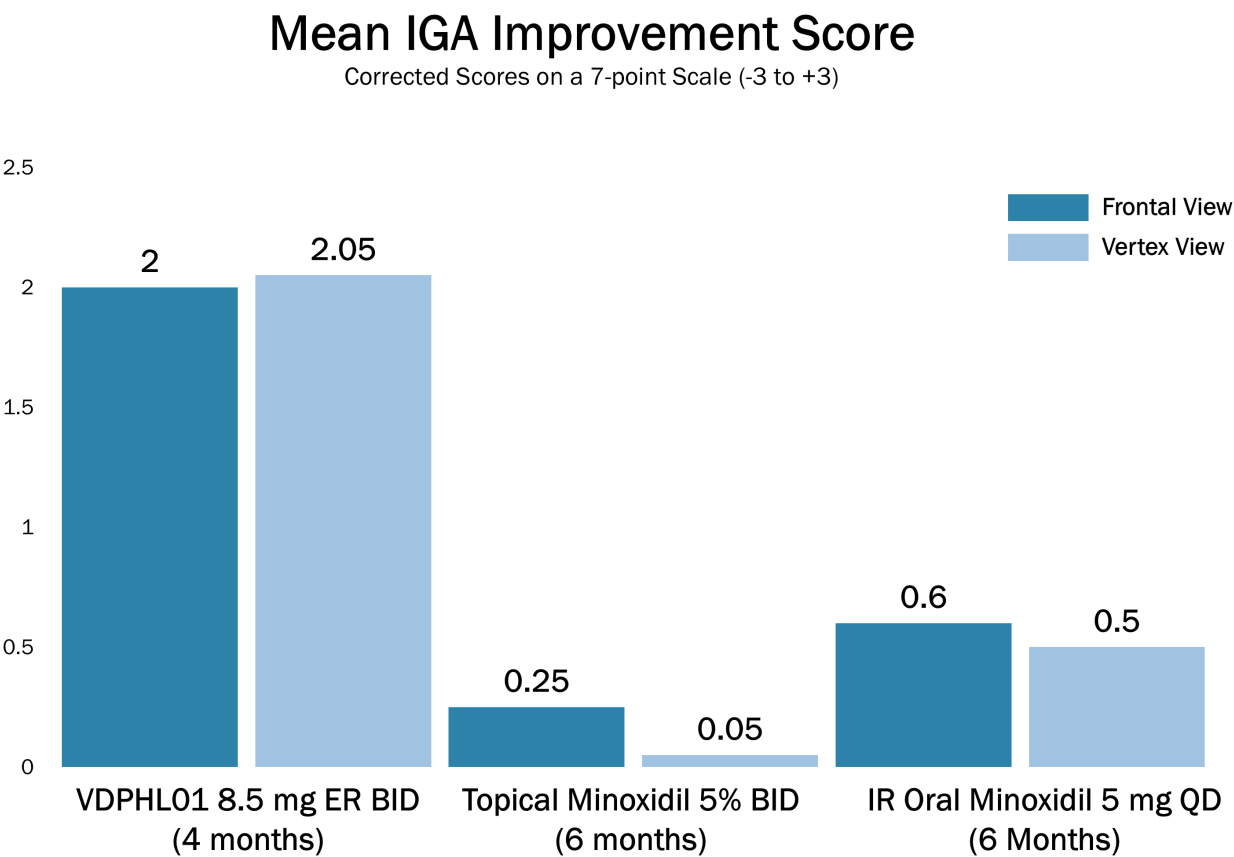


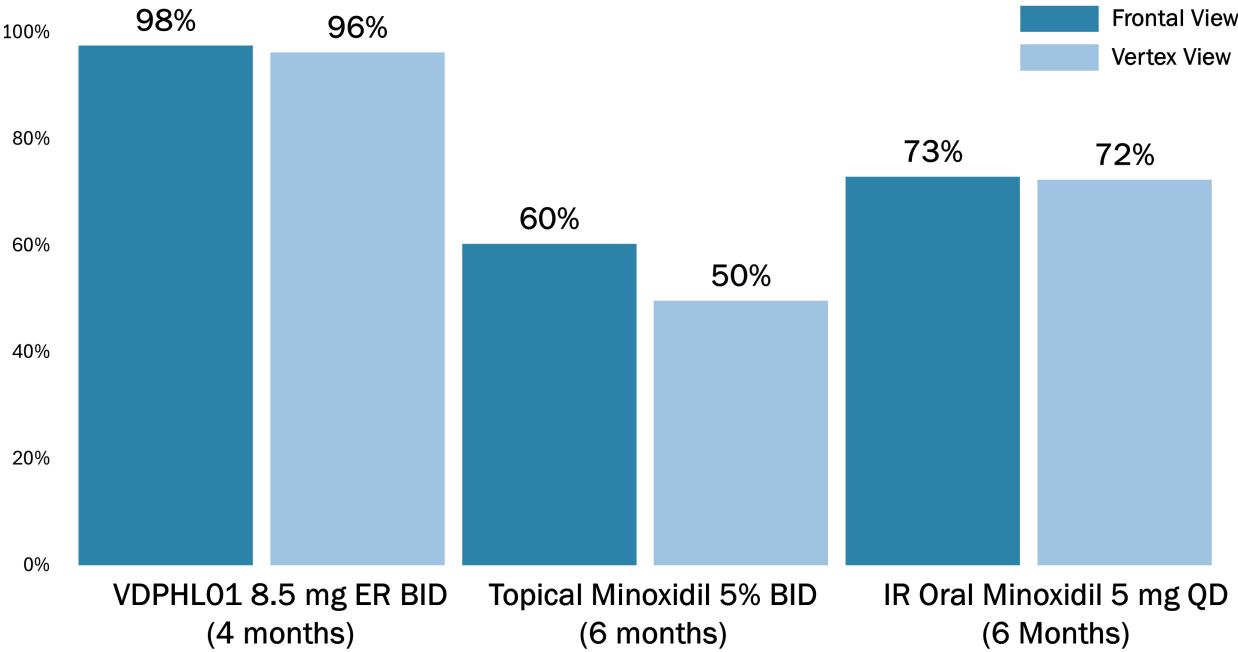
no meaningful difference in mean improvement when comparing the frontal view for topical minoxidil and IR oral minoxidil.



After completion of blinded grading, the accuracy of correct baseline identification (i.e., cases where the grader correctly selected the baseline image from the two images per subject in randomized order) was determined for each treatment group. As illustrated in the graphic below, the frequency of correct baseline identification (percentage of correct over total) for frontal and vertex views, respectively, was: 97.5% and 96.2% for VDPHL01, 60.3% and 49.6% for topical minoxidil, and 72.9% and 72.3% for IR oral minoxidil. The frequency of correct baseline identification for VDPHL01 was superior as compared to both topical minoxidil and IR oral minoxidil. Additionally, there was no meaningful difference in the frequency of correct baseline identification when comparing either the frontal or vertex view for topical minoxidil and IR oral minoxidil.

Baseline Identification Accuracy

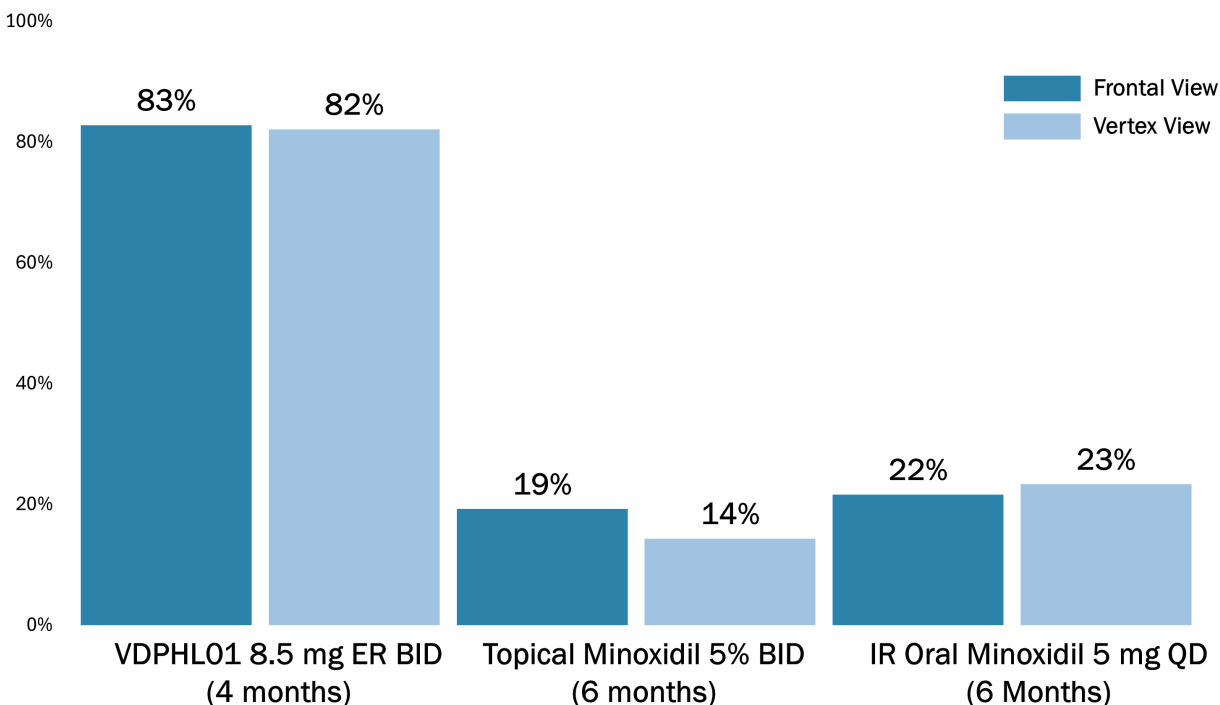
Percentage Correct of Before/After Image Identification by Dermatologists)



After completion of blinded grading and correction for mis-sequencing, the magnitude of individual clinical responses was assessed by calculating the proportion of subjects within each treatment group who were assessed as having achieved corrected IGA scores $\geq +2$ (indicating moderate-to-great improvement). The proportion of meeting this threshold for frontal and vertex views, respectively, were: 82.8% and 82.1% for VDPHL01, 19.2% and 14.3% for topical minoxidil, and 21.6% and 23.3% for IR oral minoxidil. The results for VDPHL01 were superior as compared to both topical minoxidil and IR oral minoxidil. Additionally, there was no meaningful difference when comparing either the frontal or vertex view for topical minoxidil and IR oral minoxidil.

Clinical Response Rates

% of Subjects Achieving IGA $\geq$ 2 (Moderate to Great Improvement)



After blinded IGA grading including correction for mis-sequencing errors, VDPHL01 demonstrated superior proportion of subjects achieving corrected IGA scores $\geq$ +2 (indicating moderate-to-great improvement) as compared to topical minoxidil and IR oral minoxidil, both of which were not meaningfully different when compared to each other for both views.

This analysis demonstrated that four months of treatment with VDPHL01 resulted in superior IGA scores, as assessed by expert graders, compared to six months of treatment with topical and IR oral minoxidil and that there was no meaningful difference when comparing topical and IR oral minoxidil to each other.

Ongoing Studies

Study 207: Our Phase 2 Open Label Proof of Concept Trial

Study 207 is a multicenter Phase 2 open label study in 21 adult male and 22 adult female PHL patients initiated in June 2024 to obtain proof of concept for the safety and efficacy of twelve months of treatment with VDPHL01 8.5 mg twice daily in male patients and VDPHL01 4.5 mg either once or twice in female patients with PHL. Both cohorts of male and female patients are fully enrolled. Additional topline data from this study is anticipated to read out in the first half of 2026.

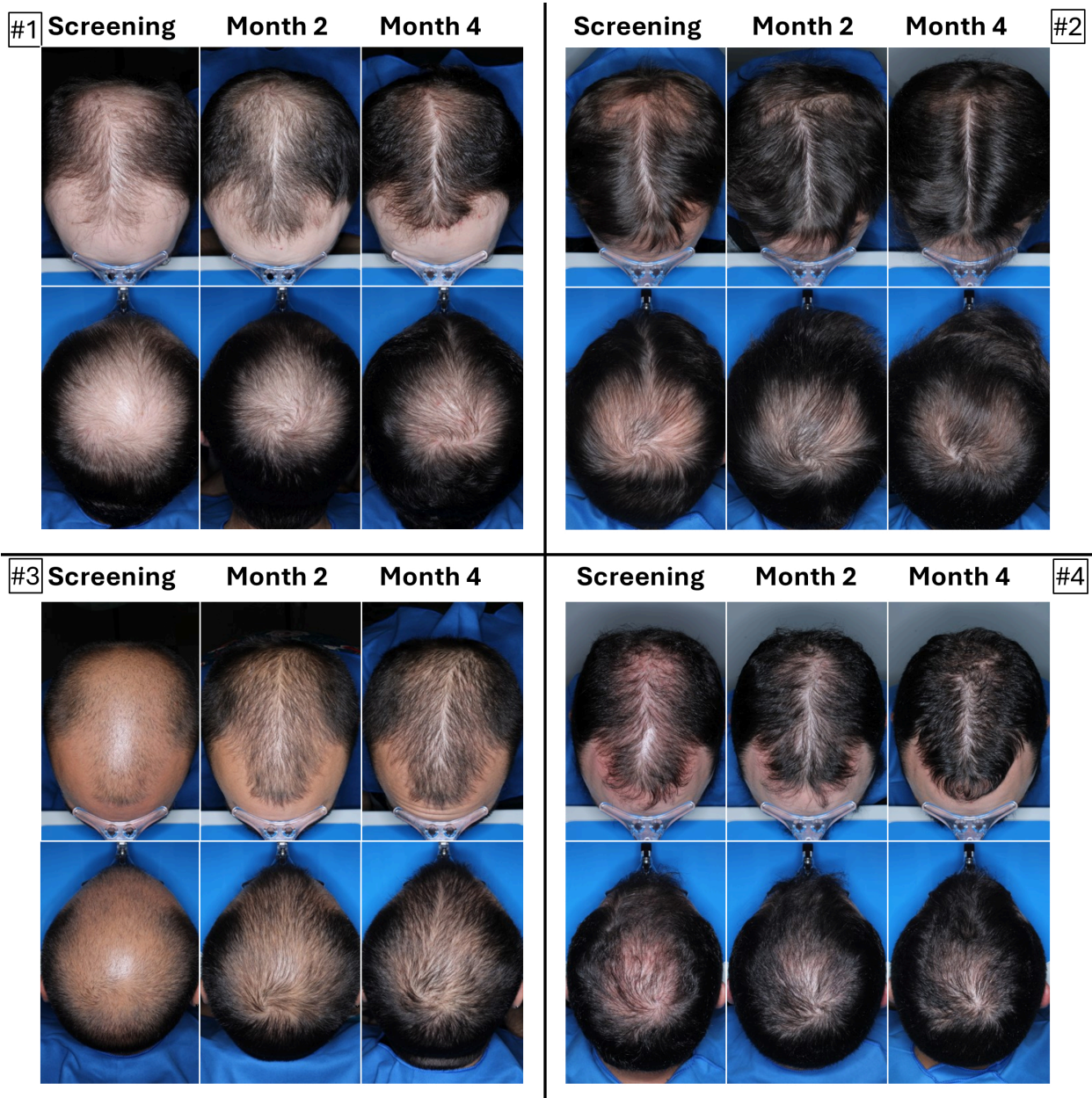
Select efficacy endpoints include:

- Non-vellus Target Area Hair Count, or TAHC: Change from baseline using digital image analysis at Months 1, 2, 4, 6, 8, 10 and 12.
- PRO: Proportion of patients with each score of a proprietary questionnaire, summarized individually by question at Months 1, 2, 4, 6, 8, 10 and 12.

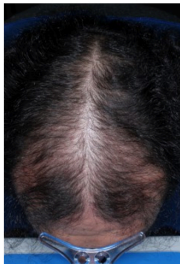
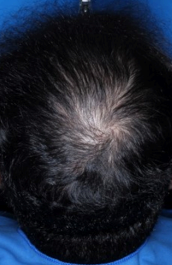
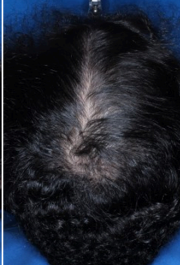
As this trial is exploratory, no formal sample size calculation will be made related to statistical power. Therefore, all trial endpoints, including objective hair count measures and subjective patient and investigator assessments, are exploratory and are planned to be reported as descriptive statistics.

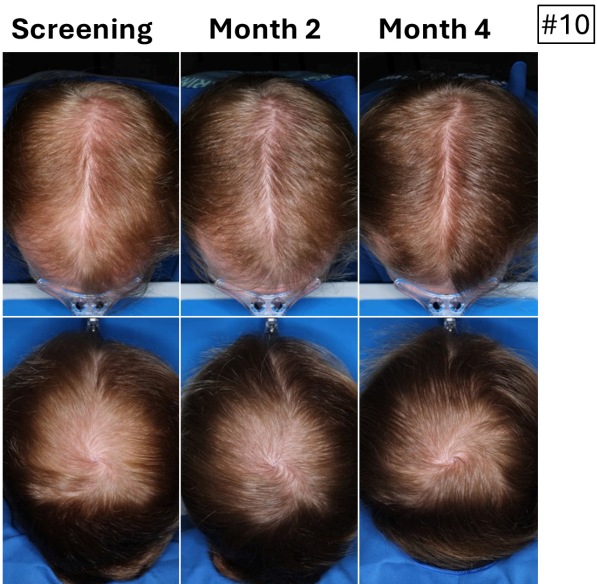
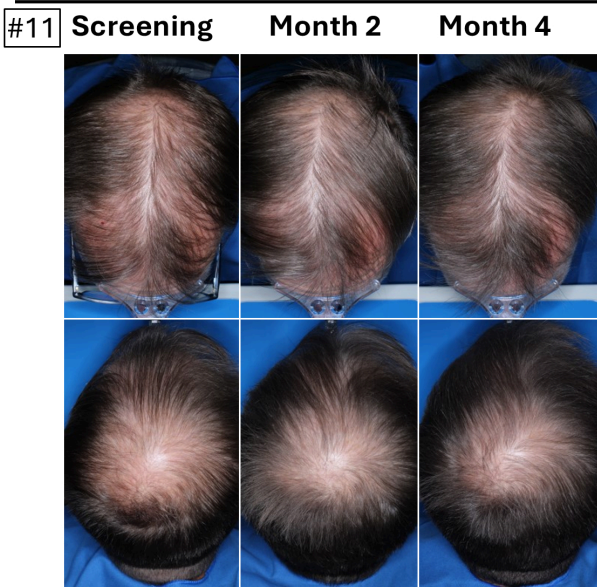
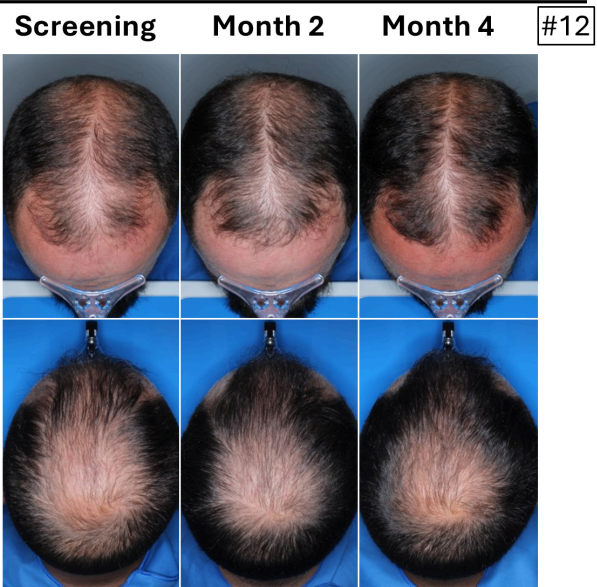
Images from Patients: Preliminary Data Announced in October 2025

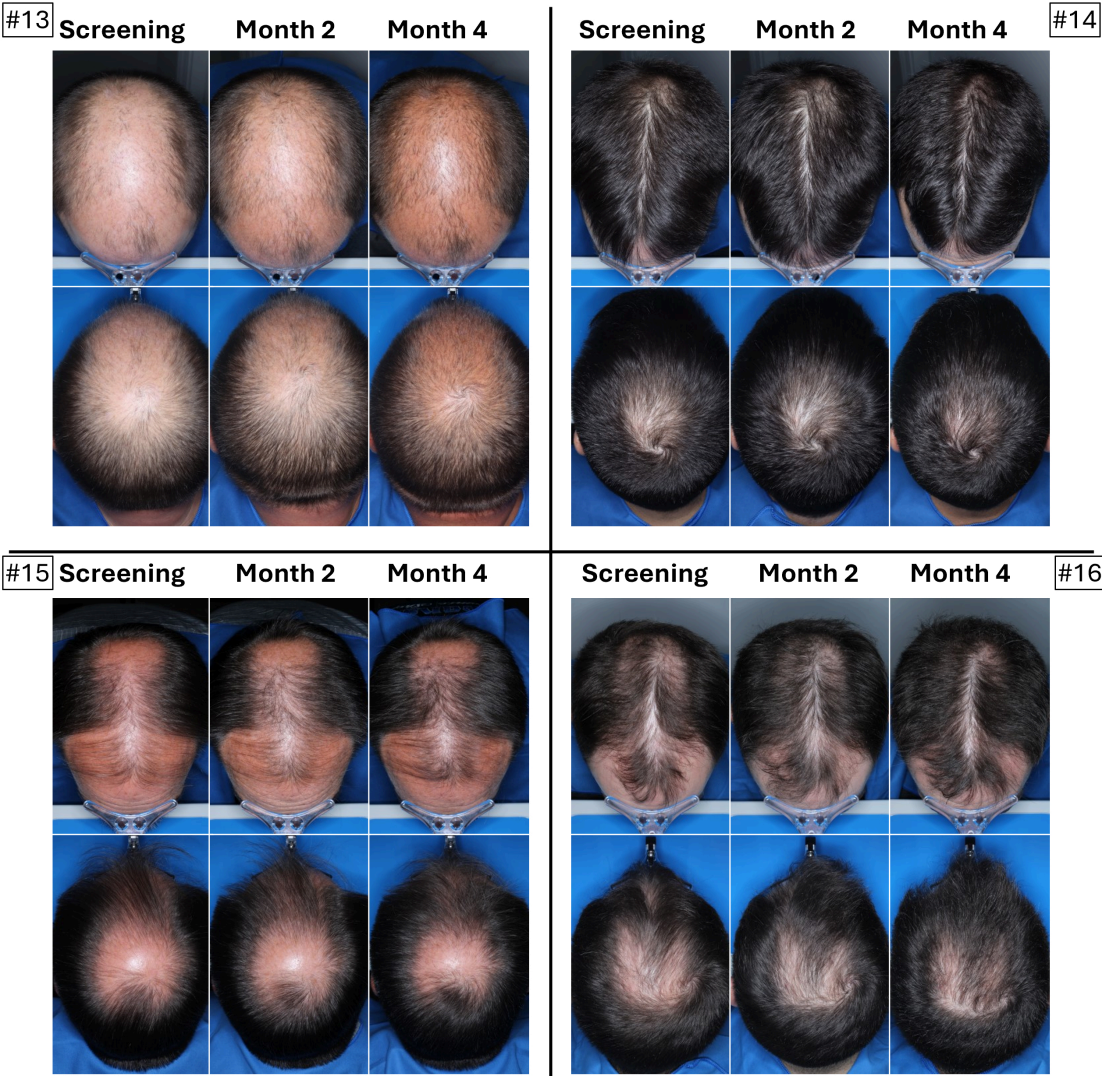
The below images are of male patients from our Phase 2 clinical trial who had completed their month 4 visit as of August 2025 (n=20), the time at which a blinded image analysis study was conducted. This blinded, retrospective image assessment study used image files containing before-and-after (in randomized order) scalp photographs from both the vertex and frontal view. These image files were reviewed independently by three U.S. board certified dermatologists who were blinded to treatment group and asked to identify the baseline image before assigning an IGA score for improvement using a 7-point Likert scale, a commonly used tool for assessing change in hair growth ranging from greatly decreased (-3) to greatly increased (+3) with intermediate categories of no change (0), slightly decreased/increased (-1/+1) and moderately increased/decreased (-2/+2). Images for patients from screening, month two and month four are presented in order (highest to lowest) of the average improvement scores at month four. Average IGA improvement scores shown represent average improvement scores as assessed by the blinded expert graders ranging from +1.2 (patient #19) to +3.0 (patient #1). Images have been excluded for patients (n=1) with improvement scores less than or equal to the 5th percentile or greater than or equal to the 95th percentile in both image views at month four.

