	$ 60,177
Amar Sethi	53,500[3]	—	99,722	—	99,722

(1) These amounts represent the grant date fair value of time-based and performance-based stock option awards granted by the Company during the periods presented, determined in accordance with FASB ASC Topic 718. All awards are amortized over the vesting life of the award. For the assumptions used in our valuations, see "Note 6 – Stockholders' Equity" of the Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

(2) The option vests over a four year period, with 25% of the total number of shares subject to the option vesting on August 11, 2026, and the balance vesting in 12 equal quarterly installments thereafter.

(3) The option vests over a four year period, with 25% of the total number of shares subject to the option vesting on November 24, 2026, and the balance vesting in 12 equal quarterly installments thereafter.

Other Benefits

In order to attract and retain qualified individuals and pay market levels of compensation, we have historically provided, and will continue to provide, our executives with the following benefits:

- ***Health Insurance*** – We provide each of our executives and their spouses and children the same health, dental, and vision insurance coverage we make available to our other eligible employees.
- ***Life and Disability Insurance*** – We provide each of our executives with the same life and disability insurance as we make available to our other eligible employees.
- ***Pension Benefits*** – We do not provide pension arrangements or post-retirement health coverage for our executives or employees. We implemented a 401(k) Plan effective January 1, 2014. We provide a company matching contribution up to 3.5% of compensation for all participants in the 401(k) plan, including our executive officers, to help attract and retain top talent.
- ***Nonqualified Deferred Compensation*** – We do not provide any nonqualified defined contribution or other deferred compensation plans to any of our employees.
- ***Perquisites*** – We limit the perquisites that we make available to our executive officers. In certain cases, we have reimbursed our executive officers for their relocation expenses on their initial hire.

Severance Arrangements

As of March 31, 2026, Dr. Sethi is the only named executive officer that has a severance arrangement in place with the Company. In the event of termination of employment for any reason other than for cause, Dr. Sethi is eligible to receive six months of cash severance, based on current salary, or approximately $180,000. Dr. Sethi is also eligible to receive six months of health insurance payments made through the provisions of COBRA.

Potential Payments upon Termination or Change in Control

As of March 31, 2026, Dr. Sethi is the only named executive officer that has a severance arrangement in place with the Company. In the event of termination of employment other than for cause, Dr. Sethi is eligible to receive six months of cash severance, based on current salary, or approximately $180,000. Dr. Sethi is also eligible to receive six months of health insurance payments made through the provisions of COBRA. None of the other Company's named executive officers are entitled to receive any potential payments in the event of termination of employment in connection with a change of control.

Death or Disability Benefits

The outstanding equity awards held by our executive officers provide such executive officers with accelerated vesting if the executive officer terminates services with the Company as a result of death or disability. In order for an equity award to be eligible for accelerated vesting, the executive officer's death or disability must occur more than 90 days after the date the equity award was granted. With respect to performance-based equity awards, an executive officer will vest at target levels upon the executive officer's death or disability.

Summary Compensation Table

The following table summarizes the total compensation paid to or earned by each named executive officer for Fiscal 2026 and Fiscal 2025.

Name and Principal Position	Year or Period	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)[1]	Non-Equity Incentive Plan Compensation ($)[2]	All Other Compensation ($)	Total ($)
Keith Murphy[3] Executive Chairman	2026	740,210	73,500	—	25,950	—	26,301[4]	865,961
	2025	726,674	—	—	428,113	—	10,870[4]	1,165,657
Norman Staskey[5] Chief Financial Officer	2026	119,475	—	—	—	—	—	119,475
	2025	20,925	—	—	—	—	—	20,925
Tony Lialin[6] Chief Commercial Officer	2026	221,538	10,000	—	60,177	—	6,241	297,957
Amar Sethi[7] Chief Scientific Officer	2026	117,692	15,000	—	99,722	—	2,911	235,325

(1) These amounts represent the grant date fair value of time-based and performance-based stock option awards granted by the Company during the periods presented, determined in accordance with FASB ASC Topic 718. All awards are amortized over either the vesting life or requisite service period of the award. For the assumptions used in our valuations, see "Note 6 – Stockholders' Equity" of the Notes to Consolidated Financial Statements included elsewhere in this Annual Report.

(2) Includes amounts paid under the Company's Performance-Based Cash Incentive Award program based on the achievement of corporate and individual performance goals established and measured by the Compensation Committee.