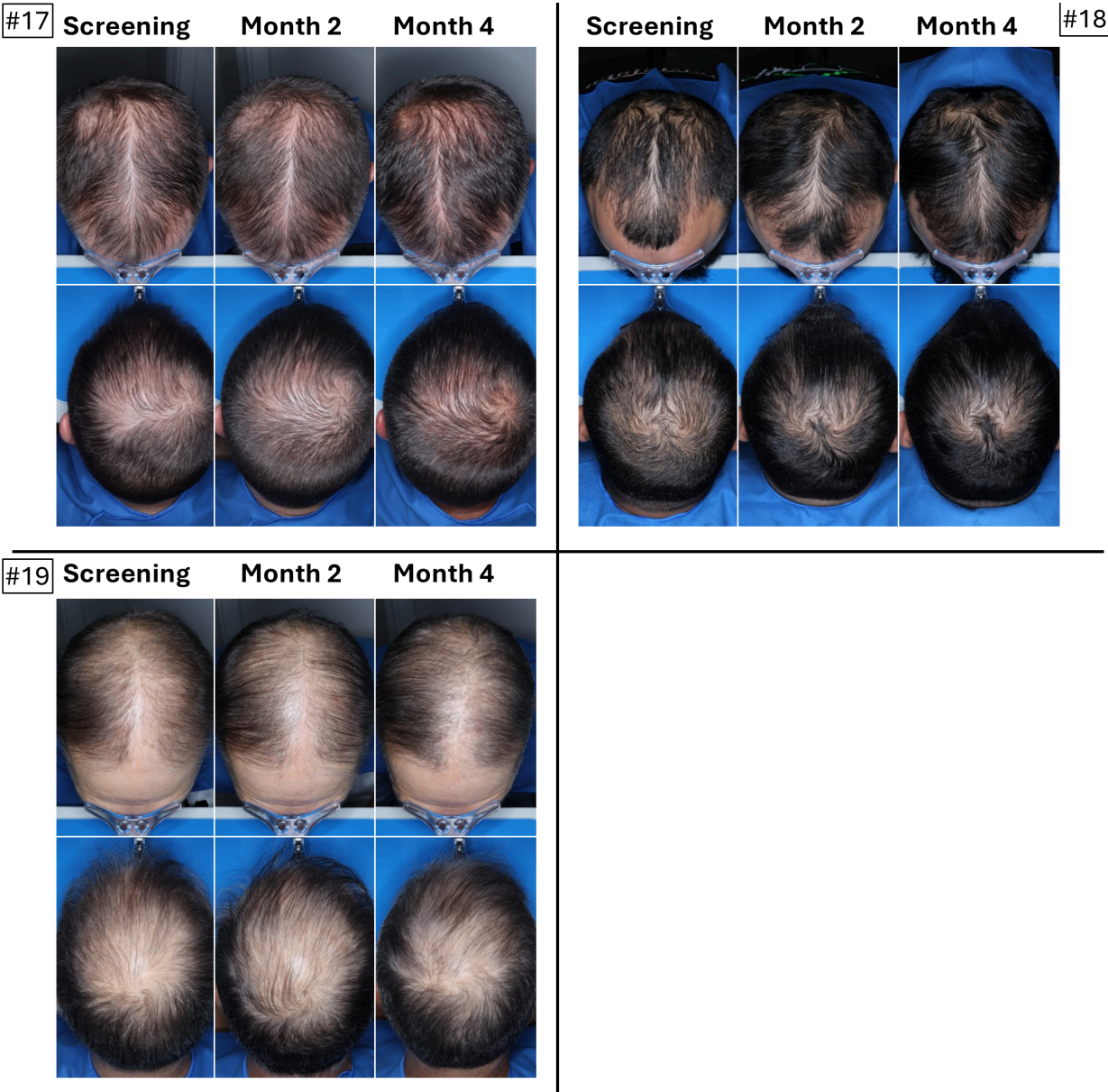


#5	Screening	Month 2	Month 4	Screening	Month 2	Month 4	#6
		Image Not Available; Subject Missed Month 2 Visit					
		Image Not Available; Subject Missed Month 2 Visit					
							

#7	Screening	Month 2	Month 4	Screening	Month 2	Month 4	#8
							
							
							







Treatment Emergent Adverse Events: Preliminary Data Announced in October 2025

The treatment emergent adverse event, or TEAE, summary presented in the graphic below from Study 207 covers TEAEs through four months of treatment with VDPHL01 8.5 mg, administered twice daily. No cardiac AEs or SAEs were reported. Overall, the complete list of TEAEs, which includes all AEs observed in study subjects independent of relatedness, suggests that VDPHL01 is generally well tolerated. No SAEs have been observed to date.

Category	VDPHL018.5 mg BID N=25; n (% of subjects)
Total TEAEs	14
Subjects with any TEAE	7 (28.0%)
Subjects with any TEAE Leading to Treatment Discontinuation	1 (4.0%)
Subjects with any TEAE Leading to Study Discontinuation	0

Severity	VDPHL01 8.5 mg BID N=14; n (% of Total AES)
Mild	6 (42.9%)
Moderate	8 (57.1%)
Severe	0

AEs by Type	VDPHL01 8.5 mg BID N=25; n (% of subjects)
Headache	4 (16.0%)
Upper Respiratory Tract Infection	2 (4.0%)
Sinus Congestion	1 (4.0%)
Dehydration	1 (4.0%)
Heat Exhaustion	1 (4.0%)
Asymptomatic Orthostatic Hypertension	1 (4.0%)
Pain	1 (4.0%)
Oedema Peripheral	1 (4.0%)
Libido Decreased	1 (4.0%)
Malignant Melanoma	1 (4.0%)

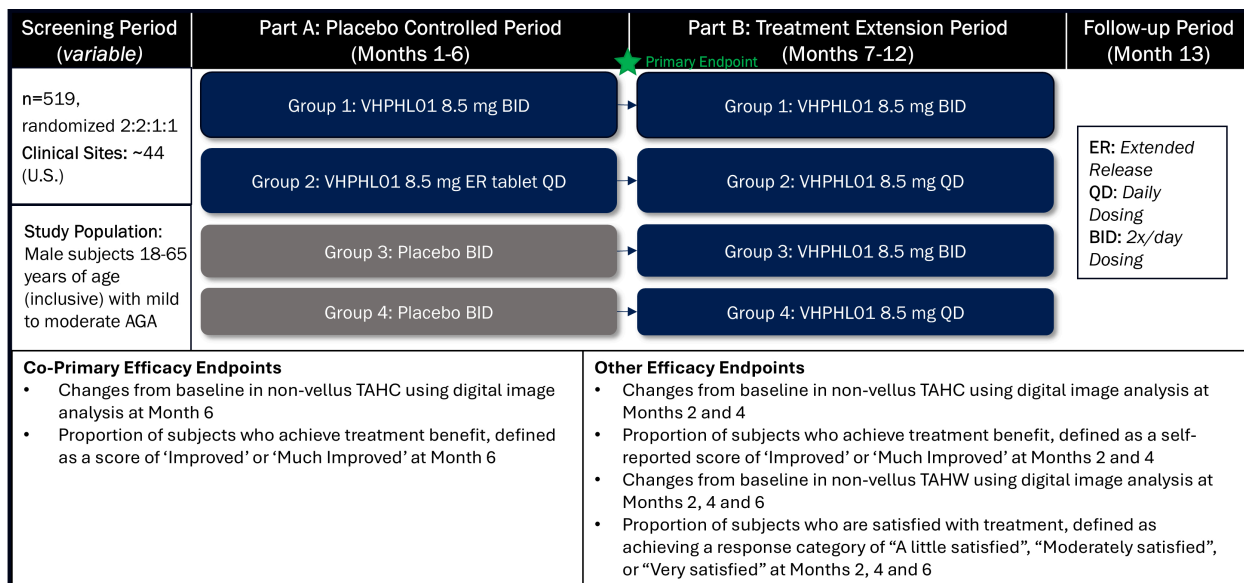
TEAEs from Study 207 through four months of treatment are listed by type and severity.

Study 302: Our Phase 2/3 Registration-Directed Trial in Male Patients

We are currently conducting Study 302, the first of three registration-directed clinical trials of VDPHL01 in patients with PHL. Study 302 is a four-arm multicenter, randomized, double-blinded, placebo-controlled, Phase 2/3 clinical trial investigating the safety and efficacy of VDPHL01 8.5 mg in male patients. We are evaluating the effects of VDPHL01 8.5 mg once daily or VDPHL01 8.5 mg twice daily versus placebo and are randomizing patients in a 2:2:1:1 ratio across the four arms of the trial. Patients randomized to placebo at baseline will cross over into dosing with VDPHL01 8.5 mg once daily or VDPHL01 8.5 mg twice daily after six months on trial). This study is fully enrolled with a final enrollment of 519 subjects.

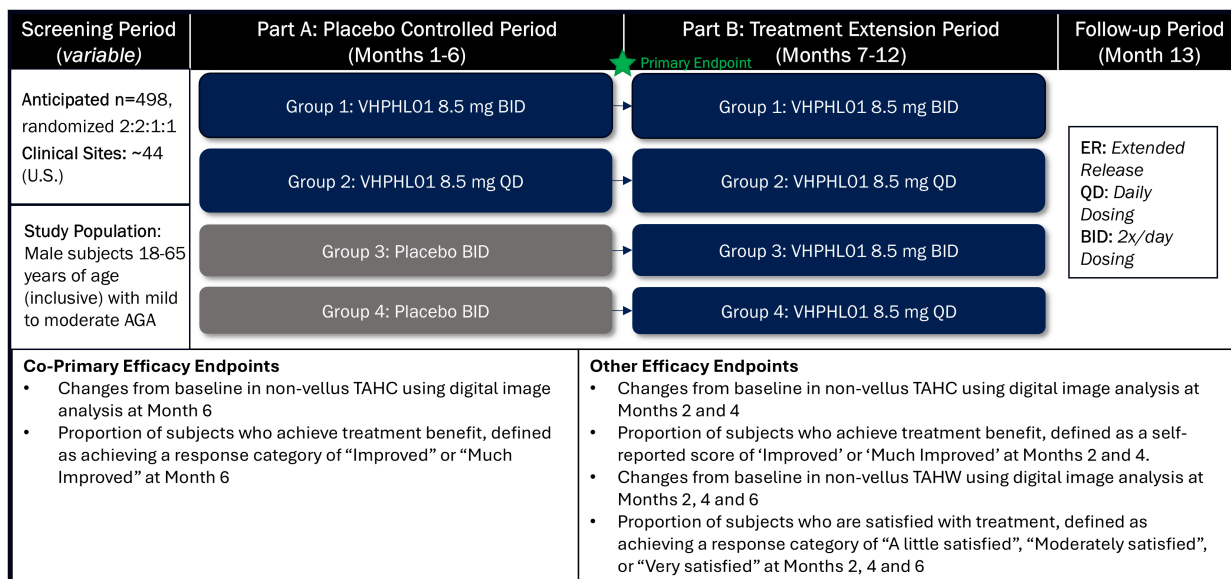
The co-primary endpoints of the trial are changes from baseline in non-vellus TAHC using digital image analysis and proportion of patients who achieve treatment benefit, defined as a score of "Improved" or "Much improved" on Item 1 of a proprietary questionnaire, at six months. The secondary endpoints include changes from baseline in non-vellus TAHC at Months 2 and 4, proportion of patients who achieve treatment benefit at Months 2 and 4, changes from baseline in non-vellus Target Area Hair Width, or TAHW, at Months 2, 4 and 6, and the proportion of patients who are satisfied with treatment, defined as achieving a response category of "A little satisfied," "Moderately satisfied" or "Very satisfied" at Months 2, 4 and 6. Study 302 also includes a parallel Phase 2 component involving a psychometric analysis intended to further assess that the proprietary questionnaire used to measure the co-primary endpoint and one of the secondary endpoints is an appropriate, fit-for-purpose

instrument. We began enrolling Study 302 in November 2024 and expect to report topline data in the first half of 2026. The trial design for Study 302 is depicted below.



Study 304: Our Confirmatory Phase 3 Trial in Male Patients

We are also conducting Study 304, our confirmatory registration-directed Phase 3 clinical trial of VDPHL01 in male patients with PHL. Study 304 is a four-arm, multicenter, randomized, double-blinded, placebo-controlled, Phase 3 clinical trial investigating the safety and efficacy of VDPHL01 in male PHL patients. This trial also evaluates the effects of VDPHL01 8.5 mg once daily or VDPHL01 8.5 mg twice daily versus placebo and randomizes patients in a 2:2:1:1 ratio across the four arms of the trial (with the same placebo crossover design as in Study 302). We expect to enroll a total of approximately 498 subjects in this study. The primary endpoints of the trial are the same as in Study 302. Secondary endpoints include the same as those listed for Study 302. We began enrolling Study 304 in March 2025 and expect to report topline data in the second half of 2026. The trial design for Study 304 is depicted below.



Study 306: Our Registration-Directed Trial in Female Patients

Study 306 is our registration-directed clinical trial of VDPHL01 in women with PHL. The four-arm, multicenter, randomized, double-blinded, placebo-controlled, Phase 2/3 clinical trial is investigating the safety and efficacy of VDPHL01 in female PHL patients. We are evaluating the effects of VDPHL01 4.5 mg once daily or VDPHL01 4.5 mg twice daily versus placebo and are randomizing patients in a 2:2:1:1 ratio across the four arms of the trial (with the same placebo crossover design as in Study 302). We expect to enroll a total of approximately 552 subjects in this study. The primary endpoints of the trial are the same as those listed for Study 302. Other efficacy endpoints include the proportion of patients who are satisfied with treatment at Month 6, the proportion of patients by response category for every other question of a proprietary questionnaire at Month 6, and changes from baseline in non-vellus TAHW Month 6. Study 306 also includes a parallel Phase 2 component involving a psychometric analysis intended to further assess that the proprietary questionnaire used to measure the co-primary endpoint and one of the secondary endpoints is an appropriate, fit-for-purpose instrument. We began enrolling Study 306 in July 2025. The trial design for Study 306 is depicted below.

Screening Period (variable)	Part A: Placebo Controlled Period (Months 1-6)	★ Primary Endpoint Part B: Treatment Extension Period (Months 7-12)	Follow-up Period (Month 13)
Anticipated n=552, randomized 2:2:1:1	Group 1: VPHL01 4.5 mg BID	Group 1: VPHL01 4.5 mg BID	ER: Extended Release QD: Daily Dosing BID: 2x/day Dosing
Anticipated Sites: ~66 (U.S.)	Group 2: VPHL01 4.5 mg QD	Group 2: VPHL01 4.5 mg QD	
Study Population: Female subjects 18-65 years of age (inclusive) with mild to moderate AGA	Group 3: Placebo BID	Group 3: VPHL01 4.5 mg BID	
	Group 4: Placebo BID	Group 4: VPHL01 4.5 mg QD	
Co-Primary Efficacy Endpoints <ul style="list-style-type: none">Changes from baseline in non-vellus TAHC using digital image analysis at Month 6Proportion of subjects who achieve treatment benefit, defined as achieving a response category of "Improved" or "Much Improved" at Month 6		Other Efficacy Endpoints <ul style="list-style-type: none">Proportion of subjects who are satisfied with treatment at Month 6Proportion of subjects by change from baseline for every other question of the proprietary PRO questionnaireChanges from baseline in non-vellus TAHW using digital image analysis at Month 6	

505(b)(2) Approval Pathway

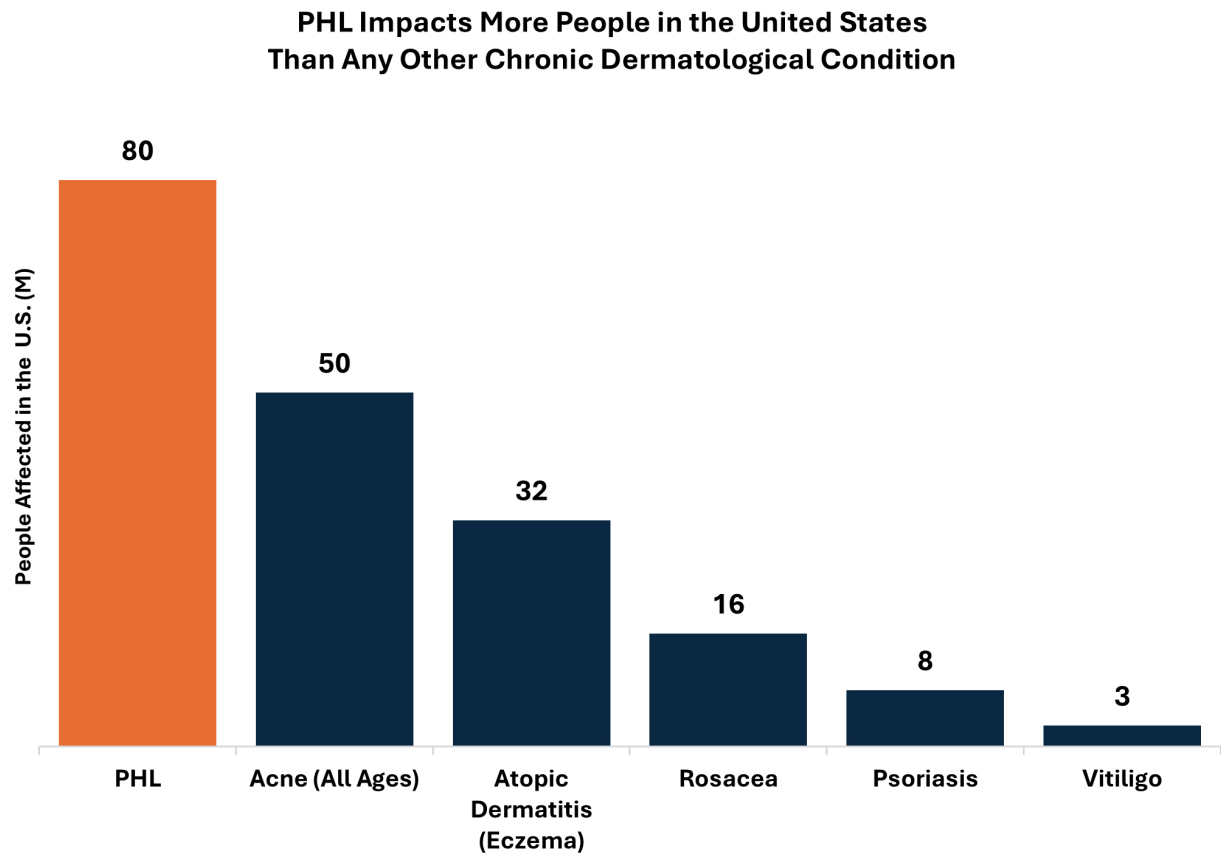
Following the conclusion of our pivotal studies, we anticipate submitting VDPHL01 for approval under the 505 (b)(2) approval pathway. The benefit of this pathway is that it eliminates costly, time consuming and potentially duplicate studies on the already established elements of minoxidil but allows a period of regulatory exclusivity for VDPHL01, if approved. The typical regulatory market exclusivity period for a new product approved under the 505(b)(2) pathway that contains an active moiety that has been previously approved is 3 years. In addition to the 505(b)(2) regulatory exclusivity period, we are executing an intellectual property strategy that is intended to protect the novel innovations underlying VDPHL01 into at least 2043 (see "—Intellectual Property—VDPHL01 is protected by issued IP").

There is an Attractive Potential Commercial Opportunity for an Approved Oral Therapeutic for PHL

Prevalence: A Widespread, Underserved Condition

PHL represents one of the most prevalent chronic dermatological conditions in the United States, affecting approximately 80 million men and women. PHL demonstrates a lifetime prevalence of nearly 50%, significantly higher than psoriasis (2–3% of individuals) or atopic dermatitis (approximately 10% of adults). As demonstrated

in the graphic below, PHL impacts more Americans than any other chronic dermatological condition, according to the American Academy of Dermatology:



Prevalence increases with age: approximately 50% of men and 40% of women show clinically significant PHL by age 50 in the United States. The condition can manifest as early as the late teens or early twenties and progressively worsens over time. It is estimated that the active treatment-seeking population for PHL was approximately double the size of the entire psoriasis population in the United States in 2024. The interplay of biological, genetic and hormonal drivers has contributed to PHL's widespread nature, yet effective treatment options have remained limited, creating substantial unmet medical need across a large patient population.

Quality of Life Impact: A Highly-Motivated Patient Population

PHL has significant, multidimensional effects on patients' quality of life, including mental and emotional well-being. This substantial burden makes the target population heavily motivated to seek treatment, but many remain untreated given lack of attractive options. Timely intervention can profoundly and positively influence psychosocial functioning from an early stage, yet the absence of effective solutions underscores a critical gap in care.

Public and clinical interest in hair loss has accelerated, driven by heightened aesthetic awareness, increased media exposure and changing social norms. Since the beginning of 2024, over 100,000 news articles in the United States have addressed PHL. Social media engagement is substantial: hashtags including #hairloss, #hairthinning, #hairgrowth, #hairlosstreatment and #hairlosssolutions have been used over 13 million times on Instagram and TikTok. The PHL-focused sub-Reddit r/tressless has over 400,000 weekly visitors — four times the combined weekly visitors of r/Ozempic and r/Wegovy, two of the largest Glucagon-Like Peptide-1, or GLP-1, sub-Reddit communities. Proprietary social listening research conducted among approximately 700,000

conversations across X, Reddit and other digital forums from March 2024 to April 2025 revealed that only 6.5% of social posts expressed satisfaction with treatment — underscoring widespread dissatisfaction with current options.

Current Commercial Opportunity: Substantial Spending Despite Limited Efficacy

We estimate that the current commercial opportunity for PHL treatments for men and women in the United States is approximately \$9 billion, based on publicly available industry data and patient surveys to determine the number of PHL patients using prescription and OTC therapies in the United States in 2024, our proprietary third-party market research of estimates of duration of therapy and our analysis of pricing for prescription and OTC treatments. The PHL commercial opportunity was estimated to be approximately \$21 billion annually worldwide in 2021, and is projected to reach approximately \$30 billion by 2028. Despite limited efficacy, the market exhibits strong growth across prescription and OTC categories.

Patient spending patterns demonstrate significant willingness to pay for treatment. According to a proprietary third-party market assessment in November 2024, which surveyed 410 PHL patients in the United States, over 50% of patients currently spend more than \$40 per month on hair loss treatments, with 21% spending more than \$80 per month, consistent with commercially available third-party sources.

Patients today cycle through existing products in a predominantly cash-pay market. It is estimated that approximately 3.4 million individuals in the United States have undergone hair transplant procedures in recent years, a market growing year over year, demonstrating willingness to pursue costly, intensive elective surgical procedures.

Unmet Need: High Dissatisfaction Creates Opportunity

Despite widespread usage and spending, existing treatments demonstrate poor patient satisfaction. A 2024 third-party survey found that only 9% of current patients were satisfied with available treatments, while 46% were actively seeking new options. We believe that due to lack of satisfactory options, the majority of interested and motivated patients are not currently treated.

We believe this dissatisfaction persists because PHL markets have historically been dominated by suboptimal treatments that remain largely stagnant, and patients seek safer, more effective solutions that current options fail to provide.

Precedent: Adjacent Markets Transformed by Innovation

Multiple analogous therapeutic categories demonstrate how innovation can transform markets dominated by inadequate legacy treatments. The PHL market today has similarities to the atopic dermatitis and psoriasis markets before the introduction of transformative therapies. Prior to the approval of Dupixent in 2017, atopic dermatitis patients cycled through topical corticosteroids and immunosuppressants with concerning safety profiles, resulting in sub-optimal treatment satisfaction despite AD affecting millions of patients. Similarly, before biologic therapies emerged in the early 2000s, psoriasis patients had few options beyond topical treatments and systemic agents with significant toxicity concerns. In both cases, large patient populations actively sought treatment suffered from chronic, quality-of-life-impairing conditions while existing treatments failed to meet patient needs, creating substantial latent demand that materialized rapidly once effective, tolerable therapies became available. We believe the PHL market exhibits these same characteristics: high prevalence, significant unmet need, widespread utilization despite poor satisfaction with current options, and demonstrated willingness to pay for treatment, suggesting similar potential for market transformation with an innovative therapeutic approach.

In recent years, large therapeutic categories within personal care, including treatments for wrinkles, erectile dysfunction and obesity, have been created or substantially expanded through rapid patient adoption of treatment options offering attractive value propositions. For example, the global weight loss pharmaceuticals market has grown over ten-fold from approximately \$3 billion in 2020 to greater than \$30 billion in 2024, while the U.S. erectile dysfunction market grew seven-fold within one month of Viagra's launch. We believe that the U.S. facial injectables market, which was estimated to be approximately \$9.5 billion in 2024, further supports the potential for rapid adoption and favorable adherence in a chronically managed aesthetic condition.

We believe these examples show that consumers in the United States consistently demonstrate high willingness to pay out-of-pocket for differentiated products addressing aesthetic and quality-of-life concerns. Importantly, PHL shares a critical characteristic with these successful categories: it is a chronic condition requiring long-term management, which drives durable commercial opportunities as evidenced by persistence and adherence trends in categories such as Botox for cosmetic use.

Our Potential Commercial Opportunity

We believe VDPHL01 could gain meaningful share of the existing \$9 billion commercial opportunity for PHL treatments for men and women in the United States while catalyzing substantial expansion. Third-party studies have shown that a large percentage of PHL patients have not found existing treatment options sufficiently compelling to engage in treatment, representing significant latent demand.

We believe that multiple structural and behavioral factors support favorable market dynamics for an FDA-approved prescription therapy for PHL. These include: a large and expanding prevalence of the condition; the growing proportion of single adults within the general population, a demographic segment we believe is particularly motivated to pursue appearance-related treatments; increased social media engagement and accelerating public discourse surrounding hair loss; rapid expansion of DTC and telehealth-based marketing channels; growing consumer awareness and concern regarding hair health; and the increasing normalization and acceptance of prescription therapies as part of aesthetic self-care.

As the aesthetics market continues to grow, individuals remain active, career-oriented and aesthetically conscious for longer periods over their lifespans, we believe that effective pharmacologic options for PHL will become increasingly important to address both the cosmetic and psychosocial impact of the condition.

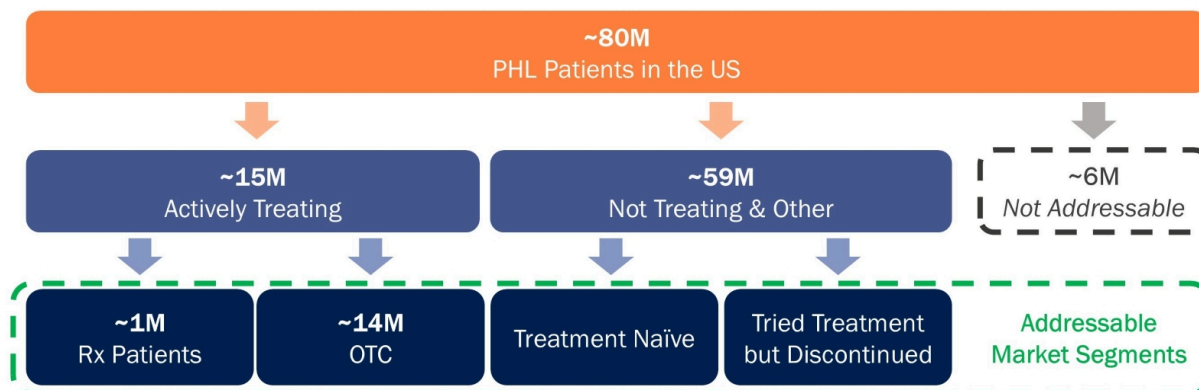
We believe demand for a differentiated pharmaceutical option is driven by the convergence of high prevalence, significant quality of life impairment, patient population motivated to seek treatment, lack of receptivity to existing treatments and substantial dissatisfaction among current patients — factors that together define a compelling commercial opportunity. In a proprietary commercial survey of 410 PHL patients in the United States:

- 60% of patients reported viewing VDPHL01 as highly positively differentiated given safety and efficacy data to date;
- over 90% of patients reported willingness to seek out a health care provider for VDPHL01, if approved; and
- over 60% of patients indicated they are very likely to both ask a health care provider about and switch to or add VDPHL01 as a treatment, if approved.

Patient Segmentation and Addressable Commercial Opportunity

We estimate that of the approximately 80 million total PHL patient population in the United States, the total addressable patient population of this group is approximately 74 million patients, segmented into two primary categories: patients currently engaged in treatment (approximately 15 million) and patients not currently treating or other patients (approximately 59 million) based on proprietary third-party market research and publicly

available industry and market data. The below graphic depicts what we believe to be the total addressable commercial opportunities of the approximately 80 million total PHL patient population in the United States.



Patients Currently Treating: 15 Million

We estimate that the current U.S. commercial opportunity for PHL patients for men and women is valued at approximately \$9 billion annually. However, in both third-party research and our proprietary research, many patients within this segment expressed dissatisfaction with their current options and were actively seeking new treatments. According to patient interviews and clinical experience, most patients cycle through multiple treatments with unsatisfactory results.

Current Prescription IR Oral Minoxidil and Finasteride Users

The number of PHL patients who are current prescription IR oral minoxidil and finasteride users in the United States was one million in 2025, and we assume that these patients refill those prescriptions six times per year. We believe patients currently treating their PHL under physician care with oral therapies represent the highest-probability early adopters of VDPHL01. These patients may find an oral, non-hormonal FDA-approved treatment with potentially superior efficacy attractive relative to existing prescription options. Therefore, adoption could be straightforward: patients can receive a new prescription at routine physician visits and fill it at their local pharmacy. In a proprietary commercial survey of 410 hair loss patients in the United States, 76% of current prescription medicine users indicated they would be very likely to ask their doctor about VDPHL01, if approved.

Patients currently using finasteride have expressed concerns regarding the hormonal mechanism that does not lend to intense hair growth and associated side effect profile, while those using off-label IR oral minoxidil face an efficacy ceiling, dose-limiting tolerability issues and uncertainty about using medications approved for other indications without formal PHL-specific efficacy and safety data.

Current OTC Topical Minoxidil Users

We estimate the number of PHL patients who are current OTC topical minoxidil users in the United States was approximately 4 million in 2025. We believe patients comfortable with minoxidil-based treatment will find VDPHL01's potential for enhanced efficacy, faster onset of action and convenient oral dosing attractive relative to topical minoxidil's profile. The most common reason for topical minoxidil discontinuation is burdensome topical application, a concern directly addressed by VDPHL01's oral administration. In a proprietary commercial survey of 410 PHL patients in the United States, 65% of OTC users indicated they would ask their doctor about VDPHL01, if approved.

Current Users of Other OTC Products

We estimate the number of PHL patients who are current users of other OTC products, including branded supplements, in the United States was 10 million in 2025. We believe an FDA-approved product with a robust clinical data package validating efficacy and safety claims could appeal to patients whose current OTC treatments are not backed by the same type of data to verify hair growth claims and product composition. DTC advertising aims to activate this population by creating awareness. However, our assumption for conversion to

VDPHL01 among this cohort is lower than other segments, as these patients are neither treating under physician care nor using minoxidil-based regimens and may be unaware of FDA-approved treatment options for PHL.

Patients Not Currently Treating and Other Patients: 59 Million

We believe a large portion of the remaining current PHL patients in the US are not currently receiving or taking treatment. This substantial patient population comprises of two distinct segments with different engagement patterns and motivations. In a proprietary commercial survey of 410 PHL patients in the United States, 37% of those not currently treating reported they would inquire about VDPHL01, if approved, and greater than 60% of those not currently treating indicated they may be open to new therapeutic options. Even low-single-digit percentage uptake within these segments would provide significant revenue opportunity due to segment size. Our estimates of this segment also include other individuals who may be taking treatments prescribed by telehealth platforms or who are using other surgical or LLLT devices that we do not have publicly available industry or market data for. We believe the differentiated VDPHL01 product profile would be attractive to this other segment due to the limitations of the current treatment landscape.

Treatment-Experienced Patients Currently Not Treating

These patients have previously engaged with PHL treatments but exited the treatment paradigm. Treatment discontinuation most commonly results from lack of effectiveness with available options. We believe VDPHL01's differentiated therapeutic profile could activate patient populations previously disengaged from treatment paradigms due to inadequate existing options.

This segment represents a particularly compelling opportunity, as these patients have demonstrated treatment-seeking behavior and willingness to pay, but found existing options insufficient to sustain engagement. Historical precedent from other therapeutic categories, like obesity, erectile dysfunction, smoking cessation and psoriasis, suggests that differentiated products can successfully reactivate previously disappointed patient populations. It is estimated that 19% of PHL patients have tried treatment but have discontinued and up to 86% of topical minoxidil treaters are believed to have tried but discontinued treatment.

Treatment-Naïve Patients

Treatment-naïve patients are not currently engaged in any therapy and may be refraining from treatment for various reasons beyond dissatisfaction with available options, including lack of awareness or the assumption that effective treatments do not exist as identified by our proprietary market research. These patients could be engaged through DTC advertising, social media engagement and physician education initiatives, though we believe meaningful penetration of this segment could develop over extended time periods as awareness builds and VDPHL01, if approved, establishes clinical reputation.

Prescription Demand and Growth Potential

We believe this segmentation analysis demonstrates both immediate commercial opportunity among currently treating patients and substantial long-term growth potential through market expansion. The 15 million patients currently treating, despite widespread dissatisfaction with available options, validate baseline demand and willingness to pay. Patients not currently treating represent significant latent demand that could be activated by a differentiated therapeutic profile, as demonstrated in analogous categories where innovation expanded markets substantially beyond pre-existing treatment populations.

VDPHL01, ER Oral Minoxidil Optimized for Hair Growth

VDPHL01 is our novel oral, ER formulation of minoxidil that is designed to maximize minoxidil's impact on hair restoration. VDPHL01's key innovation is its release profile that is designed to maximize the total amount of drug that can be delivered to follicles over either a 12 or 24-hour period without inciting spikes in Cmax of minoxidil known to induce changes in cardiac activity. We believe our efforts mark the first attempt to bring an

ER formulation of minoxidil to patients with these optimized PK and PD qualities that raise the ceiling of hair growth.

Characteristics of Existing PHL Solutions

	Topical Minoxidil (Rogaine, 5%)	Finasteride (Propecia)	IR Oral Minoxidil (prescribed off-label)	Branded Supplements	Other Topicals / Shampoos
Speed Time expected for clinically significant results	4 – 12 months ¹	6 – 12 months ²	6 months ³	Not well- characterized	Not well- characterized
Consistency % of IGAs with greater than a slight improvement	<20% (IGA) ⁴	18% (IGA) ⁵	<25% (IGA) ⁴	Not well- characterized	Not well- characterized
Intensity Increase in non-vellus hair count / cm ²	18.6 (male) ⁶ 13.4 (female) ⁷	16.9 (male) ⁵	14.6 (male) ³	Not well- characterized	Not well- characterized
Safety	✓	Potential hormonal side effects include ED and suicidality ^{8,9}	Potential cardiac side effects include pericardial effusion, tachycardia ¹⁰	Not well- characterized	Not well- characterized
Convenience Oral administration	✗	✓	✓	✓	✗
Marketability Intended and FDA-approved for both male and female PHL	✓	✗	✗	✗	✗

¹ Koperski JA, Orenberg EK, Wilkinson DI. Topical minoxidil therapy for androgenetic alopecia. A 30-month study. Arch Dermatol. 1987 Nov;123(11):1483-7.

² Van Neste D et al. Finasteride increases anagen hair in men with androgenetic alopecia. Br J Dermatol. 2000 Oct;143(4):804-10.

³ Penha MA et al. Oral Minoxidil vs Topical Minoxidil for Male Androgenetic Alopecia: A Randomized Clinical Trial. JAMA Dermatol. 2024 Jun 1;160(6):600-605.

⁴ Shapiro J et al. Comparative Efficacy of an Investigational Oral Minoxidil Extended-Release Tablet (VDPHL01) Versus Existing Minoxidil Formulations in Androgenetic Alopecia: A Blinded Retrospective IGA Analysis. Abstract presented at: European Academy of Dermatology and Venereology (EADV) Congress; Sep 19, 2025; Paris, France.

⁵ Kaufman KD et al. Finasteride in the treatment of men with androgenetic alopecia. Finasteride Male Pattern Hair Loss Study Group. J Am Acad Dermatol. 1998 Oct;39(4 Pt 1):578-89.

⁶ Olsen EA et al. A randomized clinical trial of 5% topical minoxidil versus 2% topical minoxidil and placebo in the treatment of androgenetic alopecia in men. J Am Acad Dermatol. 2002 Sep;47(3):377-85.

⁷ Bergfeld W et al. A Phase III, Multicenter, Parallel-Design Clinical Trial to Compare the Efficacy and Safety of 5% Minoxidil Foam Versus Vehicle in Women With Female Pattern Hair Loss. J Drugs Dermatol. 2016 Jul 1;15(7):874-81.

⁸ Medicines and Healthcare products Regulatory Agency. Drug Safety Update volume 17, issue 9: April 2024: 1

⁹ European Medicines Agency. Measures to minimise risk of suicidal thoughts with finasteride and dutasteride medicines. EMA/202053/2025. 22 August 2025.

¹⁰ Loniten Minoxidil Tablets, USP. U.S. Food and Drug Administration.
https://www.accessdata.fda.gov/drugsatfda_docs/label/2015/018154s026lbl.pdf

VDPHL01 Commercialization Strategy

To unlock the full commercial potential of VDPHL01, if approved, we are preparing a multi-channel commercial strategy designed to maximize reach and patient access. Our approach is informed by substantial market research indicating that only 9% of U.S. PHL patients in 2024 were satisfied with current therapies and that a majority of healthcare providers in third-party studies cite consistency, intensity and speed of effect, safety, tolerability and convenience as key areas of dissatisfaction. This model will combine a dedicated field force, peer-to-peer education and omnichannel outreach to establish clinical confidence in VDPHL01's differentiated profile. The key elements to our commercial strategy will include:

- Concentrated Healthcare Provider Targeting Including Physician Outreach and Education
- Patient Identification and Segmentation
- DTC Advertising and Social Media Engagement

- Telehealth Integration
- Product Distribution and Customer Support
- Willingness to Pay in a Cash Pay Market

Concentrated Healthcare Provider Targeting Including Physician Outreach and Education

The PHL prescription market is highly concentrated, with approximately 7,000 healthcare providers writing 70% of all prescriptions to PHL patients. We intend to focus our initial direct physician outreach and education efforts initially on these high-volume dermatology and primary care physician, or PCP, practices. These physicians constitute the leading source of information for PHL patients and counsel them in making treatment decisions and therefore it will be important to educate them about VDPHL01's differentiated profile. As the group of physicians most familiar with PHL treatment, they will likely be the most comfortable acting as early adopters of VDPHL01, if approved. In a proprietary commercial survey of 150 health care providers:

- approximately 70% viewed VDPHL01 as highly positively differentiated, given safety and efficacy data to date;
- greater than 70% indicated they would be "very likely" likely to prescribe VDPHL01 to male and female patients, if approved; and
- greater than 40% indicated willingness switch or add VDPHL01 as a treatment for PHL, if approved.

For prescribers that fall into the category of moderate-volume PCPs and the broader prescriber universe, we will plan to target these categories of physicians via less frequent field sales force in-person education, virtual sales representative engagement, digital engagement and marketing, non-personal promotion, medical education programs and omnichannel engagement strategies. The number of unique prescribers of IR oral minoxidil has increased from approximately 18,000 in 2022 to approximately 32,000 in 2023 and approximately 46,000 in 2024. We believe that a 100+ person field force can effectively cover approximately 11,000 unique IR oral minoxidil prescribers, which we believe would cover over 80% of existing IR oral minoxidil prescriptions.

Patient Identification and Segmentation

Patient identification and segmentation will be foundational to our commercial strategy for VDPHL01. PHL affects approximately 50 million men and approximately 30 million women in the United States, encompassing a wide range of treatment experiences, motivations and barriers to care. To effectively engage this diverse population, we will develop a data-driven segmentation framework to classify potential patients based on distinct behavioral drivers and varying levels of awareness and willingness to pursue prescription treatment. Across these groups, patients are primarily motivated by the desire for greater efficacy, faster and more visible results, improved safety profiles — particularly the absence of cardiac, hormonal, or sexual side effects — and the credibility of a product backed by clinical data. These motivations are often shaped by dissatisfaction with prior therapies, emotional distress related to hair loss and a strong interest in convenient, trustworthy solutions. We plan to tailor messaging and engagement efforts to these drivers, with the goal of identifying and activating patients most likely to be long-term beneficiaries of VDPHL01's differentiated profile.

DTC Advertising and Social Media Engagement

To drive broad awareness and accelerate adoption of VDPHL01, if approved, as potentially the only FDA-approved oral minoxidil treatment for PHL in male patients and female patients, we will plan to deploy a comprehensive, cost-efficient DTC, advertising strategy including advertising across social media platforms, search engines and programmatic display advertising targeting demographics most affected by PHL. These methods of advertising have emerged as key sources of treatment information among patients affected by PHL. In a proprietary commercial survey of 410 hair loss patients identified that lack of awareness of prescription treatments as the second most common reason for not seeking prescription hair loss treatment among current OTC users, further supporting importance of patient activation via DTC marketing. We believe this approach is supported by the demonstrated success of our digital outreach during clinical trial recruitment, where approximately 50% of male patients were enrolled through a targeted social media strategy. The 302 Study was enrolled approximately two times faster than the most recent non-Veradermics Phase 3 clinical trial in male PHL. Female engagement with trial recruitment advertising has been even greater than male engagement with a higher average number of daily website submissions generated by the female campaign than by the male campaign. By integrating social media into a broader multi-channel infrastructure, we may be able to reach

patients at scale, particularly those who are engaged with digital platforms, treatment-experienced and actively seeking alternatives to current options. The cash-pay nature of our plans would further enable direct engagement without reimbursement friction, which we believe positions our DTC strategy to convert awareness into action across a broad spectrum of patient segments.