(3) Mr. Murphy was appointed our Executive Chairman on September 15, 2020. The amounts reported under "Salary" are comprised of the amounts paid to MDBI for its consulting services. Mr. Murphy did not receive a base salary from the Company in Fiscal 2026 or Fiscal 2025. Mr. Murphy also received compensation for services as a member of the Board, which is included in the section entitled "Director Compensation Table" on page 49 of this Annual Report.

(4) This amount includes $19,701 for expense reimbursements, and $6,600 for office rent in Fiscal 2026.

(5) Mr. Staskey was appointed our Chief Financial Officer on December 30, 2024. The amounts reported under "Salary" are comprised of the amounts paid to Danforth for its consulting services related to Mr. Staskey. Mr. Staskey did not receive a base salary from the Company in Fiscal 2026 or Fiscal 2025.

(6) Mr. Lialin was appointed Chief Commercial Officer on August 7, 2025.

(7) Dr. Sethi was appointed Chief Scientific Officer on November 24, 2025.

Outstanding Equity Awards at Fiscal Year End

The following table shows certain information regarding outstanding equity awards as of March 31, 2026 for our named executive officers:

Name	Option Awards				Stock Awards	
	No. of Securities Underlying Unexercised Options (#) Exercisable	No. of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	No. of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Keith Murphy	2,916[1]	417	$ 28.32	8/31/2032	15,000 [2]	$ 21,450
	15,970[3]	31,940	6.44	8/5/2034		
	—[4]	11,977	6.44	8/5/2034		
	—[5]	11,977	6.44	8/5/2034		
	—[6]	11,977	6.44	8/5/2034		
Tony Lialin	—[7]	40,000	1.78	8/11/2035		
Amar Sethi	—[8]	53,500	2.19	11/25/2035		

(1) The option shares vest in 16 equal quarterly installments beginning August 31, 2022.

(2) The restricted stock units vest on the earlier of one year from the vesting commencement date, January 28, 2027, or the next annual meeting of stockholders held by the Company.

(3) The option shares vest in 3 equal annual installments beginning August 5, 2024.

(4) The option becomes exercisable, if at all, when the Company enters into a definitive agreement for a collaboration or partnership, which in the sole judgment of the Board or a committee thereof, constitutes a major strategic partnership that expands the Company's business relationships.

(5) The option becomes exercisable, if at all, if the 90-day moving average closing price of the Company's common stock on The Nasdaq Stock Market LLC exceeds $18.36 per share.

(6) The option becomes exercisable, if at all, if the Company achieves cumulative revenue of $1.5 million from combined cell line sales, IP licensing revenue, including up-front and royalty payments, non-dilutive collaborations, grants and partnerships, as confirmed by the Board or a committee thereof.

(7) 25% of the option shares vest and become exercisable on August 11, 2026 and the remaining shares vest in 12 equal quarterly installments thereafter.

(8) 25% of the option shares vest and become exercisable on November 24, 2026 and the remaining shares vest in 12 equal quarterly installments thereafter.

As of March 31, 2026, Mr. Staskey did not hold any outstanding equity awards.

Director Compensation

Our directors play a critical role in guiding our strategic direction and overseeing the management of our Company. Ongoing developments in corporate governance and financial reporting have resulted in an increased demand for such highly qualified and productive public company directors. The many responsibilities and risks and the substantial time commitment of being a director of a public company require that we provide adequate incentives for our directors' continued performance by paying compensation commensurate with our directors' workload. Our directors are compensated based upon their respective levels of Board participation and responsibilities, including service on Board committees.

Our director compensation is overseen by the Compensation Committee, which makes recommendations to our Board on the appropriate structure for our director compensation program and the appropriate amount of compensation. Our Board is responsible for final approval of our director compensation program and the compensation paid to our directors.

In connection with establishing our director compensation for Fiscal 2026, the Compensation Committee retained Anderson as its independent compensation consultant. With the assistance of Anderson, the Board and Compensation Committee conducted a formal review of our director compensation and incentive programs relative to the same peer group used in benchmarking the compensation for our executive officers.

Fiscal 2026 Director Compensation Framework

For Fiscal 2026, our Director Compensation Framework provided to both non-employee and employee directors annual cash retainers for Board service and for service as the chair or member of one of the standing Board committees. Our directors are not entitled to any Board meeting fees or Board committee meeting fees.

Annual Cash Retainers. For Fiscal 2026, each of our directors was eligible to receive an annual cash retainer of $66,300 for Board membership.