Telehealth Integration

The rapid expansion of telehealth platforms has transformed how patients access both prescription and OTC treatments for aesthetic, dermatologic and lifestyle conditions, including hair loss. We estimate that there are approximately 5.2 million subscribers across existing telehealth platforms across all indications. These platforms offer a seamless experience by integrating virtual consultations with streamlined prescribing and fulfillment, making them particularly well-suited for conditions where convenience, privacy and accessibility are paramount. We expect that VDPHL01, if approved, could align well with this model as a user-friendly component of our patient access strategy given its targeted profile of favorable tolerability and efficacy, oral administration and appeal to patients seeking effective, non-invasive solutions. Hair loss diagnosis and treatment is already an established telehealth vertical for many platforms, which we believe would make integration of VDPHL01 less cumbersome. We believe VDPHL01, if approved, could entice established telehealth players to include it on formulary as its profile may drive additional retention should its target profile be achieved, and that VDPHL01 could prolong customer retention, which is a primary measure for telehealth companies seeking to have product sales recover customer acquisition costs. While we have not established any formal partnerships, we are evaluating the potential of telehealth as a key channel for expanding patient access and driving adoption of VDPHL01, if approved. By enabling patients to initiate treatment without the friction of traditional in-office and pharmacy visits, telehealth may be especially effective in reaching the large population of untreated individuals and those accustomed to managing aesthetic conditions through digital-first experiences. We believe VDPHL01 could serve as a high-value offering within telehealth ecosystems, attracting new users and supporting longer-term engagement through its chronic use profile and differentiated therapeutic benefits.

Product Distribution and Customer Support

To maximize patient access and convenience, we plan to maintain inventories of VDPHL01 sufficient to ensure broad product availability, if approved, and work to establish distribution channels that encompass traditional and specialty pharmacy, including major retail chains, telehealth channels, direct mail and provider dispensing. Additionally, we plan to provide 24/7 customer service to respond to patient medical inquiries and provide general assistance. We believe this multi-channel approach will ensure that patients can access VDPHL01 through their preferred channel, whether that's their existing dermatologist, a new telehealth consultation, or their local pharmacy.

Willingness to Pay

Given the aesthetic and quality-of-life nature of PHL, we expect VDPHL01, if approved, to be offered to patients as a cash-pay product, consistent with other cash-pay markets such as botulinum toxins for wrinkle reduction. Cash-pay offers key advantages over traditional insurance-based reimbursement, including the ability to bypass payer negotiations, prior authorization requirements and reimbursement delays. Additionally, the cash-pay model potentially provides insulation from potential pricing pressures associated with evolving healthcare policy, such as the IRA that authorize CMS to negotiate drug prices with pharmaceutical companies for some drugs covered under Medicare Part D and Part B or potential future "most favored nation" frameworks. This approach supports a more direct and durable commercial relationship with patients and aligns with established consumer behavior in the aesthetic treatment market.

Intellectual Property

We strive to protect and enhance proprietary technology, inventions, improvements and other rights that are commercially important to our business, including seeking, maintaining and defending patent rights, trademark rights and trade secrets. With respect to patents, our policy is to seek to protect our proprietary position by, among other methods, filing patent applications in the United States and in jurisdictions outside of the United States related to our proprietary technology, inventions, improvements and product candidates that are important to the development and implementation of our business. We additionally rely on data exclusivity and market exclusivity. Our commercial success will depend in part on our ability to obtain and maintain patents and other proprietary protection for our technology, inventions and improvements; to preserve the confidentiality of

our trade secrets; to maintain our licenses to use intellectual property owned by third parties; to defend and enforce our proprietary rights, including our patents; and to operate without infringing on the valid and enforceable patents and other proprietary rights of third parties.

VDPHL01 is protected by issued IP

In addition to the regulatory exclusivity period afforded by the 505(b)(2) pathway, we are also constructing an extensive intellectual property portfolio designed to protect the innovations of VDPHL01. As of December 2025, the VDPHL01 intellectual property portfolio includes 2 U.S. issued patents, 1 U.S. allowed patent and more than 60 U.S. pending applications. The issued and allowed patents are method of use patents that will expire in 2043. In jurisdictions outside of the U.S., we have 14 VDPHL01 pending patent applications in Australia, Brazil, Canada, China, European Patent Organization, Hong Kong, Israel, Japan, Malaysia, Mexico, New Zealand, Republic of Korea, Singapore, and Taiwan. The foreign patents, if issued, are expected to expire between 2043 and 2045. Neither we, nor any other company, owns or has rights to composition of matter claims covering the active ingredient minoxidil. Current VDPHL01 patent applications include claims directed to three inventive concepts: 1) composition of the tablet and related manufacturing, 2) methods of use and clinical data and 3) PKs. The construction of our intellectual property portfolio is based on successful strategies utilized by other biotechnology companies to protect similar novel innovations that have been generated from established compounds. We intend to continue to execute our intellectual property strategy, which emphasizes building a robust portfolio of Orange Book-listable patents to protect our inventive concepts.

Competition

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on intellectual property. While we believe our deep scientific knowledge of dermatology paired with our differentiated lead product candidate, VDPHL01, provides a strong competitive advantage, we face competition from many different sources, including pharmaceutical and biotechnology companies, generic drug companies, compounding pharmacies and consumer health companies as well as from academic institutions, governmental agencies and public and private research institutions.

Our competitors may have significantly greater financial resources, established presence in the market and expertise in research and development, manufacturing, preclinical and clinical testing, obtaining regulatory approvals and reimbursement and marketing approved products than we do. They may also compete in recruiting and retaining qualified scientific, sales, marketing and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to or necessary for, our product candidates. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

Our commercial opportunity can be reduced or eliminated if competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Competitors also may obtain FDA or other regulatory approval for their products more rapidly or earlier than us, which could result in our competitors establishing a strong market position before we are able to enter the market. Additionally, technologies developed by our competitors may render our potential product candidates uneconomical or obsolete and we may not be successful in marketing our product candidates against competitors.

We are not aware of any competitors developing ER oral minoxidil for the treatment of PHL. Existing treatment options for PHL include oral finasteride and topical minoxidil, off label IR oral minoxidil, low light laser therapy and fractional laser non-ablative therapy as well as non-FDA approved non-prescription options such as “nutraceutical” supplements and shampoos. There are several product candidates in clinical development which could potentially pose a direct competitive threat to VDPHL01 in the future for the treatment of PHL. To our knowledge, the only other late-stage product candidate that is currently under evaluation in a Phase 3 study in the U.S. for the treatment of PHL is Breezula, a topical androgen receptor antagonist by Cosmo Pharmaceuticals NV. We are also aware of other product candidates in clinical development, including: KX-826, a topical androgen receptor antagonist by Kintor Pharmaceutical Limited, PP405, a topical mitochondrial pyruvate carrier inhibitor by Pelage Pharmaceuticals, Inc., TDM-105795, topical thyromimetic by TechnoDerma Medicines Inc. and ET-02, a topical treatment of undisclosed mechanism by Eirion Therapeutics, Inc. We are also aware of

other companies with programs for hair loss, including Hope Medicine Inc, Samson Clinical Pty Ltd, Amplifica Holdings Group Inc., DermalIQ Therapeutics, Inc. and Absci Corporation.

Our Pipeline

Our goal is to develop a focused portfolio of aesthetic dermatology product candidates targeting high-prevalence dermatologic conditions, with potential selective development of medical dermatology product candidates. We are advancing our lead product candidate, VDPHL01, in clinical trials as depicted below.

PROGRAM	STUDY	OVERVIEW	PATIENT POPULATION	STATUS	NEAR-TERM MILESTONES
VDPHL01 (ER Oral Minoxidil for Pattern Hair Loss)	Study 302	<ul style="list-style-type: none"> Phase 2/3 trial evaluating VDPHL01 in males Includes a parallel in-trial Phase 2 component to further assess PRO measures used as endpoints in the male registration-directed trials 	519 male patients with mild-to-moderate PHL	Fully Enrolled	6-month topline Phase 2/3 readout anticipated in H1 2026
	Study 304	<ul style="list-style-type: none"> Confirmatory Phase 3 trial in males 	498 male patients with mild-to-moderate PHL	Enrollment Ongoing	6-month topline Phase 3 readout anticipated in H2 2026
	Study 306	<ul style="list-style-type: none"> Phase 2/3 trial evaluating VDPHL01 in females Includes a parallel in-trial Phase 2 component to further assess PRO measures used as endpoints in the female registration-directed trial 	552 female patients with mild-to-moderate PHL	Enrollment Ongoing	

Additional Pipeline Assets

Beyond VDPHL01, we have created a portfolio utilizing our real-world experience as dermatologists to generate compelling pipeline assets. We are not currently advancing these other assets but we maintain worldwide rights and may choose to advance them in the future, subject to the availability of additional capital and strategic priorities or we may evaluate strategic collaborations to maximize the value of these other assets.

- **VDMN:** VDMN is a novel, injection-free product candidate for the treatment of common warts in the form of a dissolvable microarray patch that incorporates candida antigen extract. The patch contains an FDA-approved immunologic diagnostic (skin test) that has also been used off-label address treatment-resistant warts for decades and we believe is a patient-friendly approach.
- **VDAA:** VDAA is our once-monthly proprietary topical formulation of squaric acid dibutyl ester, a locally acting treatment for AA, a chronic autoimmune disease characterized by an attack on hair follicle by immune T-Cells that leads to the cessation of hair production. VDAA is a single-use applicator designed to deliver a topical treatment for AA and has the potential to become the first FDA-approved topical therapy, positioning it as a potential first-line option for patients with mild-to-moderate disease.
- **VDMC:** VDMC is a novel, direct acting topical antiviral gel for the treatment of molluscum contagiosum, or MC, a viral skin infection. VDMC is designed to directly target a key, virus-specific protein that mediates viral replication.

Manufacturing and Supply

We do not own or operate, and have no plans to establish, any internal manufacturing facilities. We currently rely and expect to continue to rely on third-party CMOs for the manufacture of our clinical supply requirements, including drug substances and drug products, and label and packaging for our clinical trials, as well as for commercial production of any product candidates that are approved. We employ internal resources to manage our CMO relationships and have entered into an agreement with a CMO for the commercial production of VDPHL01, if approved.

We believe that we will be able to contract with other CMOs to manufacture drug substances if our existing sources of drug substances were no longer available to us or with sufficient capacity, but drug substance capacity may not be available from other CMOs on acceptable terms, on the timeframe that our business would require, or at all.

Any products to be used in clinical trials and any approved product that we may commercialize will need to be manufactured in facilities, and by processes, that comply with the FDA's cGMP requirements and comparable requirements of the regulatory agencies of other jurisdictions in which we are seeking approval.

We believe that VDPHL01 can be manufactured in reliable and reproducible chemical processes from readily available starting materials. We believe that our manufacturing processes are amenable to scale-up and will not require unusual or expensive equipment.

Agreements with Therapeutics, Inc.

Master Services Agreement

In September 2020, we entered into a Master Services Agreement, or the MSA, with Therapeutics, Inc. or TI. In accordance with the MSA and related work orders, TI provides clinical trial management, regulatory affairs activities, program support and other CRO services for the Company. TI provides services supporting the Company's product candidates, including VDPHL01, for which the Company has agreed to pay TI an aggregate of approximately \$95.0 million as of September 30, 2025 through the completion of our Phase 3 clinical trials of VDPHL01 and subsequent NDA filing, of which we have paid approximately \$55.0 million as of September 30, 2025.

The MSA had an initial term of three years and automatically renews for additional one-year terms. The Company may terminate the MSA with 90 days' prior written notice. Either party may terminate a work order for material breach (subject to a cure period) and the Company may terminate any work order for any reason on 90 days' written notice, subject to payment of fees earned and expenses payable, in addition to a termination fee equal to a low-double-digit percentage of the remaining work order budget. The MSA contains customary provisions regarding confidentiality, intellectual property ownership and non-solicitation of personnel.

Collaboration Agreement

In September 2020, we entered into a Collaboration Agreement, or the Collaboration Agreement, with TI. Pursuant to the Collaboration Agreement, we issued TI an unsecured convertible promissory note with a principal amount of approximately \$476,100 to evidence our obligation to pay TI certain program management fees pursuant to Work Order Number One of the MSA. On September 22, 2021, the unsecured convertible promissory note was converted into 238,008 shares of our Series A-2 Preferred Stock. As consideration for the unsecured convertible promissory note, the Company agreed to make TI the exclusive provider of clinical trial management, regulatory affairs activities (including acting as the Company's designated agent with the FDA), program support and other CRO services for the Company through the completion of Phase 2 of VDMN (or, if later, the first Veradermics product to reach completion of Phase 2). We have made no further payments to TI in connection with the Collaboration Agreement. We also granted TI with certain governance, including board observer rights, and information rights for so long as TI holds any of our securities.

The Collaboration Agreement requires that TI provide services at commercially reasonable rates consistent with its standard fee schedule, with a rolling low single-digit percent annual increases and on other commercially reasonable terms and conditions.

We may terminate TI's exclusive rights to provide clinical trial management, regulatory affairs activities (including acting as the Company's designated agent with the FDA), program support, and other CRO services for the Company at any time by paying mid-six figure liquidated damage amount to TI, subject to reduction for each in-human clinical study under an IND that TI performs and completes.

Government Regulation

The research, development, testing, manufacture, quality control, packaging, labeling, storage, record-keeping, distribution, import, export, promotion, advertising, marketing, sale, pricing and reimbursement of drug products

are extensively regulated by governmental authorities in the United States and other countries. The processes for obtaining regulatory approvals in the United States and in foreign countries and jurisdictions, along with compliance with applicable statutes and regulations and other regulatory requirements, both pre-approval and post-approval, require the expenditure of substantial time and financial resources. The regulatory requirements applicable to drug product development, approval and marketing are subject to change, and regulations and administrative guidance often are revised or reinterpreted by the agencies in ways that may have a significant impact on our business.

FDA Regulation

The FDA and other U.S. regulatory authorities at federal, state and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of drugs such as those we are developing. We, along with our vendors, collaboration partners, clinical research organizations, or CROs, clinical trial investigators, and CMOs, will be required to navigate the various preclinical, clinical, manufacturing and commercial approval requirements of the FDA and of any governing regulatory agencies of the countries in which we wish to conduct studies or seek approval of our product candidates. The process of obtaining regulatory approvals of drugs and ensuring subsequent compliance with appropriate United States federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable regulatory requirements at any time during the product development process or post-approval may subject an applicant to delays in development or approval, as well as administrative and judicial sanctions.

In the United States, the FDA regulates drugs under the FDCA and its implementing regulations. Drugs products are also subject to other federal, state and local statutes and regulations.

Our product candidates must be approved for therapeutic indications by the FDA before they may be marketed in the United States. For drug product candidates regulated under the FDCA, FDA must approve an NDA. The process generally involves the following:

- completion of extensive preclinical studies in accordance with applicable regulations, including studies conducted in accordance with Good Laboratory Practice, or GLP, requirements;
- submission to the FDA of an IND application which must become effective before clinical trials may begin and must be updated annually and when certain changes are made;
- approval by an IRB or independent ethics committee at each clinical trial site before each trial may be initiated;
- performance of adequate and well-controlled clinical trials in accordance with GCP requirements and other clinical trial-related regulations to establish the safety and efficacy of the investigational product for each proposed indication;
- preparation and submission to the FDA of an NDA;
- payment of user fees for FDA review of the NDA;
- a determination by the FDA within 60 days of its receipt of an NDA to file the application for review;
- satisfactory completion of one or more FDA pre-approval inspections of the manufacturing facility or facilities where the product will be produced to assess compliance with cGMPs to assure that the facilities, methods and controls are adequate to ensure and preserve the drug product's identity, strength, quality and purity;
- satisfactory completion of any FDA audits of the clinical trial sites that generated the data in support of the NDA; and
- FDA review and approval of the NDA, including, where applicable, consideration of the views of any FDA advisory committee, prior to any commercial marketing or sale of the drug in the United States.

Preclinical and Clinical Trials

Before testing any drug in humans, the product candidate must undergo rigorous preclinical testing. Preclinical studies include laboratory evaluations of chemistry, formulation and stability, as well as in vitro and animal

studies to assess safety and in some cases to establish the rationale for therapeutic use. The conduct of preclinical studies is subject to federal and state regulations and requirements, including GLP requirements for safety and toxicology studies. In the United States, the results of the preclinical studies, together with manufacturing information and analytical data must be submitted to the FDA as part of an IND.

An IND is a request for authorization from the FDA to administer an investigational product to humans, and must become effective before clinical trials may begin. The central focus of an IND submission is on the general investigational plan and the protocol(s) for clinical studies. The IND also includes results of animal and in vitro studies assessing the toxicology, PKs, pharmacology, and PD characteristics of the product; chemistry, manufacturing and controls information; and any available human data or literature to support the use of the investigational product. In the United States, the IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises concerns or questions about the conduct of the clinical trial, including concerns that human research subjects will be exposed to unreasonable health risks, and imposes a clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Some long-term preclinical testing may continue after the IND is submitted. Accordingly, submission of an IND may or may not result in FDA authorization to begin a trial.

The clinical stage of development involves the administration of the product candidate to healthy volunteers or patients under the supervision of qualified investigators, generally physicians not employed by or under the trial sponsor's control, in accordance with GCP requirements, which include the requirements that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria and the parameters and criteria to be used in monitoring safety and evaluating effectiveness. Each protocol, and any subsequent amendments to the protocol, must be submitted to the FDA as part of the IND. Furthermore, each clinical trial must be reviewed and approved by an IRB, either centrally or at each institution at which the clinical trial will be conducted, to ensure that the risks to individuals participating in the clinical trials are minimized and are reasonable related to the anticipated benefits. The IRB also approves the informed consent form that must be provided to each clinical trial subject or his or her legal representative, and must monitor the clinical trial until completed.

The FDA may, at any time during the initial 30-day IND review period or while clinical trials are ongoing under the IND, impose a partial or complete clinical hold based on concerns for patient safety and/or noncompliance with regulatory requirements. This order issued by the FDA would delay a proposed clinical study or cause suspension of an ongoing study until all outstanding concerns have been adequately addressed, and the FDA has notified the company that investigations may proceed. Imposition of a clinical hold could cause significant delays or difficulties in completing planned clinical studies in a timely manner. In addition, the IRB, or the sponsor may suspend or discontinue a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. There also are requirements governing the reporting of ongoing clinical trials and completed clinical trials to public registries. In the United States, information about applicable clinical trials, including clinical trials results, must be submitted within specific timeframes for publication on the www.clinicaltrials.gov website.

A sponsor who wishes to conduct a clinical trial outside of the United States may, but need not, obtain FDA authorization to conduct the clinical trial under an IND. The FDA will accept a well-designed and well-conducted foreign clinical study not conducted under an IND if the study was conducted in accordance with GCP requirements, and the FDA is able to validate the data through an onsite inspection if deemed necessary.

Clinical trials to evaluate therapeutic indications to support NDAs for marketing approval are typically conducted in three sequential phases, which may overlap. For example, a clinical trial designated as a Phase 2/3 clinical trial may be a registration directed Phase 3 trial that includes a Phase 2 component.

- Phase 1—Phase 1 clinical trials involve initial introduction of the investigational product in a limited population of healthy human volunteers or patients with the target disease or condition. These studies are typically designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, evaluate the side effects associated with increasing doses, and, if possible, to gain early evidence of effectiveness.
- Phase 2—Phase 2 clinical trials typically involve administration of the investigational product to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3—Phase 3 clinical trials typically involve administration of the investigational product to an expanded patient population to further evaluate dosage, to provide substantial evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval. Generally, two adequate and well-controlled Phase 3 clinical trials are required by the FDA for approval of an NDA.

Post-approval trials, sometimes referred to as Phase 4 clinical trials, may be conducted after initial marketing approval. These trials are used to gain additional experience from the treatment of patients in the intended therapeutic indication and are commonly intended to generate additional safety data regarding use of the product in a clinical setting. In certain instances, the FDA may mandate the performance of Phase 4 clinical trials as a condition of approval of an NDA. Failure to exhibit due diligence with regard to conducting required Phase 4 clinical trials could result in withdrawal of approval for products.

Progress reports detailing the results of the clinical trials, among other information, must be submitted at least annually to the FDA and written IND safety reports must be submitted to the FDA and the investigators 15 days after the trial sponsor determines the information qualifies for reporting for serious and unexpected suspected AEs, findings from other studies or animal or in vitro testing that suggest a significant risk for human participants exposed to the drug and any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. The sponsor must also notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than seven calendar days after the sponsor's initial receipt of the information.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the drug characteristics of the product candidate and finalize a process for manufacturing the drug product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and manufacturers must develop, among other things, methods for testing the identity, strength, quality and purity of the final drug product. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life and to identify appropriate storage conditions for the product candidate.

FDA Marketing Application Review Process

Assuming successful completion of the required clinical testing, the results of the preclinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the United States FDA as part of an NDA requesting approval to market the product for one or more indications. An NDA is a request for approval to market a new drug for one or more specified indications. The NDA pathway includes both a traditional pathway, referred to as the 505(b)(1) pathway, and a streamlined pathway, referred to as the 505(b)(2) pathway. The 505(b)(1) pathway applies for new drugs with novel active ingredients, and requires sponsors to submit a complete set of preclinical and clinical data to demonstrate the safety and efficacy of the drug. The 505(b)(2) pathway, however, is designed to expedite approvals for product candidates that are modifications or new formulations of

previously approved drugs that allows sponsors to rely upon FDA's prior conclusions of safety or efficacy to establish certain baseline characteristics of a product candidate while requiring a sponsor to "bridge" to trials for approval similar to a standard NDA. Any NDA must include all relevant data available from pertinent pre-clinical studies and clinical studies, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls and proposed labeling, among other things. Data may come from company-sponsored clinical trials intended to test the safety and efficacy of a product's use or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and efficacy of the investigational drug, to the satisfaction of the FDA. FDA approval of an NDA must be obtained before a drug may be marketed in the United States.

In addition, under the Pediatric Research Equity Act, or PREA, certain NDAs and certain supplements to an NDA must contain data to assess the safety and effectiveness of the drug product candidate for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. An initial Pediatric Study Plan must be submitted within 60 days after an end-of-Phase 2 meeting or as may be agreed between the sponsor and FDA.

In the United States, the FDA reviews all submitted NDAs to ensure they are sufficiently complete to permit substantive review before it accepts them for filing, and may request additional information rather than accepting the NDA for filing. The FDA makes a decision on accepting an NDA for filing within 60 days of receipt, and such decision could include a refusal to file by the FDA. Once the submission is accepted for filing, the FDA begins an in-depth substantive review of the application. The FDA reviews an NDA to determine, among other things, whether the product is safe and effective and whether the facility in which it is manufactured, processed, packaged or held meets standards, including cGMP requirements, designed to assure and preserve the product's identity, strength, quality and purity. Under the goals and policies agreed to by the FDA under the Prescription Drug User Fee Act, or PDUFA, the FDA targets ten months, from the filing date, in which to complete its initial review of an original NDA and respond to the applicant, and six months from the filing date of an original NDA filed for priority review. The FDA does not always meet its PDUFA goal dates for standard or priority NDAs, and the review process is often extended by FDA requests for additional information or clarification.

Further, under PDUFA, as amended, each NDA must be accompanied by a user fee, and the sponsor of an approved NDA is also subject to an annual program fee. FDA adjusts the PDUFA user fees on an annual basis. Fee waivers or reductions may be available in certain circumstances, including a waiver of the application fee for the first application filed by a small business.

The FDA may refer an application for a drug to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, which reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving an NDA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA may inspect one or more clinical trial sites to assure compliance with GCP and other requirements and the integrity of the clinical data submitted to the FDA.

After evaluating the application and all related information, including the advisory committee recommendation, if any, and inspection reports regarding the manufacturing facilities and clinical trial sites, the FDA may issue an approval letter, or, in some cases, a Complete Response Letter. A Complete Response Letter indicates that the review cycle of the application is complete and the application is not ready for approval. A Complete Response Letter will usually describe all of the deficiencies that the FDA has identified in the NDA, except that where the FDA determines that the data supporting the application are inadequate to support approval, the FDA may issue the Complete Response Letter without first conducting required inspections, testing submitted product lots, and/

or reviewing proposed labeling. In issuing the Complete Response Letter, the FDA may recommend actions that the applicant might take to place the NDA in condition for approval, including requests for additional information or clarification. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA will typically issue an approval letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications.

Even if the FDA approves a product, depending on the specific risk(s) to be addressed, the FDA may limit the approved indications for use of the product, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess a product's safety or efficacy after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution and use restrictions or other risk management mechanisms under a REMS, which can materially affect the potential market and profitability of the product. REMS can include medication guides, communication plans for healthcare professionals, and elements to assure safe use, or ETASU. ETASU can include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring, and the use of patent registries. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes, and additional labeling claims, are subject to further testing requirements and FDA review and approval.

Post-Approval Requirements for Drugs in the United States

In the United States, drugs manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, reporting of adverse experiences with the product, complying with promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations (known as "off-label use") and limitations on industry-sponsored scientific and educational activities. Although physicians may prescribe approved products for off-label uses, manufacturers may not market or promote such uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, including not only by Company employees but also by agents of the Company or those speaking on the Company's behalf, and a company that is found to have improperly promoted off-label uses may be subject to significant liability. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties, including liabilities under the False Claims Act where products carry reimbursement under federal health care programs. Promotional materials for approved drugs must be submitted to the FDA in conjunction with their first use or first publication. Further, if there are any modifications to the product, including changes in indications, labeling or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new or supplemental NDA, which may require the development of additional data or preclinical studies and clinical trials.

The FDA may impose a number of post-approval requirements as a condition of approval of an NDA. For example, the FDA may require post-market testing, including Phase 4 clinical trials, and surveillance to further assess and monitor the product's safety and effectiveness after commercialization.

In addition, drug manufacturers and their contract manufacturers of approved products are required to register their establishments with the FDA and certain state agencies and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with ongoing regulatory requirements, including cGMP, which impose certain procedural and documentation requirements upon us and our CMOs. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance. Failure to comply with statutory and regulatory requirements can subject a manufacturer to possible legal or regulatory action, such as warning letters, suspension of manufacturing, product seizures,

injunctions, civil penalties or criminal prosecution. There is also a continuing, annual program fee for any marketed product.

The FDA may withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including AEs of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information, requirements for post-market studies or clinical trials to assess new safety risks, or imposition of distribution or other restrictions under a REMS. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- mandated modification of promotional materials and labeling and issuance of corrective information;
- fines, warning letters, or untitled letters;
- holds on clinical trials;
- refusal of the FDA to approve applications or supplements to approved applications, or suspension or revocation of product approvals;
- product recall, seizure or detention, or refusal to permit the import or export of products;
- injunctions or the imposition of civil or criminal penalties; and
- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs.

United States Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval, some of our United States patents may be eligible for limited patent term extension under the Hatch-Waxman Act. The Hatch-Waxman Act permits restoration of the patent term of up to five years as compensation for patent term lost during the FDA regulatory review process. Patent-term restoration, however, cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date and only those claims covering such approved drug product, a method for using it or a method for manufacturing it may be extended. The patent-term restoration period is generally one-half the time between the effective date of an IND and the submission date of an NDA plus the time between the submission date of an NDA and the approval of that application, except that the review period is reduced by any time during which the applicant failed to exercise due diligence. Only one patent applicable to an approved drug is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. The USPTO, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration.

Regulatory exclusivity provisions under the FDCA also can delay the submission or the approval of certain applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to gain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not accept for review an ANDA, or a 505(b)(2) NDA submitted by another company for another version of such drug where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement.

The FDCA also provides three years of exclusivity for an NDA, 505(b)(2) NDA or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example, new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the conditions of use associated with the new clinical investigations and does not prohibit the FDA from approving ANDAs for drugs containing the original active agent for other conditions of use. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to

conduct or obtain a right of reference to all of the preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

In addition, drugs can also obtain pediatric exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric study in accordance with an FDA-issued "Written Request" for such a study.

Other U.S. Regulatory Matters

Manufacturing, sales, promotion, and other activities involving product candidates following product approval, where applicable, or commercialization are also subject to regulation by numerous regulatory authorities in the U.S. in addition to the FDA, which may include CMS other divisions of the Department of Health and Human Services, or HHS, the DOJ, the Drug Enforcement Administration, the Consumer Product Safety Commission, the FTC, the Occupational Safety & Health Administration, the Environmental Protection Agency, and state and local governments and governmental agencies.

Other U.S. Healthcare Laws

Pharmaceutical manufacturers and their products are subject to extensive regulation that constrain their business operations and/or financial or other interactions with third parties. These laws include the following, some of which apply to pharmaceutical companies only after the companies have marketed products or have marketed products that are covered by government health benefit programs or private health care insurance.

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving, or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal and state healthcare programs such as Medicare and Medicaid;
- federal civil and criminal false claims laws, including the federal False Claims Act, which can be enforced through civil whistleblower, or qui tam actions, as well as civil monetary penalty laws can impose criminal and civil penalties, assessment, and exclusion from participation for various forms of fraud and abuse involving the federal healthcare programs, such as Medicare and Medicaid;
- HIPAA, which imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program and also establishes requirements related to the privacy, security, and transmission of individually identifiable health information which apply to many healthcare providers, physicians, and third-party payers with whom we interact;
- the federal FDCA, which, among other things, strictly regulates drug product and medical device marketing, prohibits manufacturers from marketing such products for off-label use, and regulates the distribution of samples;
- federal laws that require pharmaceutical manufacturers to calculate, report, and certify certain complex product prices and other data to the government or provide certain discounts or rebates to government authorities or private entities, often as a condition of reimbursement under government healthcare programs, which data may be used in the calculation of reimbursement and/or discounts on approved products;
- the so-called federal "sunshine law," or Open Payments, which requires manufacturers of drugs, devices, biologics, and medical supplies covered under certain government health benefit programs to report to CMS information related to payments and other transfers of value to teaching hospitals, physicians, and other healthcare practitioners, as well as ownership and investment interests held by physicians and their immediate family members;
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers;
- state laws and regulations analogous to federal laws, including anti-kickback or related laws, some of which apply regardless of whether products or services are covered by government health benefit programs or private insurance, false claims laws, laws prohibiting consumer protection and unfair competition laws, and laws governing privacy, security, and breaches of health (and other personal) information in certain

circumstances, many of which differ in significant ways from federal laws and across states and are often not preempted by federal law, thus complicating compliance efforts; and

- state laws that require pharmaceutical companies to comply with specific compliance standards, restrict financial interactions between pharmaceutical companies and healthcare providers, report drug product pricing information, financial interactions with health care providers, or marketing expenditures, and/or require the registration of pharmaceutical sales representatives.

The distribution of pharmaceutical products is subject to additional requirements and regulations, including extensive record-keeping, licensing, storage, and security requirements intended to prevent the unauthorized sale of pharmaceutical products.

Violations of these laws may result in significant penalties, including civil and criminal penalties, damages, fines, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, imprisonment, or the imposition of restrictions on operation.

U.S. Market Acceptance

Within the U.S., commercial success for a prescription drug product often depends in significant part on adequate coverage and reimbursement from third-party payors, including government healthcare programs, such as Medicare and Medicaid programs, and private entities, such as managed care organizations and private health insurers. Prescription drug products used for cosmetic purposes will generally not be covered by third-party payors because they are not considered medically necessary. As a result, commercial success for such products depends instead on market acceptance by health care practitioners who may prescribe such products and patients who may use and pay for such products. Such patients must be willing to pay for the products entirely “out-of-pocket.” Various factors may affect the market acceptance by health care practitioners and patients, including the cost of the product, characteristics and effectiveness of the product, ease of access to such product, and the cost, availability and effectiveness of competitor therapies, including OTC drug products. Prescription drugs used for medical purposes may also encounter similar challenges in achieving market acceptance if there is limited or no coverage by third-party payors or significant reliance upon cash-pay offerings to patients.

For prescription drugs used for medical purposes, no uniform policy of coverage and reimbursement for drug products exists among third-party payors and coverage and reimbursement for drug products can differ significantly from payor to payor. The process for determining whether a third-party payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved.

Third-party payors are increasingly challenging the prices charged, examining the medical necessity, reviewing the cost-effectiveness of medical products and services, and imposing controls to manage costs. To obtain or maintain coverage and reimbursement for any approved drug product, a pharmaceutical manufacturer may need to conduct expensive pharmacoeconomic studies or otherwise provide evidence to demonstrate the medical necessity and cost-effectiveness of our product candidates, if approved. These studies will be in addition to the studies required to obtain or maintain regulatory approvals. If third-party payors do not consider a product to be cost-effective compared to other available therapies, the payors may not cover the product or, if they do, the level of payment may not be sufficient to allow sale of a product at a profit.

Even if third-party payors provide some coverage, the third-party payors may impose limits on the coverage or controls to manage utilization of products. Third-party payors may limit coverage to specific products on an approved list, or formulary, which might not include all of the approved products for a particular indication and can exclude drugs from their formularies in favor of competitor drugs or alternative treatments. Payors may also impose step edits that require patients to try alternative, including generic, treatments before authorizing payment for our product candidates, limit the types of diagnoses for which coverage will be provided, require pre-approval (known as “prior authorization”) for coverage of a prescription for each patient (to allow the payor to assess medical necessity), or impose a moratorium on coverage for products while the payor makes a coverage decision.

Moreover, a third-party payor's decision to provide coverage for a product does not mean that an adequate reimbursement rate will be approved. We may be required to provide mandatory discounts or rebates to certain purchasers to obtain coverage under federal healthcare programs or to sell products to government purchasers. A pharmaceutical manufacturer may have to offer discounts or rebates to private third-party payors to obtain favorable coverage. Adequate third-party reimbursement may not be available to enable us to maintain net price levels sufficient to realize an appropriate return on our investment in product development.

The containment of healthcare costs has become a priority of federal and state governments, and the prices of products have been a focus in this effort. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement, and requirements for substitution of generic products. Adoption or enhancement of price controls and cost-containment measures could further limit a company's revenue generated from the sale of any approved products. Coverage policies and third-party payor reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which a company receives regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Healthcare Reform

In the U.S., there have been, and likely will continue to be, a number of legislative, regulatory, and executive reform initiatives regarding the healthcare system directed at broadening the availability of healthcare, improving the quality of healthcare, and containing or lowering the cost of healthcare. These initiatives are wide-ranging and a number have focused on pricing and payment for prescription drugs, including some recent initiatives that address pricing in DTC offerings. For example, the IRA, which is having a significant and ongoing impact on the pharmaceutical industry, includes a number of changes intended to address rising prescription drug prices in Medicare Parts B and D, such as caps on Medicare Part D out-of-pocket costs and a drug price negotiation program for certain high-spend Medicare Part B and D drugs.

More recently, the Trump Administration has taken action intended to reduce the cost of prescription drugs, including drugs purchased directly by consumers. Two Executive Orders are aimed at lowering drug prices through multiple directives, including directives to government agencies and officials to identify most-favored-nation pricing targets for prescription drugs (and looking to pharmaceutical manufacturers to make significant progress towards delivering target prices to patients); to facilitate DTC purchasing programs for pharmaceutical manufacturers to sell their products to patients at the most-favored-nation price; to enhance competition for high-cost prescription drugs by accelerating approval of generics and biosimilars, facilitating the process for re-classifying prescription drugs as OTC drugs, and increasing drug importation. In the wake of the Executive Orders and related executive initiatives, a number of pharmaceutical manufacturers have announced new or expanded DTC offerings with discounted prices and/or reached agreement with the federal government regarding discounted pricing for drugs, including prices for Medicaid drugs and newly launched products. TrumpRx, a website sponsored by the federal government that is anticipated to offer pharmaceutical DTC channels, has also been announced. Federal agencies are also developing and proposing new drug pricing and payment pilot programs based on international pricing metrics under Medicare Parts B and D as well as Medicaid.

Other healthcare reform efforts or actions under the Trump Administration may affect access to healthcare coverage or the funding of health care benefits, although the full impact of such efforts or actions cannot be predicted. For example, Congressional Budget Office has estimated that Medicaid provisions in the 2025 budget reconciliation legislation, including restrictions in eligibility and funding for Medicaid, as well as changes to the healthcare marketplace, will increase the number of uninsured.

At the state level, new state laws and ongoing state legislative efforts seek to address drug costs, including by increasing transparency around drug costs or limiting drug prices.

Healthcare reform efforts have been and may continue to be subject to scrutiny and legal challenge, which increases uncertainty. For example, the IRA drug price negotiation program has been challenged in litigation filed by various pharmaceutical manufacturers and industry groups.

Other government, including general budget control measures, actions may affect prices or payments for prescription drugs. For example, new or increased tariffs implemented under the Trump Administration,

including the implementation of a recently announced tariff on branded or patented drugs for manufacturers that do not invest in manufacturing plants in the United States or reach a drug pricing agreement with the Trump Administration, could adversely affect the ability of pharmaceutical companies to realize an adequate return on sales of products imported from abroad or manufactured using materials or products imported from abroad. The timeline for implementing such tariff on branded or patented drugs has not been finalized. As another example, the Budget Control Act, as amended, resulted in the imposition of reductions in Medicare (but not Medicaid) payments to providers in 2013 and will remain in effect into 2032 unless additional Congressional action is taken.

The nature and extent of future healthcare or related reforms cannot be predicted. There is significant uncertainty regarding the nature or impact of any drug pricing or broader healthcare reform implemented by the current presidential administration through executive action or by Congress and regulatory agencies as well as the extent to which such action may be subject to litigation or other challenges.

Data Privacy Regulation

U.S. Privacy Laws

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process or processing) personal data, data we collect about trial participants in connection with clinical trials, and other sensitive third-party data (collectively, sensitive data). Our data processing activities subject us to numerous data privacy and security obligations, such as various laws and regulations relating to data privacy and security. There are numerous U.S. federal and state laws and regulations addressing the privacy and security of personal information, including laws requiring the safeguarding of personal information and laws requiring notification to governmental authorities and data subjects as well as remediation in the event of a data breach.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), and other similar laws (e.g., wiretapping laws). Numerous U.S. states have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, California passed into law the CCPA, which took effect on January 1, 2020 and has been amended since, imposed requirements on certain businesses that process the personal information of California residents. The CCPA provides for fines and allows private litigants affected by certain data breaches to recover significant statutory damages. Compliance with these laws is a rigorous and time-intensive process that may increase the cost of doing business or require companies to change their business practices to ensure full compliance, to the extent the laws are applicable. Additionally, a number of states have passed laws that protect biometric information and a smaller number of states have passed or are considering laws that are specifically focused upon the privacy of consumer health data, including reproductive, sexual orientation, and gender identity privacy rights, such as Washington's MHMD. MHMD broadly defines consumer health data, places restrictions on processing consumer health data (including imposing stringent requirements for consents), provides consumers certain rights with respect to their health data, and creates a private right of action.

There are many other federal and state-based data privacy and security laws and regulations, such as the Electronic Communications Privacy Act, the TCPA, the CAN-SPAM Act, and similar state consumer protection and communication privacy laws, such as CIPA. For example, the CAN-SPAM Act and the TCPA impose specific requirements on communications with consumers. The TCPA and analogous state laws impose various consumer consent requirements and other requirements on certain communications with consumers by phone or text message. TCPA violations can result in significant financial penalties, including penalties or criminal fines imposed by the FCC or statutory damages per violation imposed through private litigation or by state authorities. The TCPA provides for substantial penalties and statutory damages and has generated significant class action activity. The costs of litigating and/or settling a TCPA or similar legal claim could be significant. There has also

been a noticeable uptick in class action litigation wherein plaintiffs have utilized a variety of laws, including state wiretapping laws such as CIPA, in relation to companies' use of certain tracking technologies, such as cookies and pixels. Actual or perceived failure to comply with applicable privacy requirements could result in adverse publicity, substantial monetary damages and legal defense costs, injunctive relief and fines or penalties.

Facilities

Our corporate headquarters is located at 470 James St, New Haven, CT 06513, where we lease and occupy approximately 1,200 square feet of office space. The term of our New Haven lease commenced in February 2025 and expires in February 2027 and we have the option to extend the lease for an additional two years after initial expiration. We believe our existing facilities are sufficient for our current needs. To meet the future needs of our business, we expect to lease additional or alternate office space, and we believe suitable additional or alternative space will be available in the future on commercially reasonable terms.

Employees and Human Capital Resources

Our employees are driven by our mission to utilize collective front-line clinical experience to identify and develop innovative solutions to solve pervasive treatment challenges in dermatology practice. We believe that our deep commitment to high ethical and professional standards is fundamental to our mission, and we are determined to build a culture that empowers a skilled and experienced workforce to perform at the highest levels. We commit our resources and make investments, including through recruiting, training and collaboration, to promote the culture that we desire, and we expect our employees to embrace the company's values and culture in all that we do.

As of September 30, 2025, we employed 19 full-time employees. Of our full-time employees, 13 employees are engaged in business development, research, manufacturing, product development and clinical development, and 6 are engaged in finance, human resources, legal and other administrative functions. Five of our employees hold doctoral (Ph.D., M.D. or Pharm.D.) degrees. None of our employees are represented by a labor union or covered by a collective bargaining agreement. 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 new employees, advisors and consultants. The principal purposes of our equity and cash incentive plans are to attract, retain and reward personnel through the granting of stock-based and cash-based incentive awards, in order to increase stockholder value and the success of our company by motivating such individuals to perform to the best of their abilities and achieve our objectives. We offer a benefits program that provides resources to help employees manage their health, finances and life outside of work.

Legal Proceedings

From time to time, we may become involved in litigation or other legal proceedings. We are not a party to any litigation or legal proceedings that, in the opinion of our management, are probable to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on our business, financial condition, results of operations and prospects because of defense and settlement costs, diversion of management resources, negative publicity and reputational harm and other factors.

MANAGEMENT

Executive Officers and Directors

Our executive officers and directors, their ages as of December 31, 2025, and their positions, are as set forth below:

NAME	AGE	POSITION(S)
Executive Officers		
Reid Waldman, M.D.	31	Chief Executive Officer and Director
Tim Durso, M.D.	36	President
Dominic Carrano, CPA	40	Chief Financial Officer
Mark Neumann	62	Chief Commercial and Strategy Officer
Michael V. Greco, J.D.	54	General Counsel
Non-Management Directors		
John W. Childs	84	Director
Vlad Coric, M.D.	55	Director
Patrick Enright	63	Director
David Friedman, M.D.	50	Director
Jane Grant-Kels, M.D.	75	Director
Katarina Pance, Ph.D.	29	Director

Executive Officers

Reid Waldman, M.D. is our co-founder and has served as our Chief Executive Officer since December 2022. Prior to his role as Chief Executive Officer, Dr. Waldman served as our Chief Operating Officer from March 2020 to December 2022. Dr. Waldman has served as a member of our board of directors since October 2019. From March 2019 to June 2021, Dr. Waldman served as a Clinical Trials Resident at The University of Connecticut Health Center, where he also served as a Dermatology Resident from June 2018 to June 2021. Prior to his residency, Dr. Waldman completed his internship at the Cedars-Sinai Medical Center. Dr. Waldman is a board-certified dermatologist and received his B.A. and M.D. from the University of Missouri-Kansas City 6 Year B.A./M.D. Program. We believe Dr. Waldman is qualified to serve on our board of directors because of his extensive experience as a dermatologist and based on his role as our Chief Executive Officer.

Tim Durso, M.D. is our co-founder and has served as our President since August 2020. Dr. Durso has also served as a Dermatologist at Edward Hines VA Hospital. From July 2016 to June 2022, Dr. Durso served as the Chief of Dermatology at the Malcolm Grow Medical Clinics and Surgery Center. Dr. Durso completed his internship and dermatology residency at the San Antonio Uniformed Services Health Education Consortium, and previously served on active duty in the U.S. Air Force. Dr. Durso is a board-certified dermatologist and received his B.S. in Pre-Medical Studies and Greek and Roman Civilizations from the University of Notre Dame and his M.D. from Loyola University Chicago Stritch School of Medicine.

Dominic Carrano, CPA has served as our Chief Financial Officer since February 2025. Mr. Carrano served as our Vice President, Finance from October 2023 to February 2025. Previously, Mr. Carrano served as Vice President, Finance and Controller from October 2022 to October 2023 and Controller from September 2020 to October 2022 at Rallybio Corporation where he oversaw financial and accounting operations including Rallybio Corporation's transition to a public company and its follow on offering. Prior to Rallybio Corporation, Mr. Carrano held positions of increasing responsibility at Alexion Pharmaceuticals, Inc within the SEC reporting and technical accounting functions. Mr. Carrano began his career at Deloitte & Touche, LLP. Mr. Carrano received his B.S. and M.S. in Accounting from the University of Connecticut.