In addition, each of our directors are eligible to receive the applicable annual retainers set forth below for serving as committee chairs and for service as a member of a Board committee, with total cash compensation for each director not to exceed $105,000 per fiscal year:

Position	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Science and Technology Committee
Committee Chair	$ 25,500	$ 25,500	$ 25,500	$ 25,500
Committee Member (excluding Chair)	$ 15,300	$ 15,300	$ 15,300	$ 15,300

No additional meeting fees were paid to our directors for Fiscal 2026.

Equity Awards. In addition, in January 2026, each director received a restricted stock unit award with respect to 15,000 shares of common stock (a value of approximately $25,950), which will vest in full on the earlier of (i) January 27, 2027 or (ii) the date of our next annual meeting of stockholders, subject to acceleration in the event of a change of control.

Reimbursement. Our directors are entitled to reimbursement for their reasonable travel and lodging expenses for attending Board and Board committee meetings.

Director Compensation Table

The following table sets forth the compensation earned and paid to each member of our Board for service as a director during Fiscal 2026:

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Option Awards ($)	All Other Compensation ($)	Total ($)
Douglas Jay Cohen	$ 105,000	$ 25,950	$ —	$ —	$ 130,950
David Gobel	105,000	25,950	—	—	130,950
Alison Tjosvold Milhous	105,000	25,950	—	—	130,950
Adam Stern	96,900	25,950	—	—	122,850
Keith Murphy	81,600	25,950	—	—	107,550 (2)

(1) These amounts represent the grant date fair value of time-based restricted stock unit awards granted by the Board, determined in accordance with FASB ASC Topic 718. All awards are amortized over the vesting life of the award. For the assumptions used in our valuations, see "Note 6 – Stockholders' Equity" of our Notes to Consolidated Financial Statements included elsewhere in this Annual Report.

(2) Comprised solely of the compensation received by Mr. Murphy for his service as a member of the Board. Mr. Murphy's additional compensation for Fiscal 2026 is included in the section entitled "Summary Compensation Table" on page 47 of this Annual Report.

Compensation Committee Interlocks and Insider Participation

No member of our Compensation Committee has at any time been our employee. None of our executive officers serves, or has served during the last fiscal year, as a member of the board of directors or compensation committee of any other entity that has one or more executive officers serving as a member of our Board or our Compensation Committee.

Equity Award Timing Procedures

In accordance with Item 402(x) of Regulation S-K under the Securities Act of 1933, as amended, we are providing information regarding our procedures related to the grant of certain equity awards close in time to the release of material non-public information ("MNPI"). Although we do not have a formal policy, program or plan that requires us to award equity or equity-based compensation on specific dates, we generally expect our Compensation Committee to approve and grant equity awards to our executive officers annually. Additionally, our insider trading policy prohibits directors, officers and employees from trading in our common stock while in possession of or on the basis of MNPI about us. We have not timed, and do not plan to time, the disclosure of MNPI for the purpose of affecting the value of executive compensation.

In the year ended March 31, 2026, the following options were granted to our named executive officers within four business days prior to, or one business day following, the filing or furnishing of a periodic or current report by us that disclosed MNPI.

Name	Grant Date	Number of Securities Underlying the Award	Exercise Price of the Award ($/share)	Grant Date Fair Value of the Award	Percentage Change in the Closing Market Price of the Securities Underlying the Award Between the Trading Day Ending Immediately Prior to the Disclosure of Material Nonpublic Information and the Trading Day Beginning Immediately Following the Disclosure of Material Nonpublic Information
Tony Lialin	8/11/2025	40,000	$ 1.78	$ 60,177	6.3% (1)

(1) We filed a quarterly report on Form 10-Q on August 12, 2025. The percentage change in the closing market price of the securities underlying the award between the trading day ending immediately prior to the disclosure of material nonpublic information and the trading day beginning immediately following the disclosure of material nonpublic information was approximately 6.3%.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Security Ownership of Certain Beneficial Owners and Management

The following tables set forth certain information regarding the beneficial ownership of our common stock as of June 15, 2026 by (i) each of our directors and named executive officers (as disclosed in this Annual Report); (ii) all of our current executive officers and directors as a group; and (iii) each holder of more than 5% of our common stock. Unless otherwise indicated in the table or the footnotes to the following table, each person named in the table has sole voting and investment power and such person's address is c/o VivoSim Labs, Inc., 11555 Sorrento Valley Rd., Suite 100, San Diego, CA 92121.

We determined the number of shares of common stock beneficially owned by each person under rules promulgated by the SEC, based on information obtained from Company records and filings with the SEC on or before June 15, 2026. In cases of holders who are not directors or named executive officers, Schedules 13G or 13D filed with the SEC, as applicable (and, consequently, ownership reflected here), often reflect holdings as of a date prior to June 15, 2026. The information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power and also any shares which the individual or entity had the right to acquire within 60 days of June 15, 2026. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person or entity.

Applicable percentages are based on 3,194,295 shares of common stock outstanding as of June 15, 2026, as adjusted as required by the rules promulgated by the SEC. We have deemed shares of our common stock subject to stock options that are currently exercisable or exercisable within 60 days of June 15, 2026, or issuable pursuant to restricted stock units that are subject to vesting conditions expected to occur within 60 days of June 15, 2026, to be outstanding and to be beneficially owned by the person holding the stock option or restricted stock units for the purpose of computing the percentage ownership of that person. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person or entity.

Name of Beneficial Owner	Beneficial Ownership(1)	
	Number of Common Shares	Percent of Common Shares
Directors and Named Executive Officers		
Keith Murphy	31,187 (2)	*
Douglas Jay Cohen	10,273 (3)	*
Alison Tjosvold Milhous	9,273 (4)	*
Adam Stern	9,273 (4)	*
David Gobel	6,007 (5)	*
Norman Staskey	—	*
Tony Lialin	—	*
Amar Sethi	—	*
All current executive officers and directors as a group (8 persons)	65,179 (6)	2.1%
Directors and Named Executive Officers		
Esousa Group Holdings LLC	322,723 (7)	9.99%

* Less than one percent.

(1) Beneficial ownership of shares and percentage ownership are determined in accordance with the rules of the SEC. Unless otherwise indicated and subject to community property laws where applicable, the individuals named in the table above have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

(2) Represents 12,092 shares of common stock held by Mr. Murphy and 19,095 shares subject to options that are immediately exercisable or exercisable within 60 days of July 15, 2026.

(3) Represents 5,732 shares of common stock held by Mr. Cohen, 167 shares held by Mr. Cohen's children and 4,374 shares subject to options that are immediately exercisable or exercisable within 60 days of July 15, 2026.

(4) Represents 4,899 shares of common stock held and 4,374 shares subject to options that are immediately exercisable or exercisable within 60 days of July 15, 2026.

(5) Represents shares subject to options that are immediately exercisable or exercisable within 60 days of July 15, 2026.

(6) Comprised of shares included under "Directors and Named Executive Officers".

(7) Represents 286,557 shares of common stock held by Esousa Group Holdings LLC ("Esousa") and an aggregate of up to 36,166 shares issuable upon exercise of pre-funded warrants to purchase shares of common stock ("Pre-Funded Warrants") held by Esousa that are currently exercisable. Excludes an aggregate of 1,708,856 shares of common stock issuable upon exercise of the Pre-Funded Warrants and 3,947,369 shares of common stock issuable

upon exercise of the common warrants to purchase shares of common stock ("Common Warrants") as the Pre-Funded Warrants and Common Warrants are currently exercisable but are subject to a 9.99% beneficial ownership blocker provision. Michael Wachs, the managing member of Esousa, has voting and dispositive control over the securities held by Esousa. The address of the reporting person is 211 East 43rd Street, Suite 402, New York, NY 10017. Information in this footnote is based on a Schedule 13G jointly filed by Esousa and Mr. Wachs on April 6, 2026 and gives effect to partial exercises of the Pre-Funded Warrants with respect to 599,776 shares of common stock that occurred subsequent to April 6, 2026.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table summarizes information about our equity compensation plans by type as of March 31, 2026:

Plan category	(A) Number of securities to be issued upon exercise/vesting of outstanding options, warrants, units and rights	(B) Weighted-average exercise price of outstanding options, warrants, units and rights	(C) Number of securities available for future issuance under Equity Compensation Plans (excluding securities reflected in column (A))
Equity compensation plans approved by security holders (1)	331,918 (2)	$ 12.06	15,960 (3)
Equity compensation plans not approved by security holders (4)	4,166 (5)	$ 33.00	83 (6)

(1) Includes the 2012 Plan, the A&R 2022 Plan, and the ESPP.
(2) Includes stock options to purchase 256,918 shares of common stock with a per share weighted-average exercise price of $12.06. Also includes 75,000 restricted stock units with no exercise price.
(3) Includes 12,252 shares of common stock reserved for issuance pursuant to the A&R 2022 Plan and 3,708 shares of common stock available for purchase under the ESPP as of March 31, 2026.
(4) Includes the Inducement Plan.
(5) Includes 4,166 stock options with a per share exercise price of $33.00 granted pursuant to the Inducement Plan.
(6) Includes 83 shares of common stock reserved for issuance pursuant to the Inducement Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Board Independence