Mark Neumann has served as our Chief Commercial and Strategy Officer since December 2025. Previously, Mr. Neumann served as EVP and Chief Commercial Officer at Intra-Cellular Therapies, Inc. from October 2018 to April 2025. Before that, he worked at Amgen Inc. as Vice President and Global Therapeutic Area Marketing Head for Bone Health, Inflammation, and Nephrology from September 2016 to September 2018 and Head of Marketing for the U.S. Cardiology & Bone Health Business Unit from June 2014 to August 2016. Prior, Mr. Neumann spent over 25 years at Bristol-Myers Squibb Co in various roles of increasing responsibility across sales, marketing, and finance from June 1988 to May 2014. He started his career as an accountant at Arthur Andersen & Co. Mr. Neumann received his B.A. in Economics and Business Administration from Lafayette College.

Michael V. Greco, J.D. has served as our General Counsel since July 2025. From April 2020 until July 2025, he served as General Counsel and Secretary of Rallybio Corporation. From June 2018 until October 2019, he served as General Counsel and Secretary of SpringWorks Therapeutics, Inc. From February 2007 until June 2018, Mr. Greco held positions of increasing responsibility in the legal department at Alexion Pharmaceuticals, Inc., most recently as Senior Vice President of Law and Corporate Secretary from August 2015 to June 2018. Prior to Alexion, he was a corporate and transactional attorney in private practice at Bingham McCutchen LLP (now Morgan, Lewis & Bockius LLP) and Wiggin and Dana LLP. Prior to attending law school, Mr. Greco served in the U.S. Army Corps of Engineers. He received a J.D. from Suffolk University Law School and a B.S. from the United States Military Academy, West Point.

Non-employee Directors

John W. Childs has served as a member of our board of directors since September 2021. Since 1995, Mr. Childs has served as Chairman of J.W. Childs Associates, L.P. Previously, Mr. Childs was Senior Managing Director of the Thomas H. Lee Company and held various executive positions in the investment area at the Prudential Insurance Company of America, ultimately serving as Senior Managing Director in charge of the Capital Markets Group. Mr. Childs is currently a member of the board of directors of Biohaven Ltd., or Biohaven. Mr. Childs received his B.A. in History and French from Yale University and his M.B.A. from Columbia Business School at Columbia University. We believe Mr. Childs is qualified to serve on our board of directors because of his extensive experience in private equity, venture capital and life sciences.

Vlad Coric, M.D. has served as a member of our board of directors since September 2021. Dr. Coric has served as Chief Executive Officer of Biohaven since October 2022. Dr. Coric has also served as a Clinical Professor at Yale School of Medicine since July 2021. From October 2015 to October 2022, Dr. Coric served as Chief Executive Officer of Biohaven Pharmaceutical Holding Company Limited, until it was sold to Pfizer Inc. Prior to that, Dr. Coric served a Group Director, Global Clinical Research at Bristol-Myers Squibb Company. Dr. Coric is currently a member of the board of directors of Biohaven and Royalty Pharma plc. Dr. Coric also served on the board of directors of Revance Therapeutics, Inc. from March 2023 to February 2025, Biohaven Pharmaceutical Holding Company Ltd., from October 2015 to October 2022, and Social Capital Suvretta Holdings Corp. I, from June 2021 through July 2022. Dr. Coric received his B.S. in Neurobiology and Physiology from the University of Connecticut and his M.D. from Wake Forest University School of Medicine. He completed his internship at Yale-New Haven Hospital and residency training at the Yale Psychiatry Residency Training Program. We believe Dr. Coric is qualified to serve on our board of directors because of his extensive experience in the biopharmaceutical industry.

Patrick Enright has served as a member of our board of directors since December 2024. Mr. Enright has served as a Managing Director of Longitude Capital Management Co., LLC, a healthcare venture capital firm co-founded by Mr. Enright, since 2006. Previously, Mr. Enright was a Managing Director of Pequot Ventures, a venture capital firm, where he co-led the life sciences investment practice, and served in various senior executive positions at Valentis Inc., Boehringer Mannheim Pharmaceuticals Corp. and Sandoz Inc. Mr. Enright is currently a member of the board of directors of BioAge Labs, Inc., Jazz Pharmaceuticals PLC, Vera Therapeutics, Inc. and Zenas BioPharma, Inc., and has served on such boards since February 2024, January 2022, October 2020 and November 2022, respectively. Mr. Enright also served on the board of directors of Aptinyx Inc. from March 2016 to December 2022. Mr. Enright received his B.S. in Biological Sciences from Stanford University and his M.B.A. from the Wharton School of the University of Pennsylvania. We believe Mr. Enright is qualified to serve on our board of directors because of his experience serving on the board of directors of numerous biotechnology companies and his investment experience in the life sciences industry.

David Friedman, M.D., has served as a member of our board of directors since December 2025. Since January 2020, Dr. Friedman has served as a Managing Director and Senior Analyst at Suvretta Capital Management, LLC, or Suvretta Capital. Prior to Suvretta Capital, Dr. Friedman served as a healthcare analyst at Scopia Capital Management LP and worked in biotechnology equity research at Morgan Stanley & Co. LLC. Dr. Friedman received his B.S. in Biology from Duke University, his M.D. from the University of Pittsburgh School of Medicine and his M.B.A. from Harvard Business School. We believe Dr. Friedman is qualified to serve on our board of directors because of his experience investing in life sciences companies.

Jane M. Grant-Kels, M.D. has served as a member of our board of directors since September 2021. Dr. Grant-Kels currently serves the Vice Chair of the Department of Dermatology, the Founding Director of the Cutaneous Oncology Center and Melanoma Programs and Professor of Dermatology, Pathology and Pediatrics at the University of Connecticut Health Center, where she has held numerous positions since 1979 including Founding Chair of the Dermatology Department at UCONN Health. Dr. Grant-Kels received her B.A. in 1971 from Smith College and her M.D. from Cornell University Medical College in 1974. She completed her internship at the New York Hospital — Cornell Medical Center and residency training at the New York Hospital — Cornell Medical Center Residency Program. We believe that Dr. Grant-Kel is qualified to serve on our board of directors because of her extensive experience as a dermatologist.

Katarina Pance, Ph.D. has served as a member of our board of directors since October 2025. Dr. Pance has served as a Senior Associate at SR One Capital Management since May 2023. From February 2022 to May 2023, Dr. Pance served as Senior Scientist, Head of Discovery Biology at EpiBiologics, Inc., which she co-founded in July 2021. Dr. Pance also worked as a Venture Fellow at MPM Capital from July 2021 to January 2022. Dr. Pance received her B.A. in Biochemistry from the University of Pennsylvania and her Ph.D. from the University of California, San Francisco. We believe Dr. Pance is qualified to serve on our board of directors because of her experience serving on the board of directors of several biotechnology companies and her investment experience in the life sciences industry.

Family Relationships

There are no family relationships among any of our executive officers or directors.

Composition of Our Board of Directors

Our business and affairs are organized under the direction of our board of directors, which currently consists of seven members with one vacancy. The primary responsibilities of our board of directors are to provide oversight, strategic guidance, counseling and direction to our management. Our board of directors meets on a regular basis and additionally as required.

Our directors were each elected as directors pursuant to the board composition provisions of our Third Amended and Restated Voting Agreement, or the Voting Agreement, among us and our stockholders. The Voting Agreement will terminate upon the consummation of this offering, at which point no stockholder will have any special rights regarding the election or designation of the members of our board of directors. Our current directors elected to our board of directors pursuant to the Voting Agreement will continue to serve as directors until a successor is duly elected and qualified, or until his or her earlier resignation or removal.

Our board of directors may establish the authorized number of directors from time to time by resolution. In accordance with our restated certificate of incorporation that will become effective immediately prior to the consummation of this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the class whose terms are then expiring, to serve from the time of election and qualification until the third annual meeting following their election or until their earlier death, resignation or removal. Upon the consummation of this offering, our directors will be divided among the three classes as follows:

- The Class I directors will be Dr. Waldman and Mr. Childs, and their terms will expire at our 2027 annual meeting of stockholders.
- The Class II directors will be Drs. Friedman, Grant-Kels and Pance, and their terms will expire at our 2028 annual meeting of stockholders.

- The Class III directors will be Dr. Coric and Mr. Enright, and their terms will expire at our 2029 annual meeting of stockholders.

Our restated certificate of incorporation will provide that the authorized number of directors may be changed only by resolution of our board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control. See the section of this prospectus captioned “[Description of Capital Stock—Anti-takeover Effects of Our Restated Certificate of Incorporation and Amended and Restated Bylaws](#)” for a discussion of these and other anti-takeover provisions found in our restated certificate of incorporation and amended and restated bylaws, which will be in effect prior to the consummation of this offering.

Director Independence

Under the rules of the NYSE, independent directors must comprise a majority of a listed company’s board of directors within one year of the consummation of its initial public offering. In addition, the rules of the NYSE require that, subject to specified exceptions, each member of a listed company’s audit, compensation, and nominating/corporate governance committees be independent and that director nominees be selected or recommended for the board of directors’ selection by independent directors constituting a majority of the independent directors or by a nominating and corporate governance committee comprised solely of independent directors. Under the rules of the NYSE, a director will only qualify as “independent” if our board of directors affirmatively determines that he or she has no material relationship with us, either directly or as a partner, stockholder or officer of an organization that has a relationship with us. Ownership of a significant amount of our stock, by itself, does not constitute a material relationship.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other board committee: (1) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries or (2) be an affiliated person of the listed company or any of its subsidiaries.

Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that each of our directors, with the exception of Dr. Waldman, is an “independent director” as defined under applicable rules of the NYSE, including, in the case of John W. Childs and Katarina Pance, the independence criteria set forth in Rule 10A-3 under the Exchange Act, and in the case of all the members of our compensation committee, the independence criteria set forth in Rule 10C-1 under the Exchange Act and are “non-employee directors” as defined in Section 16b-3 of the Exchange Act. Our board of directors has determined that Dr. Waldman, by virtue of his position as our chief executive officer, is not independent under applicable rules and regulations of the SEC and the rules of the NYSE. In making such determinations, our board of directors considered the relationships that each such non-employee director has with the Company and all other facts and circumstances that our board of directors deemed relevant in determining his or her independence, including the beneficial ownership of our capital stock by each non-employee director.

Committees of Our Board of Directors

Our board of directors will establish an audit committee, a compensation committee and a nominating and corporate governance committee prior to the listing of our common stock on the NYSE. The composition and responsibilities of each of the committees of our board of directors are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Each committee will operate pursuant to a written charter that satisfies the application rules and regulation of the SEC and the rules of the NYSE, which we will post to our website at www.veradermics.com prior to the listing of our common stock on the NYSE upon the consummation of this offering. Our board of directors may establish other committees as it deems necessary or appropriate from time to time. Information contained on, or accessible through, our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is only an inactive textual reference.

Audit Committee

Our audit committee will operate under a written charter, effective upon the effectiveness of the registration statement of which this prospectus forms a part, that satisfies the applicable rules of the NYSE.

The audit committee's responsibilities upon consummation of this offering will include:

- appointing, approving the compensation of, and evaluating the qualifications, performance, procedures and independence of, our independent registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of written periodic reports from such firm;
- pre-approving all audit and permitted non-audit services to be performed by our independent registered public accounting firm;
- reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures, including earnings releases;
- overseeing and periodically reviewing with our independent registered public accounting firm our compliance with all applicable requirements of the Public Company Accounting Oversight Board;
- reviewing and discussing with management and our independent registered public accounting firm any material issues regarding accounting principles and financial statement presentations and the steps taken to deal with such issues;
- reviewing disclosures about any significant deficiencies or material weaknesses in our internal control structures and procedures, including disclosures in our annual and quarterly reports;
- coordinating our board of directors' oversight of our internal control over financial reporting, disclosure controls and procedures, code of business conduct and ethics, procedures for complaints and legal and regulatory matters;
- reviewing and discussing with management and our independent registered public accounting firm any material issues regarding cybersecurity risks and processes for assessing, identifying and managing material risks from cybersecurity threats;
- discussing our risk management policies with management;
- establishing policies regarding hiring employees from our independent registered public accounting firm and procedures for the receipt and retention of accounting related complaints and concerns;
- meeting independently with our independent registered public accounting firm and management;
- reviewing and approving any related person transactions;
- overseeing our guidelines and policies governing risk assessment and risk management;
- overseeing and periodically reviewing the integrity of our information technology systems, process and data;
- preparing the audit committee report required by SEC rules;
- reviewing and assessing, at least annually, the adequacy of the audit committee's charter; and
- performing, at least annually, an evaluation of the performance of the audit committee.

All audit services and all non-audit services, other than de minimis non-audit services, to be provided to us by our independent registered public accounting firm must be approved in advance by our audit committee.

The members of our audit committee are Messrs. Enright and Childs and Dr. Pance. Mr. Enright chairs the audit committee. Our board of directors has determined that each member of our audit committee has sufficient knowledge in financial and auditing matters to serve on the audit committee. Our board of directors has also determined that Mr. Enright is an "audit committee financial expert," as defined under Item 407 of Regulation S-K. We expect to satisfy the member independence requirements for the audit committee prior to the end of the transition period provided under the rules of the NYSE and SEC rules and regulations for companies completing their initial public offering.

Compensation Committee

Our compensation committee will operate under a written charter, effective upon the effectiveness of the registration statement of which this prospectus forms a part, that satisfies the applicable rules of the NYSE.

Our compensation committee's responsibilities upon consummation of this offering will include:

- reviewing and establishing our overall management compensation strategy and benefits philosophy and policies, including base salary, incentive compensation and equity-based grants;
- reviewing and approving performance goals and objectives relevant to compensation of our chief executive officer and other executive officers;
- evaluating the performance of the chief executive officer and executive officers in light of their performance goals and objectives, including during executive sessions of non-employee directors, and recommending to our board of directors the compensation of our chief executive officer and other executive officers;
- reviewing and making recommendations to the board of directors with respect to non-employee director compensation;
- reviewing, overseeing and administering our equity incentive plans, granting awards under such plan and making recommendations to the board of directors about the adoption of any new or modifying existing equity-based, cash-based, management incentive and deferred compensation plans;
- establishing and reviewing "clawback" policies that allow the recouping of incentive compensation;
- reviewing, considering and selecting, to the extent determined to be advisable, a peer group of appropriate companies for purposing of benchmarking and analysis of compensation for our executive officers and non-employee directors;
- recommending to our board of directors any stock ownership guidelines for our executive officers and non-employee directors, periodically assessing these guidelines and recommending revisions as appropriate, and monitoring individual compliance with these guidelines;
- retaining, appointing or obtaining advice of a compensation consultant, legal counsel or other advisor and determining the compensation and independence of such consultant or advisor;
- preparing, if required, the compensation committee report on executive compensation for inclusion in our annual report on Form 10-K and our annual proxy statement in accordance with SEC proxy and disclosure rules;
- monitoring our compliance with the requirements of Sarbanes-Oxley relating to loans to directors and officers;
- reviewing and approving all employment contract and other compensation, severance and change-in-control arrangements for our executive officers;
- establishing and periodically reviewing policies and procedures with respect to perquisites as they relate to our executive officers;
- reviewing the risks associated with our compensation policies and practices;
- periodically reviewing all equity compensation plans that are not subject to stockholder approval under the listing standards of the NYSE;
- overseeing the maintenance and presentation to our board of directors of management's plans for succession to senior management positions based on guidelines developed and recommended to the compensation committee to the full board of directors;
- reviewing our strategies, initiatives and programs with respect to our culture, talent recruitment, development, and retention, employee engagement and diversity and inclusion;
- maintaining minutes of the compensation committee and reporting its actions and any recommendations to the board of directors on a periodic basis;
- reviewing and assessing, at least annually, the adequacy of the compensation committee's charter; and
- performing, on an annual basis, an evaluation of the performance of the compensation committee.

The members of our compensation committee are Mr. Childs, Drs. Coric and Grant-Kels. Dr. Coric chairs the compensation committee. Our board of directors has determined that each member of the compensation committee satisfies the independence standards of the applicable rules of the NYSE.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee will operate under a written charter, effective upon the effectiveness of the registration statement of which this prospectus forms a part, that satisfies the applicable rules of the NYSE.

Our nominating and corporate governance committee's responsibilities upon consummation of this offering will include:

- actively seeking and identifying individuals qualified to become members of our board of directors consistent with criteria approved by the board of directors and receiving nominations for such qualified individuals;
- recommending to our board of directors the persons to be nominated for election as directors and to each committee of the board of directors;
- developing and recommending to our board of directors a set of corporate governance guidelines applicable to the Company;
- establishing a policy under which our stockholders may recommend a candidate to the nominating and corporate governance committee for consideration for nomination as a director;
- reviewing and recommending committee slates on an annual basis;
- recommending to our board of directors qualified candidates to fill vacancies on our board of directors;
- developing and recommending to our board of directors a set of corporate governance principles applicable to us and reviewing the principles on at least an annual basis;
- reviewing and making recommendations to our board of directors with respect to our board size, composition, leadership structure and board of directors committee structure;
- reviewing, in concert with our board of directors, our policies with respect to significant issues of corporate public responsibility, including but not limited to sustainability, diversity and inclusion and environmental, social and governance initiatives;
- making recommendations to our board of directors of processes for annual evaluations of the performance of our board of directors and committees of our board of directors;
- overseeing the process for annual evaluations of our board of directors and committees of our board of directors;
- considering and reporting to our board of directors any questions of possible conflicts of interest of members of our board of directors;
- reviewing with management the Company's social corporate responsibility activities, policies, and program;
- providing new director orientation and continuing education for existing directors on a periodic basis;
- overseeing the maintenance and presentation to our board of directors of management's plans for succession to senior management positions in the Company;
- reviewing and assessing, at least annually, the adequacy of the nominating and corporate governance committee's charter; and
- performing, on an annual basis, an evaluation of the performance of the nominating and corporate governance committee.

The members of our nominating and corporate governance committee are Mr. Friedman and Drs. Grant-Kels and Pance. Dr. Grant-Kels chairs the nominating and corporate governance committee. Our board of directors has determined that each member of the nominating and corporate governance committee satisfies the independence standards of the applicable rules of the NYSE Stock Market.

Our board of directors may establish other committees from time to time.

Role of the Board of Directors in Risk Oversight

Our board of directors has, and, upon the consummation of this offering, its committees will also have, an active role in overseeing the management of our risks. Our board of directors is responsible for general oversight of risks and regular review of information regarding our risks, including credit risks, liquidity risks and operational risks. The compensation committee will be responsible for overseeing the management of risks relating to our executive compensation plans and arrangements. The audit committee will be responsible for overseeing the management of risks relating to accounting matters and financial reporting. The nominating and governance committee will be responsible for overseeing the management of risks associated with the independence of our board of directors and potential conflicts of interest. Although each committee will be responsible for evaluating

certain risks and overseeing the management of such risks, the entire board of directors will be regularly informed through discussions from committee members about such risks.

Code of Business Conduct and Ethics

We have adopted a written Code of Business Conduct and Ethics that applies to all our employees, officers and directors. This includes our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. The full text of our Code of Business Conduct and Ethics will be posted on our website at www.veradermics.com prior to the consummation of this offering. We intend to disclose on our website any future amendments of our Code of Business Conduct and Ethics or waivers that exempt any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions or our directors from provisions in the Code of Business Conduct and Ethics. Information contained on, or accessible through, our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is only an inactive textual reference.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently, or has been at any time, one of our officers or employees. None of our executive officers currently serves, or has served during the last completed fiscal year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

EXECUTIVE AND DIRECTOR COMPENSATION

The following discussion and analysis of compensation arrangements should be read with the compensation tables and related disclosures set forth below. This discussion contains forward looking statements that are based on our current plans and expectations regarding future compensation programs. The compensation programs that we adopt in the future may differ materially from the programs summarized in this discussion.

Introduction

This section provides an overview of the compensation awarded to, earned by, or paid to our principal executive officer and our next two most highly compensated executive officers listed below in respect of their service to us for the fiscal year ended December 31, 2025. We refer to these individuals as our named executive officers. Our named executive officers are:

- Reid Waldman M.D., Chief Executive Officer and Director;
- Tim Durso, M.D.*, President; and
- Dominic Carrano, CPA, Chief Financial Officer.

*In connection with this offering, Dr. Durso will be appointed to the position of Chief Technical Officer.

Prior to this offering, our board of directors was responsible for determining the compensation of our executive officers, based on recommendations from our compensation committee. In addition, our Chief Executive Officer made recommendations to our board of directors regarding the compensation of his direct reports. Following this offering, our compensation committee will be responsible for making such determinations.

Summary compensation table

The following table sets forth the compensation awarded to, earned by, or paid to our named executive officers in respect of their service to us for the fiscal year ended December 31, 2024, and the fiscal year ended December 31, 2025:

NAME AND PRINCIPAL POSITION	YEAR	SALARY (\$)	BONUS (\$) ⁽¹⁾	OPTION AWARDS (\$) ⁽²⁾	ALL OTHER COMPENSATION (\$) ⁽³⁾	TOTAL (\$)
Reid Waldman, M.D.	2025	450,000	449,700	7,538,090	17,717	8,455,507
Chief Executive Officer and Director	2024	371,280	329,070	94,800	17,217	812,367
Tim Durso, M.D.	2025	392,000	248,800	2,649,971	17,717	3,308,488
President	2024	346,280	202,100	94,800	17,197	660,377
Dominic Carrano, CPA	2025	373,900	242,900	1,578,204	16,464	2,211,468
Chief Financial Officer	2024	322,400	175,080	1,586	12,673	511,739

(1) The amounts shown in this column represent discretionary annual bonuses paid to our named executive officers in respect of the applicable year, and, for Mr. Carrano the amount in respect of fiscal year 2024 also includes the second portion of a sign-on bonus paid to him (\$30,000), described below under “Agreements with our named executive officers.”