Our shares of common stock are listed for trading on the Nasdaq Capital Market. As a result, our Board utilizes the definition of "independence" as that term is defined by the listing standards of the Nasdaq Capital Market and the rules and regulations of the SEC, including the additional independence requirements for members of our Audit Committee and the Compensation Committee. Our Board considers a director "independent" when the director is not an officer or employee of the Company or its subsidiaries, does not have any relationship which would, or could reasonably appear to, materially interfere with the independent judgment of such director, and the director otherwise meets the independence requirements under the listing standards of the Nasdaq Capital Market and the rules and regulations of the SEC. Our Board has reviewed the materiality of any relationship that each of our directors has with the Company, either directly or indirectly. Based on this review, our Board has affirmatively determined that the following four of our five current directors qualify as "independent" directors: Douglas Jay Cohen, David Gobel, Alison Tjosvold Milhous and Adam Stern. Keith Murphy does not qualify as an independent director. Mr. Murphy currently serves as our Executive Chairman and as Chief Executive Officer of Viscient, which has made payments to the Company in sufficient amounts to qualify as related party transactions leading to director non-independence. Please see the section titled "Certain Relationships and Related Transactions" for additional information.

Certain Relationships and Related Transactions

Since April 1, 2025, there have not been any transactions or series of similar transactions to which we were or are a party in which the amount involved exceeded or exceeds the lesser of $120,000 or one percent of the average of our total assets at fiscal year-end for the last two completed fiscal years, and in which any of our directors or executive officers, any holder of more than 5% of any class of our voting securities or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than (i) the transactions described below and (ii) the compensation arrangements with our executive officers and non-employee directors described in "Executive Compensation" and "Director Compensation," respectively.

Intercompany Agreement with Viscient

Viscient is an entity for which Keith Murphy, our Executive Chairman and member of our Board, serves as the Chief Executive Officer and President. Messrs. Stern, Cohen and Gobel (through the Methuselah Foundation and the Methuselah Fund) have invested funds through a convertible promissory note in Viscient, but do not serve as an employee, officer or director of Viscient.

On December 28, 2020, the Company entered into an intercompany agreement (the "Intercompany Agreement") with Viscient and Organovo, Inc., the Company's wholly-owned subsidiary, which included an asset purchase agreement for certain lab equipment. Pursuant to the Intercompany Agreement, the Company agreed to provide Viscient certain services related to 3D bioprinting technology, which includes, but is not limited to, histology services, cell isolation, and proliferation of cells and Viscient agreed to provide the Company certain services related to 3D bioprinting technology, including bioprinter training, bioprinting services, and qPCR assays, in each case on payment terms specified in the Intercompany Agreement and as may be further determined by the parties. In addition, the Company and Viscient each agreed to share certain facilities and equipment and, subject to further agreement, to each make certain employees available for specified projects for the other party at prices to be determined in good faith by the parties. During fiscal 2025 and fiscal 2026, the companies added Statements of Work to the Intercompany Agreement, where Viscient agreed to provide the Company with certain consulting and testing services related to the Company's ongoing R&D. The Company evaluated the accounting for the Intercompany Agreement and concluded that any services provided by Viscient to the Company will be expensed as incurred, and any compensation for services provided by the Company to Viscient will be considered a reduction of personnel related expenses. Any services provided to Viscient do not fall under Topic 606, Revenue from Contracts with Customers, as the Intercompany Agreement is not a contract with a customer. For the fiscal years ended March 31, 2026 and 2025, the Company incurred approximately $604,000 and $118,000 in R&D consulting expenses from Viscient, respectively. As of March 31, 2026 and 2025, the accounts payable balance to Viscient was approximately $56,000 and zero, respectively. Additionally, for the fiscal years ended March 31, 2026 and 2025, the Company provided approximately $5,000 and $3,000 of histology services to Viscient, respectively.

Related Party Transaction Policy and Procedures

Pursuant to our written Related Party Transaction Policy and Procedures, our executive officers, directors, and principal stockholders, including their immediate family members and affiliates, are prohibited from entering into a related party transaction with us without the prior consent of our Audit Committee or a committee of our independent directors. Any request for us to enter into a transaction with an executive officer, director, principal stockholder, or any of such persons' immediate family members or affiliates, in which the amount involved exceeds $120,000, must first be presented to our Audit Committee for review, consideration and approval. In approving or rejecting the proposed agreement, our Audit Committee will consider the relevant facts and circumstances available and deemed relevant, including, but not limited to, the terms of the transaction, the nature of the related party's interest in the transaction, the significance of the transaction to us and the related party, the nature of the related party's relationship with us and whether the transaction would be likely to impair (or create an appearance of impairing) the judgement of a director or executive officer to act in our best interest. Our Audit Committee shall approve only those agreements that, in light of known circumstances, are in, or are not inconsistent with, our best interests, as our Audit Committee determines in the good faith exercise of its discretion.

Item 14. Principal Accountant Fees and Services.

Our Audit Committee is responsible for, and, has approved, the engagement of Rosenberg Rich Baker Berman P.A. ("RRBB P.A.") as our independent registered public accounting firm for the fiscal year ending March 31, 2026. RRBB P.A. has served as our independent registered public accounting firm since August 31, 2023.

The audit reports of RRBB P.A. on our financial statements for the fiscal years ended March 31, 2026 and 2025, respectively, did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles, except for an explanatory paragraph regarding the existence of substantial doubt about our ability to continue as a going concern.

During our two most recent fiscal years ended March 31, 2026 and 2025, there were no (a) disagreements, within the meaning of Item 304(a)(1)(iv) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended ("Regulation S-K"), and the related instructions thereto, with RRBB P.A. on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of RRBB P.A., would have caused it to make reference to the subject matter of the disagreements in connection with its reports, or (b) reportable events within the meaning of Item 304(a)(1)(v) of Regulation S-K and the related instructions thereto.

Audit and Non-Audit Fees

During Fiscal 2026 and Fiscal 2025, the Audit Committee met with RRBB P.A. on a quarterly or more frequent basis thereafter. At such times, the Audit Committee reviewed the services performed by RRBB P.A. as well as the fees charged for such services.

The following table sets forth the fees for services provided and billed by RRBB P.A. relating to Fiscal 2026 and Fiscal 2025.

	Fiscal Year 2026	Fiscal Year 2025
Audit fees	$ 242,500	$ 260,000
Audit-related fees	—	—
Tax fees	—	—
All other fees	—	—
Total	$ 242,500	$ 260,000

Audit Fees: For the fiscal years ended March 31, 2026 and 2025, the aggregate audit fees billed by our independent registered public accounting firm were for professional services rendered for audits and quarterly reviews of our consolidated financial statements, and assistance with reviews of registration statements and documents filed with the SEC.

Audit-Related Fees: For the fiscal years ended March 31, 2026 and 2025, there were no audit-related fees billed by our independent registered public accounting firm, other than the fees described above.

Tax Fees: For the fiscal years ended March 31, 2026 and 2025, the tax-related fees billed by an associated entity of our independent registered public accounting firm pertained to services related to tax return preparation and tax planning services.

All Other Fees: For the fiscal years ended March 31, 2026 and 2025, there were no fees billed by our independent registered public accounting firm for other services, other than the fees described above.

Policy on Audit Committee Pre-Approval of Audit and Permitted Non-Audit Services of Independent Registered Public Accounting Firm

The Audit Committee has determined that all services provided by RRBB P.A. to date are compatible with maintaining the independence of such audit firm. The charter of the Audit Committee requires advance approval of all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by our independent registered public accounting firm, subject to any exception permitted by law or regulation. The Audit Committee has delegated to the Chair of the Audit Committee authority to approve permitted services, provided that the Chair reports any decisions to the Audit Committee at its next scheduled meeting.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) The following documents have been filed as part of this Annual Report:

1. Consolidated Financial Statements: The information required by this item is included in Item 8 of Part II of this Annual Report.

2. Financial Statement Schedules: Financial statement schedules required under the related instructions are not applicable for the years ended March 31, 2026 and 2025 and have therefore been omitted.

3. Exhibits: The exhibits listed in the Exhibit Index attached to this report are filed or incorporated by reference as part of this Annual Report.

(b) The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Annual Report.