(2) The amounts shown in this column for fiscal year 2025 include (i) the grant date fair value of time-based stock option awards granted to Dr. Waldman (\$7,485,568), Dr. Durso (\$2,597,449) and Mr. Carrano (\$1,571,044) in fiscal year 2025 and (ii) the incremental fair value associated with the modification to outstanding stock options held by Dr. Waldman (\$52,522), Dr. Durso (\$52,522) and Mr. Carrano (\$7,160) in fiscal year 2025, as described in more detail under “Equity Compensation” below, in each case, computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. No amounts have been included with respect to performance-based stock options granted in fiscal year 2025 because the performance conditions associated with such grants were deemed to not be probable of being satisfied at the time of grant and therefore no compensation cost was recognized for 2025. The grant date

fair value of such options granted during 2025, assuming that such performance conditions are satisfied in full and calculated using a Monte Carlo simulation model, are: Dr. Waldman (\$1,252,660), Dr. Durso (\$626,330) and Mr. Carrano (\$220,184). These amounts do not necessarily correspond to the actual value that may be recognized by the named executive officers. The amounts shown in this column for fiscal year 2024 represent the grant date fair value of stock option awards granted to Drs. Waldman and Durso and Mr. Carrano in fiscal year 2024 computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. The assumptions used to value the time-based stock options for this purpose are set forth in Note 8 to our audited consolidated financial statements included elsewhere in this prospectus.

- (3) The amounts shown in the “All Other Compensation” column for fiscal year 2025 reflect company contributions under the SIMPLE IRA matching program (\$16,500 for each of Drs. Waldman and Durso and \$15,247 for Mr. Carrano), company paid life insurance premiums (\$317 for each of our named executive officers), and mobile phone reimbursement (\$900 for each of our named executive officers).

Narrative disclosure to summary compensation table

Annual base salary

The employment agreement with each named executive officer (as amended and restated, in the case of Drs. Waldman and Durso), described below, establishes an annual base salary for the executive officer, which is subject to periodic review. Effective January 1, 2025, the annual base salaries of Drs. Waldman and Durso and Mr. Carrano were increased to \$450,000, \$392,000, and \$373,900, respectively. Effective January 1, 2026, the annual base salaries of Drs. Waldman and Durso and Mr. Carrano were increased to \$553,100, \$436,400, and \$431,800, respectively. Effective as of the date on which the registration statement of which this prospectus is a part is declared effective by the SEC, the annual base salaries of Drs. Waldman and Durso and Mr. Carrano will be increased to \$680,200, \$508,700, and \$502,200, respectively.

Annual bonuses

With respect to fiscal year 2025, each of Drs. Waldman and Durso and Mr. Carrano was eligible to receive a discretionary annual bonus. After reviewing Company performance, our board of directors approved bonuses for Drs. Waldman and Durso and Mr. Carrano for fiscal year 2025 in the amounts of \$449,700, \$248,800, and \$242,900, respectively. Effective as of the date on which the registration statement of which this prospectus is a part is declared effective by the SEC, the target bonus for each of Drs. Waldman and Durso and Mr. Carrano, expressed as a percentage of base salary, will be 55%, 40%, and 40%, respectively.

Agreements with our named executive officers

In connection with this offering, and effective as of the date on which the registration statement of which this prospectus is a part is declared effective by the SEC, we entered into an amended and restated employment agreement with each of Drs. Waldman and Durso, and an employment agreement with Mr. Carrano, setting forth the terms and conditions of such named executive officer's continued employment with us. The material terms of the agreements are described below. Unless otherwise noted below, the terms “cause,” “good reason,” and “change of control” referred to below are defined in the respective named executive officer's employment agreement.

Drs. Waldman and Durso. The amended and restated employment agreement with each of Drs. Waldman and Durso provides for an initial base salary (described above), which is subject to periodic review, and a target annual bonus equal to a percentage of the named executive officer's annual base salary (described above).

Mr. Carrano. The employment agreement with Mr. Carrano provides for an initial base salary (described above), which is subject to periodic review, and a target annual bonus equal to 40% of Mr. Carrano's base salary. Prior to entering into the employment agreement, Mr. Carrano was party to an offer letter, which provided for a sign-on bonus in the amount of \$60,000, of which \$30,000 was paid in 2023 and \$30,000 was paid in 2024.

Severance upon termination of employment; change of control; restrictive covenants.

Severance Upon Termination of Employment; Change of Control. Each of Drs. Waldman and Durso and Mr. Carrano is entitled to severance payments and benefits in connection with certain qualifying terminations of employment under his respective employment agreement, as amended and restated in the case of Drs. Waldman and Durso. If the named executive officer's employment is terminated by us without cause or by him for good

reason, in each case, not within the period beginning three (3) months before and ending twelve (12) months following a change of control, or the change of control period, he will be entitled to receive (i) an amount equal to the sum of the named executive officer's annual base salary and target annual bonus, payable over twelve (12) months following termination, (ii) subject to his timely election of COBRA coverage, payment of a monthly amount equal to the monthly health premiums paid by us on behalf of the named executive officer and his eligible dependents for a period of twelve (12) months following termination (or, if earlier, until the named executive officer ceases to be eligible for COBRA coverage or obtains health coverage from another employer), and (iii) for each of Drs. Waldman and Durso, any unpaid prior year annual bonus. If Dr. Waldman's or Dr. Durso's employment is terminated by reason of his death or disability, he will be entitled to receive any unpaid prior year annual bonus.

If the named executive officer's employment is terminated by us without cause or by him for good reason, in each case, within the change of control period, the named executive officer will instead be entitled to receive (i) a lump sum payment in an amount equal to 1.5 times the sum of (A) the named executive officer's annual base salary and (B) the named executive officer's target annual bonus, (ii) subject to his timely election of COBRA coverage, payment of a monthly amount equal to the monthly health premiums paid by us on behalf of the named executive officer and his eligible dependents for a period of eighteen (18) months following termination (or, if earlier, until the named executive officer ceases to be eligible for COBRA coverage or obtains health coverage from another employer), (iii) full acceleration of all of the named executive officer's outstanding and unvested time-based equity awards, and (iv) for each of Drs. Waldman and Durso, any unpaid prior year annual bonus.

In addition, pursuant to the terms of the applicable option award agreements, certain options held by our named executive officers vest in full immediately prior to the consummation of a change of control (as defined in the 2021 Plan), subject to the named executive officer's continued service through such change of control.

Each named executive officer's respective employment agreement, as amended, provides for a Section 280G "better-of provision" such that payments or benefits that each of our named executive officers receives in connection with a change of control will be reduced to the extent necessary to avoid the imposition of any excise tax under Sections 280G and 4999 of the Code if such reduction would result in greater after-tax payment amount for such named executive officer.

Severance Subject to Release of Claims. Our obligation to provide a named executive officer with severance payments and other benefits under his respective employment agreement is conditioned on the executive officer signing a release of claims in favor of us.

Restrictive Covenants. Under their respective employment agreements, each of Drs. Waldman and Durso and Mr. Carrano has agreed to a perpetual non-disparagement covenant. Each of our named executive officers is also party to a Confidentiality, Assignment of Inventions, and Restrictive Covenant Agreement under which each named executive officer has agreed to a perpetual confidentiality covenant, an assignment of intellectual property covenant, and covenants not to compete with us or solicit our service providers or customers during his employment and for two years (or one (1) year in the event of a termination other than for cause or by the executive for good reason) following his termination of employment.

Equity compensation

Drs. Waldman and Durso and Mr. Carrano received incentive equity grants in fiscal year 2025 under the 2021 Plan.

On February 27, 2025, each of Drs. Waldman and Durso and Mr. Carrano was granted an option to purchase 224,247, 89,699, and 53,819 shares of our common stock, respectively, under the 2021 Plan, which vests in 48 equal monthly installments following November 25, 2024, generally subject to the named executive officer's continued employment with us through the applicable vesting date.

On February 27, 2025, our board of directors determined to reduce the exercise price applicable to outstanding stock options, including those held by our named executive officers, to an amount not less than the then fair market value of a share of our common stock as of such date. The incremental fair value associated with the

modification to these options is quantified and described in footnote (2) to the Summary Compensation Table above.

On November 14, 2025, each of Drs. Waldman and Durso and Mr. Carrano was granted an option to purchase 1,039,490, 356,689, and 215,887 shares of our common stock, respectively, under the 2021 Plan, which vests in 48 equal monthly installments following October 14, 2025, generally subject to the named executive officer's continued employment with us through the applicable vesting date.

On November 14, 2025, each of Drs. Waldman and Durso and Mr. Carrano was also granted a performance-based option to purchase 243,984, 121,992, and 42,886 shares of our common stock, respectively, under the 2021 Plan, which is eligible to vest as to 100% of the underlying shares upon our achievement of specified market capitalization hurdles prior to specified dates following our initial public offering, generally subject to the named executive officer's continued employment with us through the applicable vesting date.

Employee and retirement benefits

We currently provide broad-based health and welfare benefits that are available to all of our employees, including our named executive officers, as well as a SIMPLE IRA retirement plan for our full-time employees, under which we make matching employer contributions (subject to tax code limits). Other than the SIMPLE IRA plan, we do not provide any qualified or non-qualified retirement or deferred compensation benefits to our employees, including our named executive officers. Each of our named executive officers received company paid life insurance premiums and reimbursement for cell phone expenses in 2025 in the amounts reported in the Summary Compensation Table.

Clawback policy

In accordance with the requirements of the Dodd-Frank Act, final SEC rules, and applicable NYSE listing standards, our board of directors has adopted a compensation recovery policy, which became effective upon the date on which the registration statement of which this prospectus is a part was declared effective by the SEC. The compensation recovery policy will provide that in the event we are required to prepare a restatement of financial statements due to material noncompliance with any financial reporting requirement under securities laws, certain incentive-based compensation paid or awarded to covered executives will be subject to reduction and/or repayment if the amount of such compensation was calculated based on the achievement of financial results that were the subject of the restatement and the amount of such compensation that would have been received by the covered executives had the financial results been properly reported would have been lower than the amount actually awarded.

Outstanding awards at fiscal year-end 2025

The following table sets forth information concerning outstanding equity awards held by each of our named executive officers as of December 31, 2025:

Name	Grant date	Option awards				
		Number of securities underlying unexercised options exercisable (#)	Number of securities underlying unexercised options unexercisable (#)	Equity Incentive Plan Awards: Number of securities underlying unexercised unearned options (#)	Option exercise price (\$/share) ⁽¹⁸⁾	Option expiration date
Reid Waldman, M.D.	12/13/2021 ⁽¹⁾	3,452	—	—	12.19	12/12/2026
	12/13/2021 ⁽²⁾	84,504	—	—	12.19	12/12/2031
	12/22/2022 ⁽³⁾	3,452	—	—	12.19	12/21/2027
	12/22/2022 ⁽⁴⁾	5,343	—	—	12.19	12/21/2032
	3/19/2024 ⁽⁵⁾	6,300	3,564	—	12.19	3/18/2029
	3/19/2024 ⁽⁶⁾	3,216	1,819	—	12.19	3/18/2034
	2/27/2025 ⁽⁷⁾	60,733	163,513	—	12.19	2/26/2035
	11/14/2025 ⁽⁸⁾	43,312	996,178	—	12.79	11/13/2035
	11/14/2025 ⁽⁹⁾	—	243,984	—	12.79	11/13/2035
Tim Durso, M.D.	12/13/2021 ⁽¹⁾	3,452	—	—	12.19	12/12/2026
	12/13/2021 ⁽²⁾	84,504	—	—	12.19	12/12/2031
	12/22/2022 ⁽³⁾	3,452	—	—	12.19	12/21/2027
	12/22/2022 ⁽⁴⁾	5,343	—	—	12.19	12/21/2032
	3/19/2024 ⁽⁵⁾	6,300	3,564	—	12.19	3/18/2029
	3/19/2024 ⁽⁶⁾	3,216	1,819	—	12.19	3/18/2034
	2/27/2025 ⁽¹⁰⁾	24,293	65,405	—	12.19	2/26/2035
	11/14/2025 ⁽¹¹⁾	14,862	341,827	—	12.79	11/13/2035
	11/14/2025 ⁽¹²⁾	—	121,992	—	12.79	11/13/2035
Dominic Carrano, CPA	10/6/2023 ⁽¹³⁾	8,640	7,311	—	12.19	10/5/2033
	3/19/2024 ⁽¹⁴⁾	119	129	—	12.19	3/18/2034
	2/27/2025 ⁽¹⁵⁾	14,576	39,243	—	12.19	2/26/2035
	11/14/2025 ⁽¹⁶⁾	8,995	206,891	—	12.79	11/13/2035
	11/14/2025 ⁽¹⁷⁾	—	42,886	—	12.79	11/13/2035

- (1) Represents an option to purchase 3,452 shares of our common stock, which was fully vested as of September 22, 2024.
(2) Represents an option to purchase 84,504 shares of our common stock, which was fully vested as of September 22, 2024.
(3) Represents an option to purchase 3,452 shares of our common stock, which was fully vested as of December 22, 2025.
(4) Represents an option to purchase 5,343 shares of our common stock, which was fully vested as of December 22, 2025.

- (5) Represents an option to purchase 9,864 shares of our common stock, which vested as to 33.3% of the underlying shares on January 1, 2025 and vests in 24 equal monthly installments thereafter, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (6) Represents an option to purchase 5,035 shares of our common stock, which vested as to 33.3% of the underlying shares on January 1, 2025 and vests in 24 equal monthly installments thereafter, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (7) Represents an option to purchase 224,247 shares of our common stock, which vests in 48 equal monthly installments following November 25, 2024, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (8) Represents an option to purchase 1,039,490 shares of our common stock, which vests in 48 equal monthly installments following October 14, 2025, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (9) Represents an option to purchase 243,984 shares of our common stock, which is eligible to vest as to 100% of the underlying shares upon our achievement of specified market capitalization hurdles prior to specified dates following our initial public offering, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (10) Represents an option to purchase 89,699 shares of our common stock, which vests in 48 equal monthly installments following November 25, 2024, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (11) Represents an option to purchase 356,689 shares of our common stock, which vests in 48 equal monthly installments following October 14, 2025, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (12) Represents an option to purchase 121,992 shares of our common stock, which is eligible to vest as to 100% of the underlying shares upon our achievement of specified market capitalization hurdles prior to specified dates following our initial public offering, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (13) Represents an option to purchase 15,951 shares of our common stock, which vested as to 25% of the underlying shares on October 6, 2024 and vests in 36 equal monthly installments thereafter, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (14) Represents an option to purchase 249 shares of our common stock, which vested as to 25% of the underlying shares on January 1, 2025 and vests in 36 equal monthly installments thereafter, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (15) Represents an option to purchase 53,819 shares of our common stock, which vests in 48 equal monthly installments following November 25, 2024, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (16) Represents an option to purchase 215,887 shares of our common stock, which vests in 48 equal monthly installments following October 14, 2025, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (17) Represents an option to purchase 42,886 shares of our common stock, which is eligible to vest as to 100% of the underlying shares upon our achievement of specified market capitalization hurdles prior to specified dates following our initial public offering, generally subject to the named executive officer's continued employment with us through the applicable vesting date.
- (18) The amounts reported in the "Option exercise price" column reflect the modification to outstanding stock options held by Drs. Waldman and Durso and Mr. Carrano in fiscal year 2025, as applicable, as described in more detail under "Equity Compensation" above.

Director compensation

The following table sets forth the compensation received by our non-employee directors during the fiscal year ended December 31, 2025. None of our non-employee directors received compensation for their service on our board of directors during the fiscal year ended December 31, 2025. The amount for Dr. Coric reflects the incremental fair value associated with the modification to his stock options in fiscal year 2025. Dr. Waldman

does not receive compensation for his service as a director. His compensation for 2025 is included with that of our other named executive officers above.

NAME ⁽¹⁾	Option Awards (\$) ⁽⁶⁾		Total (\$)
Amanda Birdsey-Benson, Ph.D. ⁽²⁾	\$	—	\$ —
John W. Childs	\$	—	\$ —
Vlad Coric, M.D.	\$	7,886	\$ 7,886
Christopher Eklund ⁽³⁾	\$	—	\$ —
Patrick Enright	\$	—	\$ —
Jane Grant-Kels, M.D.	\$	—	\$ —
Katarina Pance, Ph.D. ⁽⁴⁾	\$	—	\$ —
David Friedman, M.D. ⁽⁵⁾	\$	—	\$ —

- (1) As of December 31, 2025, Dr. Coric held an option to purchase 4,764 shares of our common stock and none of our other non-employee directors held any outstanding equity awards.
- (2) Dr. Birdsey-Benson ceased service on our board of directors in December 2025.
- (3) Mr. Eklund ceased service on our board of directors in October 2025.
- (4) Dr. Pance joined our board of directors in October 2025.
- (5) Dr. Friedman joined our board of directors in December 2025.
- (6) The amount reported in the “Option Awards” column for fiscal year 2025 represents the incremental fair value associated with the modification to outstanding stock options held by Dr. Coric in fiscal year 2025, computed in accordance with FASB ASC Topic 718. On February 27, 2025, our board of directors determined to reduce the exercise price applicable to outstanding stock options, including those held by Dr. Coric, to an amount not less than the then fair market value of a share of our common stock as of such date.

Director compensation policy

In connection with this offering, our board of directors has adopted and our stockholders have approved a formal non-employee director compensation policy for members of our board of directors, which became effective upon the date on which the registration statement of which this prospectus is a part was declared effective by the SEC. Under the non-employee director compensation policy, following this offering our non-employee directors will be compensated as follows:

- each non-employee director will receive an annual cash fee of \$40,000 (and the chair of our board of directors will receive an additional annual cash fee of \$32,500);
- each non-employee director who is a member of the audit committee will receive an additional annual cash fee of \$10,000 (\$20,000 for the audit committee chair);
- each non-employee director who is a member of our compensation committee will receive an additional annual cash fee of \$7,500 (\$15,000 for our compensation committee chair);
- each non-employee director who is a member of the nominating and corporate governance committee will receive an additional annual cash fee of \$5,000 (\$10,000 for the nominating and corporate governance committee chair);
- each non-employee director who is first elected or appointed to our board of directors will be granted, upon his or her initial election to our board of directors, an option under our 2026 Plan to purchase 43,000 shares of our common stock, or the initial option grants; and
- each non-employee director will annually be granted, on the date of the first meeting of our board of directors held after the annual meeting of our stockholders (other than a director who was first elected or appointed to our board of directors during the calendar year of such meeting), an option under our 2026 Plan to purchase 21,500 shares of our common stock, or the annual option grants.

The stock options granted to our non-employee directors will have a per share exercise price equal to the fair market value of a share of our common stock on the date of grant, will expire not later than ten years after the

date of grant, and will be subject to the terms and conditions of our 2026 Plan. The initial option grants will vest in 36 equal monthly installments over a period of three years commencing from the date of grant, subject to the director's continued service on our board of directors through each applicable vesting date. The annual option grants will vest in full on the earlier of the first anniversary of the date of grant or the next annual meeting of our stockholders, subject to the director's continued service on our board of directors through the applicable vesting date. Upon a change of control (as defined in the applicable stock option award agreements), each initial option grant and each annual option grant that is then outstanding will vest in full, subject to the director's continued service on our board of directors through such change of control.

All cash fees will be paid quarterly, in arrears, or upon the earlier resignation or removal of the non-employee director. The amount of each payment will be prorated for any portion of a calendar quarter that a non-employee director is not serving on our board of directors, based on the number of calendar days served by such non-employee director. For the calendar quarter in which this offering occurs, the amount of each payment will be prorated based on the number of calendar days such non-employee director was a member of our board of directors following this offering.

Each non-employee director is entitled to reimbursement for reasonable travel and other expenses incurred in connection with attending meetings of our board of directors and any committee on which he or she serves.

Equity incentive plans

2021 Plan

In 2021, our board of directors approved the 2021 Plan. The 2021 Plan has been amended from time to time to increase the aggregate number of shares of our common stock reserved for issuance under the 2021 Plan, and was most recently amended on December 21, 2025. The 2021 Plan permits the grant of stock options and restricted and unrestricted shares of common stock. Subject to adjustment, the maximum number of shares of common stock that may be granted under the 2021 Plan is 4,411,143. As of September 30, 2025, options to purchase 739,331 shares of common stock were outstanding under the 2021 Plan and 20,407 shares of common stock remained available for future issuance. Shares underlying awards that expire or become unexercisable without having been exercised, or that are forfeited to or repurchased by us will become available for subsequent awards under the 2021 Plan. It is anticipated that no further awards will be made under the 2021 Plan following the completion of this offering. In connection with this offering, we intend to adopt a new omnibus equity plan under which we will grant equity-based awards in connection with or following this offering. This summary is not a complete description of all provisions of the 2021 Plan and is qualified in its entirety by reference to the 2021 Plan, which is filed as an exhibit to the registration statement of which this prospectus is part.

Plan administration

Our board of directors administers the 2021 Plan. Our board of directors has the discretionary authority to grant awards, to construe award agreements and the 2021 Plan, to prescribe, amend and rescind rules and regulations relating to the 2021 Plan, to determine the terms and provisions of the award agreements and to make all other determinations in the judgment of our board of directors necessary or desirable for the administration of the 2021 Plan. Our board of directors may delegate any or all of its powers to a committee. As used in this summary, the term "Administrator" refers to our board of directors and its authorized delegates, as applicable.

Eligibility

Our and our affiliates' employees, officers, directors, advisors and consultants are eligible to participate in the 2021 Plan. Eligibility for incentive stock options is limited to our employees or employees of certain affiliates.

Vesting; terms of awards

The Administrator determines the terms and conditions of all awards granted under the 2021 Plan, including the time or times an award vests or becomes exercisable, and the terms on which an award remains exercisable. No option granted to a director or executive officer may be exercisable during the first six months of the date of grant. Subject to the immediately preceding sentence, the Administrator may at any time accelerate the vesting or exercisability of an award.

Transferability of awards

Except as the Administrator may otherwise determine, options may not be transferred other than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order. Shares of common stock may not be transferred unless the transfer complies with all provisions of the 2021 Plan.

Effect of certain transactions

In the event of change of control, as defined in the 2021 Plan, the Administrator may, with respect to outstanding awards, provide for the acceleration of exercisability or lapse of restrictions in respect of any award, in full or in part and/or the cash-out of awards. If not accelerated or cashed out, the awards will be assumed or substituted by the successor company, and to the extent not assumed or substituted, any outstanding option will terminate and shares of restricted common stock will be repurchased.