EXHIBIT INDEX

Exhibit No.	Description
2.1#	Asset Purchase Agreement, dated February 23, 2025, by and between the Company, Eli Lilly and Company and for certain sections therein, Organovo, Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by the Company with the SEC on February 25, 2025).
3.1	Certificate of Incorporation (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K, as filed with the SEC on February 3, 2012).
3.2	Certificate of Amendment of Certificate of Incorporation (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K, as filed with the SEC on July 27, 2018).
3.3	Certificate of Second Amendment of Certificate of Incorporation (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K as filed with the SEC on August 17, 2020).
3.4	Certificate of Third Amendment of Certificate of Incorporation (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K as filed with the SEC on March 21, 2025).
3.5	Certificate of Fourth Amendment of Certificate of Incorporation (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K as filed with the SEC on April 24, 2025).
3.6	Amended and Restated Bylaws (incorporated by reference from Exhibit 3.2 to the Company's Current Report on Form 8-K as filed with the SEC on April 24, 2025).
4.1	Form of Common Warrant (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K, as filed with the SEC on May 13, 2024).
4.2*	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-1 (File No. 333-294716) filed with the Securities and Exchange Commission on March 27, 2026).
4.3*	Form of Common Warrant (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-1 (File No. 333-294716) filed with the Securities and Exchange Commission on March 27, 2026).
4.4*	Form of Placement Agent Warrant (incorporated by reference to Exhibit 4.5 to the Company's Registration Statement on Form S-1 (File No. 333-294716) filed with the Securities and Exchange Commission on March 27, 2026).
4.5*	Description of Securities.
10.1+	VivoSim Labs, Inc. Amended and Restated 2012 Equity Incentive Plan (incorporated by reference from Exhibit 10.1 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 5, 2025).
10.2+	Form of Stock Option Award Agreement under the 2012 Equity Incentive Plan (incorporated by reference from Exhibit 10.16 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012).
10.3+	Form of Non-Employee Director Stock Option Award Agreement under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.35 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 9, 2015).
10.4+	Form of Executive Stock Option Award Agreement under the 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 9, 2015).
10.5+	Form of Indemnification Agreement (incorporated by reference from Exhibit 10.17 to the Company's Current Report on Form 8-K, as filed with the SEC on February 13, 2012).
10.6#	License Agreement, dated March 24, 2009, by and between Organovo, Inc. and the Curators of the University of Missouri (incorporated by reference from Exhibit 10.6 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 5, 2025).
10.7#	License Agreement, dated March 12, 2010, by and between Organovo, Inc. and the Curators of the University of Missouri (incorporated by reference from Exhibit 10.7 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 5, 2025).
10.8+	Severance and Change in Control Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on November 9, 2015).
10.9+	Amendment No. 1 to Severance and Change in Control Plan, dated May 19, 2020 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, as filed with the SEC on May 20, 2020).
10.10+	Form of Severance and Change in Control Plan Participation Agreement (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on November 9, 2015).

Exhibit No.	Description
10.11+	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement (Retention Form) under the 2012 Equity Incentive Plan (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on August 4, 2016).
10.12+	Form of Employee Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement under the 2012 Equity Incentive Plan (incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on August 4, 2016).
10.13+	Form of Non-Employee Director Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement under the 2012 Equity Incentive Plan (incorporated by reference from Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on August 4, 2016).
10.14+	Consulting Agreement, dated September 15, 2020, by and between Organovo, Inc. and Multi Dimensional Bio Insight LLC (incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on November 5, 2020).
10.15+	Consulting Agreement, dated August 25, 2020, by and between Organovo, Inc. and Danforth Advisors (incorporated by reference from Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, as filed with the SEC on November 5, 2020).
10.16+	Amendment No. 5, dated October 4, 2021, to Consulting Agreement, dated August 25, 2020, by and between Organovo, Inc. and Danforth Advisors LLC (incorporated by reference from Exhibit 10.3 to the Company's Current Report on Form 8-K, as filed with the SEC on October 6, 2021).
10.17+	Amendment No. 6, dated December 30, 2024, to Consulting Agreement, dated August 25, 2020, by and between Organovo, Inc. and Danforth Advisors, LLC (incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K, as filed with the SEC on December 31, 2024).
10.18	Lease Agreement, dated November 23, 2020, between VivoSim Labs, Inc. and San Diego Inspire 2, LLC (Permanent Lease Agreement 176640186.8) (incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K, as filed with the SEC on November 25, 2020).
10.19	Amended and Restated Lease Agreement, dated November 23, 2020, between Organovo, Inc., as Tenant, and San Diego Inspire 2, LLC, as Landlord, as amended by First Amendment to Amended & Restated Lease, dated November 17, 2021, between Organovo, Inc., as Tenant and San Diego Inspire 2, LLC, as Landlord (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K, as filed with the SEC on November 19, 2021).
10.20	Intercompany Agreement, dated December 28, 2020, by and among VivoSim Labs, Inc., Organovo, Inc. and Viscient Biosciences, Inc. (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K, as filed with the SEC on December 31, 2020).
10.21	Sales Agreement, dated March 16, 2018, by and between VivoSim Labs, Inc. and Jones Trading Institutional Services LLC (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K, as filed with the SEC on March 16, 2018).
10.22+	VivoSim Labs, Inc. Amended and Restated 2021 Inducement Equity Incentive Plan (incorporated by reference from Exhibit 10.22 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 5, 2025).
10.23+	Form of Stock Option Agreement under the VivoSim Labs, Inc. 2021 Inducement Equity Incentive Plan (incorporated by reference from Exhibit 10.23 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 5, 2025).
10.24+	Form of Restricted Stock Unit Agreement under the VivoSim Labs, Inc. 2021 Inducement Equity Incentive Plan (incorporated by reference from Exhibit 10.24 to the Company's Annual Report on Form 10-K, as filed with the SEC on July 29, 2025).
10.25	Settlement and Patent License Agreement, dated February 22, 2022, by and between Organovo, Inc. and BICO Group AB (incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 10, 2022).
10.26+	VivoSim Labs, Inc. Amended and Restated 2022 Equity Incentive Plan (incorporated by reference from Exhibit 10.26 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 5, 2025).
10.27+	Form of Global Stock Option Award Agreement under the VivoSim Labs, Inc. Amended and Restated 2022 Equity Incentive Plan (incorporated by reference from Exhibit 10.27 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 5, 2025).
10.28+	Form of Global Restricted Stock Unit Award Agreement under the VivoSim Labs, Inc. Amended and Restated 2022 Equity Incentive Plan (incorporated by reference from Exhibit 10.28 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 5, 2025).

Exhibit No.	Description
10.29+	VivoSim Labs, Inc. Amended and Restated 2023 Employee Stock Purchase Plan (incorporated by reference from Exhibit 10.29 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 5, 2025).
10.30+*	Offer Letter, dated July 25, 2025, between the Company and Tony Lialin (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K, as filed with the SEC on August 14, 2025).
10.31*	Placement Agency Agreement, dated March 31, 2026, between the Company and Joseph Gunnar & Co., LLC (incorporated by reference to Exhibit 1.1 to the Company's Registration Statement on Form S-1 (File No. 333-294716) filed with the Securities and Exchange Commission on March 27, 2026).
10.32*	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.30 to the Company's Registration Statement on Form S-1 (File No. 333-294716) filed with the Securities and Exchange Commission on March 27, 2026).
10.33*	Offer Letter, dated November 18, 2025, between the Company and Amar Sethi.
19.1	VivoSim Labs, Inc. Insider Trading Policy (incorporated by reference from Exhibit 10.19 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 5, 2025).
21.1	Subsidiaries of VivoSim Labs, Inc. (incorporated by reference from Exhibit 21.1 to the Company's Annual Report on Form 10-K, as filed with the SEC on June 5, 2025).
23.1*	Consent of Independent Registered Public Accounting Firm.
24.1*	Power of Attorney (included on signature page hereto).
31.1*	Certification of Chief Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Chief Financial Officer a Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.
32.1**	Certifications Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and to 18 U.S.C. Section 1350.
97	VivoSim Labs, Inc. Clawback Policy (incorporated by reference from Exhibit 97 to the Company's Annual Report on Form 10-K, as filed with the SEC on May 31, 2024).
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Portions of this exhibit (indicated by [* * *]) have been omitted pursuant to Item 601(b)(10) because the Company has determined that the information is both (i) not material and (ii) of the type that the Company treats as private and confidential. In addition, schedules have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of the unredacted exhibit upon request by the SEC.

* Filed herewith.

** Furnished herewith.

+ Designates management contracts and compensation plans.

SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

VIVOSIM LABS, INC.

By: /s/ Keith Murphy
Keith Murphy
Executive Chairman

Date: July 14, 2026

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Keith Murphy and Norman Staskey, and each of them individually, as the undersigned's true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for the undersigned and in the undersigned's name, place, and stead, in any and all capacities, to sign any and all amendments to this Report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming that all said attorneys-in-fact and agents, or any of them or their respective substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Keith Murphy Keith Murphy	Executive Chairman (Principal Executive Officer)	July 14, 2026
/s/ Norman Staskey Norman Staskey	Chief Financial Officer (Principal Financial and Principal Accounting Officer)	July 14, 2026
/s/ Adam Stern Adam Stern	Director	July 14, 2026
/s/ Douglas Cohen Douglas Cohen	Director	July 14, 2026
/s/ David Gobel David Gobel	Director	July 14, 2026
/s/ Alison Milhous Alison Milhous	Director	July 14, 2026