Adjustment provisions

If, through or as a result of any recapitalization, reclassification, stock dividend, stock split, reverse stock split, liquidation, exchange of shares, spin-off, combination, consolidation or other similar transaction, (i) the outstanding shares of common stock are increased, decreased or exchanged for a different number or kind of shares or other securities or (ii) additional shares or new or different shares or other non-cash assets are distributed with respect to such shares or other securities, an appropriate and proportionate adjustment will be made to (x) the maximum number and kind of shares reserved for issuance under the 2021 Plan, (y) the number and kind of securities underlying awards then outstanding and (z) the exercise price for each option, without changing the aggregate purchase price as to which such options remain exercisable.

Amendments and termination

The Administrator may at any time amend the 2021 Plan and may at any time terminate the 2021 Plan as to future grants. However, except as expressly provided in the 2021 Plan, the Administrator may not alter the terms of the plan so as to adversely affect a participant's rights under an award without the participant's consent. Any amendments to the 2021 Plan will be conditioned on stockholder approval to the extent required.

2026 compensation plans

2026 Equity Incentive Plan

In connection with this offering, our board of directors has adopted and our stockholders have approved the 2026 Plan and, in connection with and following this offering, all equity-based awards to our employees, directors and consultants will be granted under the 2026 Plan. The following summary describes what we expect to be the material terms of the 2026 Plan. This summary is not a complete description of all provisions of the 2026 Plan and is qualified in its entirety by reference to the 2026 Plan, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

Grants in connection with this Offering

In connection with this offering, effective upon pricing of this offering, our board of directors has granted an option to purchase 51,525 shares of our common stock to each of John W. Childs, Vladimir Coric and Jane Grant-Kels, an option to purchase 45,131 shares of our common stock to Patrick Enright, and an option to purchase 43,000 shares of our common stock to each of David Friedman and Katarina Pance. These options will vest in full on the first anniversary of the date of grant, generally subject to the director's continued service through such date, and will have an exercise price equal to the price per share of our common stock in this offering.

In addition, our board of directors has granted an option to purchase shares of our common stock to our named executive officers and certain of our other employees, in each case effective upon the pricing of this offering. These options will vest as to 25% of the underlying shares on the first anniversary of the date of grant, and as to the remaining 75% of the underlying shares in 36 equal monthly installments thereafter, generally subject to the grantee's continued employment through each applicable vesting date, and will have an exercise price equal to the price per share of our common stock in this offering. Dr. Waldman will receive an option to purchase 556,399 shares of our common stock. Dr. Durso will receive an option to purchase 213,352 shares of our common stock, Mr. Carrano will receive an option to purchase 148,011 shares of our common stock, and other employees will receive options to purchase an aggregate of 564,786 shares of our common stock.

Purpose. The purpose of the 2026 Plan is to advance our interests by providing for the grant of stock and stock-based awards to our employees, directors and consultants.

Plan Administration. The 2026 Plan will generally be administered by the compensation committee. The compensation committee (or our board of directors, as applicable) will have the discretionary authority to interpret the 2026 Plan and any awards granted under it, determine eligibility for and grant awards, determine the exercise price, base value from which appreciation is measured, or purchase price, if any, applicable to any award, determine, modify, accelerate and waive the terms and conditions of any award, determine the form of settlement of awards, prescribe forms, rules and procedures relating to the 2026 Plan and awards and otherwise do all things necessary or desirable to carry out the purposes of the 2026 Plan or any award. The compensation committee may delegate such of its duties, powers and responsibilities as it may determine to one or more of its members, members of our board of directors and, to the extent permitted by law, our officers, and may delegate to employees and other persons such ministerial tasks as it deems appropriate. As used in this summary, the term “Administrator” refers to the compensation committee and its authorized delegates, as applicable.

Eligibility. Our employees, directors and consultants are eligible to participate in the 2026 Plan. Eligibility for stock options intended to be incentive stock options, or ISOs, is limited to our employees or employees of certain affiliates. Eligibility for stock options, other than ISOs, and stock appreciation rights, or SARs, is limited to individuals who are providing direct services to us or certain affiliates on the date of grant of the award.

Authorized Shares. Subject to adjustment as described below, the maximum number of shares of our common stock that may be delivered in satisfaction of awards under the 2026 Plan is (i) the number of shares equal to 10.8% of the shares of our common stock issued and outstanding as of immediately following the consummation of this offering (not to exceed 4,518,426 shares), or the share pool, plus (ii) the number of shares of common stock underlying awards under the 2021 Plan that on or after the date the 2026 Plan is adopted are reacquired by us or are forfeited, expire, terminate or are cancelled for any reason without having been exercised or become vested in full, or otherwise become available again for grant under the 2021 Plan, in each case in accordance with its terms (up to an aggregate of 685,080 shares). The share pool will automatically increase on January 1st of each year beginning in 2027 and continuing through and including 2036 by the lesser of (i) five percent of the number of shares of our common stock outstanding as of the close of business on the immediately preceding December 31st and (ii) the number of shares determined by our board of directors on or prior to such date for such year. Up to 24,289,722 shares may be delivered in satisfaction of ISOs. The number of shares of our common stock delivered in satisfaction of awards under the 2026 Plan is determined (i) by excluding shares withheld by us in payment of the exercise price or purchase price of the award or in satisfaction of tax withholding requirements with respect to the award, (ii) by including only the number of shares delivered in settlement of a SAR that is settled in shares of our common stock, and (iii) by excluding any shares underlying awards settled in cash or that expire, become unexercisable, terminate or are forfeited to or repurchased by us, in each case, without the delivery of shares of our common stock (or retention, in the case of restricted stock or unrestricted stock). The number of shares available for delivery under the 2026 Plan will not be increased by any shares that have been delivered under the 2026 Plan and are subsequently repurchased using proceeds directly attributable to stock option exercises. Shares that may be delivered under the 2026 Plan may be authorized but unissued shares, treasury shares or previously issued shares acquired by us.

Types of Awards. The 2026 Plan provides for the grant of stock options, SARs, restricted and unrestricted stock and stock units, performance awards and other awards that are convertible into or otherwise based on our common stock. Dividend equivalents may also be provided in connection with awards under the 2026 Plan.

- *Stock Options and SARs.* The Administrator may grant stock options, including ISOs, and SARs. A stock option is a right entitling the holder to acquire shares of our common stock upon payment of the applicable exercise price. A SAR is a right entitling the holder upon exercise to receive an amount (payable in cash or shares of equivalent value) equal to the excess of the closing price of the shares subject to the right over the base value from which appreciation is measured. The exercise price per share of each stock option, and the base value of each SAR, granted under the 2026 Plan will not be less than 100% of the closing price of a share on the date of grant (or, if no closing price is reported on that date, the closing price on the immediately preceding date on which a closing price was reported) (110% in the case of certain ISOs).

Other than in connection with certain corporate transactions or changes to our capital structure, stock options and SARs granted under the 2026 Plan may not be repriced, amended, or substituted for with new stock options or SARs having a lower exercise price or base value, nor may any consideration be paid upon the cancellation of any stock options or SARs that have a per share exercise or base price greater than the closing price of a share on the date of such cancellation (or, if no closing price is reported on that date, the closing price on the immediately preceding date on which a closing price was reported), in each case, without stockholder approval. Each stock option and SAR will have a maximum term of not more than ten years from the date of grant (or five years, in the case of certain ISOs).

- *Restricted and Unrestricted Stock and Stock Units.* The Administrator may grant awards of stock, stock units, restricted stock and restricted stock units. A stock unit is an unfunded and unsecured promise, denominated in shares, to deliver shares or cash measured by the value of shares in the future, and a restricted stock unit is a stock unit that is subject to the satisfaction of specified performance or other vesting conditions. Restricted stock are shares subject to restrictions requiring that they be forfeited, redelivered or offered for sale to us if specified performance or other vesting conditions are not satisfied.
- *Performance Awards.* The Administrator may grant performance awards, which are awards that vest subject to the achievement of performance criteria.
- *Other Share-Based Awards.* The Administrator may grant other awards that are convertible into or otherwise based on shares of our common stock, subject to such terms and conditions as it determines.
- *Substitute Awards.* The Administrator may grant substitute awards in connection with certain corporate transactions, which may have terms and conditions that are different from the terms and conditions of the 2026 Plan.

Non-Employee Director Limits. The aggregate value of all compensation granted or paid to any director with respect to any calendar year, including the grant date fair value of awards granted under the 2026 Plan and cash fees or other compensation paid by us to such director outside of the 2026 Plan for services as a director during such calendar year (which, for the avoidance of doubt, will not include compensation granted or paid to a director for services other than as a director, including without limitation, for services as a consultant or advisor to the Company), is subject to a limit of \$750,000 in the aggregate (\$1,000,000 in the aggregate with respect to a director's first year of service on our board of directors).

Vesting; Terms of Awards. The Administrator determines the terms and conditions of all awards granted under the 2026 Plan, including the time or times an award vests or becomes exercisable, the terms and conditions on which an award remains exercisable, and the effect of termination of a participant's employment or service on an award. The Administrator may at any time accelerate the vesting or exercisability of an award.

Non transferability of Awards. Except as the Administrator may otherwise determine, awards may not be transferred other than by will or by the laws of descent and distribution.

Adjustments upon Certain Covered Transactions. In the event of certain covered transactions (including the consummation of a consolidation, merger or similar transaction, the sale of all or substantially all of our assets or shares of our common stock, or our dissolution or liquidation), the Administrator may, with respect to outstanding awards, provide for (in each case, on such terms and subject to such conditions as it deems appropriate):

- The assumption, substitution or continuation of some or all awards (or any portion thereof) by the acquiror or surviving entity;
- The acceleration of exercisability or delivery of shares in respect of any award, in full or in part; and/or
- The cash payment in respect of some or all awards (or any portion thereof) equal to the difference between the fair market value of the shares subject to the award and its exercise or base price, if any.

Except as the Administrator may otherwise determine, each award will automatically terminate or be forfeited immediately upon the consummation of the covered transaction, other than awards that are substituted for, assumed, or that continue following the covered transaction.

Adjustments upon Changes in Capitalization. In the event of certain corporate transactions, including a recapitalization, reclassification, stock dividend, stock split, reverse stock split, liquidation, exchange of shares, spin-off, combination, consolidation, or other similar change in our capital structure, the Administrator will make appropriate adjustments to the maximum number of shares that may be delivered under the 2026 Plan, the number and kind of securities subject to, and, if applicable, the exercise or purchase prices (or base values) of outstanding awards, and any other provisions affected by such event.

Recovery of Compensation. The Administrator may provide that any outstanding award, the proceeds of any award or shares acquired thereunder and any other amounts received in respect of any award or shares acquired thereunder will be subject to forfeiture and disgorgement to us, with interest and other related earnings, if the participant to whom the award was granted is not in compliance with any provision of the 2026 Plan or any award, or violates any non-competition, non-solicitation, no-hire, non-disparagement, confidentiality, invention assignment or other restrictive covenant in favor of the Company or any of its affiliates, or any Company policy that relates to trading on non-public information and permitted transactions with respect to shares of our common stock or provides for forfeiture, disgorgement or clawback, or as otherwise required by law or applicable stock exchange listing standards.

Amendment and Termination. The Administrator may at any time amend the 2026 Plan or any outstanding award and may at any time terminate the 2026 Plan as to future awards. However, except as expressly provided in the 2026 Plan, the Administrator may not alter the terms of an award so as to materially and adversely affect a participant's rights without the participant's consent (unless the Administrator expressly reserved the right to do so in the 2026 Plan or at the time the award was granted). Any amendments to the 2026 Plan will be conditioned on stockholder approval to the extent required by applicable law or stock exchange requirements.

2026 Employee Stock Purchase Plan

In connection with this offering, our board of directors has adopted and the stockholders have approved the Veradermics, Incorporated 2026 Employee Stock Purchase Plan, or the ESPP. The following summary describes what we expect to be the material terms of the ESPP. This summary is not a complete description of all provisions of the ESPP and is qualified in its entirety by reference to the ESPP, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

Purpose. The purpose of the ESPP is to enable eligible employees of us and our participating subsidiaries to use payroll deductions to purchase shares of our common stock, and thereby acquire an interest in us. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code.

Administration. The ESPP will be administered by the compensation committee, which will have the discretionary authority to administer and interpret the ESPP, determine eligibility under the ESPP, prescribe forms, rules and procedures relating to the ESPP, and otherwise do all things necessary or desirable to carry out the purposes of the ESPP. The compensation committee may delegate such of its duties, powers and responsibilities as it may determine to one or more of its members, members of our board of directors and our officers and employees, in each case, to the extent permitted by law. As used in this summary, the term "Administrator" refers to the compensation committee and its authorized delegates, as applicable.

Shares Subject to the ESPP. Subject to adjustment as described below, the aggregate number of shares of our common stock available for purchase pursuant to the exercise of options under the ESPP is 316,668 shares, plus an automatic annual increase, as of January 1st of each year beginning in 2027 and continuing through and including 2036, equal to the lesser of (i) one percent of the number of shares of our common stock outstanding as of the close of business on the immediately preceding December 31st and (ii) the number of shares determined by our board of directors on or prior to such date for such year. Shares to be delivered upon exercise of options under the ESPP may be authorized but unissued shares, treasury shares, or previously issued shares acquired by us. If any option granted under the ESPP expires or terminates for any reason without having been exercised in full or ceases for any reason to be exercisable in whole or in part, the unpurchased shares subject to such option will remain available for purchase under the ESPP.

Eligibility. Participation in the ESPP will generally be limited to our employees and employees of our subsidiaries who are employed by us or one of our subsidiaries, as applicable, as of the first day of an applicable offering period and who satisfy the requirements set forth in the ESPP. The Administrator may establish additional or other eligibility requirements, or change the requirements set forth in the ESPP, to the extent consistent with Section 423 of the Code. Any employee who owns (or is deemed under statutory attribution rules to own) shares possessing five percent or more of the total combined voting power or value of all classes of shares of us or our parent or subsidiaries, if any, will not be eligible to participate in the ESPP.

General Terms of Participation. The ESPP allows eligible employees to purchase shares of our common stock during specified offering periods. On the first day of each offering period, eligible employees will be granted an option to purchase shares of our common stock on the last business day of the offering period. A participant may purchase a maximum of 5,000 shares with respect to any offering period (or such lesser number as the Administrator may prescribe). No participant will be granted an option under the ESPP that permits the participant's right to purchase shares of our common stock under the ESPP and under all other employee stock purchase plans of us or our parent or subsidiaries, if any, to accrue at a rate that exceeds \$25,000 in fair market value (or such other maximum as may be prescribed by the Code) for each calendar year during which any option granted to the participant is outstanding at any time, determined in accordance with Section 423 of the Code.

The purchase price of each share issued pursuant to the exercise of an option under the ESPP on an exercise date will be 85% (or such greater percentage as specified by the Administrator) of the lesser of: (a) the closing price of a share of our common stock on the date the option is granted (or, if no closing price is reported on that date, the closing price on the immediately preceding date on which a closing price was reported), which will be the first day of the offering period, and (b) the closing price of a share of our common stock on the exercise date (or, if no closing price is reported on that date, the closing price on the immediately preceding date on which a closing price was reported), which will be the last business day of the offering period.

The Administrator has the discretion to change the commencement and exercise dates of offering periods, the purchase price, the maximum number of shares that may be purchased with respect to any offering period, the duration of any offering periods and other terms of the ESPP, in each case, without stockholder approval, except as required by law.

Participants in the ESPP will pay for shares purchased under the ESPP through payroll deductions. Participants may elect to authorize payroll deductions in an amount equal to a pre-established percentage of the participant's eligible compensation each payroll period.

Transfer Restrictions. For participants who have purchased shares under the ESPP, the Administrator may impose restrictions prohibiting the transfer, sale, pledge or alienation of such shares, other than by will or by the laws of descent and distribution, for such period as may be determined by the Administrator.

Adjustments upon Changes in Capitalization. In the event of a recapitalization, reclassification, stock dividend, stock split, reverse stock split, liquidation, exchange of shares, spin-off, combination, consolidation or other similar change in our capital structure that constitutes an equity restructuring, the Administrator will make appropriate adjustments to the maximum number and type of shares available for purchase under the ESPP, the number and type of shares granted under any outstanding options, the maximum number and type of shares purchasable under any outstanding option and/or the purchase price per share under any outstanding option.

Covered Transactions. In the event of (i) a consolidation, merger or similar transaction or series of related transactions, including a sale or other disposition of stock, in which we are not the surviving entity or which results in the acquisition of all or substantially all of our then outstanding common stock by another person, (ii) a sale or transfer of all or substantially all of our assets, or (iii) a dissolution or liquidation, the Administrator may provide that each outstanding option will be assumed or substituted for or will be cancelled and the balances of participants' accounts returned, or that the option period will end before the date of the proposed covered transaction.

Amendment and Termination. The Administrator has discretion to amend the ESPP to any extent and in any manner it may deem advisable, provided that any amendment that would be treated as the adoption of a new plan for purposes of Section 423 of the Code will require stockholder approval. The Administrator may suspend or terminate the ESPP at any time.

Cash Incentive Plan

In connection with this offering, our board of directors has adopted the Veradermics, Incorporated 2026 Cash Incentive Plan, or the Cash Incentive Plan, which became effective upon the effectiveness of the registration statement of which this prospectus forms a part. Following its adoption, the Cash Incentive Plan will provide for the grant of cash-based incentive awards to our executive officers and other key employees. The following summary describes what we expect to be the material terms of the Cash Incentive Plan. This summary is not a complete description of all provisions of the Cash Incentive Plan and is qualified in its entirety by reference to the Cash Incentive Plan, which will be filed as an exhibit to the registration statement of which this prospectus is a part.

Purpose. The purpose of the Cash Incentive Plan is to advance our interests by providing for the grant of cash-based incentive awards to our executive officers and other key employees that will attract, retain, and reward such persons and incentivize them to attain key Company performance criteria and metrics.

Plan Administration. The Cash Incentive Plan will be administered by the compensation committee and its delegates. As used in this summary, the term “Administrator” refers to the compensation committee and its authorized delegates, as applicable. The Administrator will have the discretionary authority to administer and interpret the Cash Incentive Plan and any awards; determine eligibility for and grant awards; adjust the performance criterion or criteria applicable to awards; determine, modify or waive the terms and conditions of any award; prescribe forms, rules and procedures relating to the Cash Incentive Plan and awards, and otherwise do all things necessary or desirable to carry out the purposes of the Cash Incentive Plan.

Eligibility and Participation. Executive officers and other key employees of us and our subsidiaries will be eligible to participate in the Cash Incentive Plan and will be selected from time to time by the Administrator to participate in the Cash Incentive Plan.

Awards; Performance Criteria. Awards under the Cash Incentive Plan will be made based on, and subject to achieving, specified criteria established by the Administrator. For each award granted under the Cash Incentive Plan, the Administrator will establish the performance criteria applicable to the award, the amount or amounts payable if the performance criteria are achieved and such other terms and conditions as the Administrator deems appropriate.

Payments under an Award. A participant will be entitled to payment under an award only if all conditions to payment have been satisfied in accordance with the Cash Incentive Plan and the terms of the award. Following the end of a performance period, the Administrator will determine whether and to what extent the applicable performance criteria have been satisfied and will determine the amount payable under each award. The Administrator has the discretionary authority to increase or decrease the amount actually paid under any award.

Recovery of Compensation. Payments in respect of an award will be subject to forfeiture and disgorgement to us if the participant violates a non-competition, non-solicitation, confidentiality or other restrictive covenant or to the extent provided in any applicable Company policy that provides for forfeiture or disgorgement, or as otherwise required by law or applicable stock exchange listing standards.

Amendment and Termination. The Administrator may amend the Cash Incentive Plan or any outstanding award for any purpose, and may at any time terminate the Cash Incentive Plan as to any future grant of awards.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a summary of transactions since January 1, 2022, to which we have been a party in which the amount involved exceeded the lesser of (i) \$120,000 or (ii) one percent of the average of our total assets at year end for the last two completed fiscal years, and in which any of our executive officers, directors, promoters or beneficial holders of more than 5% of our capital stock had or will have a direct or indirect material interest, other than compensation arrangements which are described under the section of this prospectus captioned “[Executive and Director Compensation](#).” We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that would be paid or received, as applicable, in arm’s-length transactions with unrelated third parties.

Private Placements

Series A-4 Preferred Stock

In April 2023, we entered into a Series A-4 Preferred Stock Purchase Agreement pursuant to which we issued an aggregate of 4,965,572 shares of our Series A-4 Preferred Stock at a purchase price of \$3.0208 per share. Each share of our Series A-4 Preferred Stock will convert into shares of our common stock immediately prior to the consummation of this offering, including adjustments in connection with the 1-for-10.067 reverse stock split of our common stock, which was effected on January 27, 2026. The following table summarizes the Series A-4 Preferred Stock issued to our directors, executive officers and beneficial holders of more than 5% of our capital stock:

Purchaser	Shares of Series A-4 Preferred Stock	Aggregate Purchase Price of Shares Purchased (\$)
Entities affiliated with J.W. Childs Associates ⁽¹⁾	1,655,191	5,000,001
Entities Affiliated with ChemWerth, Inc.	827,595	2,499,999
Connecticut Innovations, Incorporated	794,491	2,399,998
Therapeutics, Inc.	354,212	1,070,004
Mediqventures Limited	331,038	1,000,000
Trusts affiliated with Vladimir Coric ⁽²⁾	331,038	1,000,000
Christopher S. Eklund Trust U/A/D 8/31/2000	281,382	849,999

- (1) Mr. Childs, a member of our board of directors, serves as Chairman of J.W. Childs Associates, L.P. Entities related to J.W. Childs Associates beneficially own more than 5% of our capital stock.
- (2) Dr. Coric, a member of our board of directors, is a beneficiary of the Vladimir Coric Family Trust 2013 and the Vladimir Coric Marital Trust 2013, each of which is administered by Elizabeth Ann Coric as trustee. Trusts affiliated with Vladimir Coric beneficially own more than 5% of our capital stock.

Series B Preferred Stock

In November 2024, we entered into a Series B Preferred Stock Purchase Agreement, or the Series B Preferred Stock Purchase Agreement, pursuant to which we issued an aggregate of 62,245,805 shares of our Series B Preferred Stock at a purchase price of \$1.2049 per share. Where applicable, the payment of the purchase price consisted of or included the automatic conversion of certain convertible promissory notes, representing an aggregate outstanding principal amount and accrued interest of \$10.4 million, into 8,661,917 shares of Series B Preferred Stock. Each share of our Series B Preferred Stock will convert into shares of our common stock immediately prior to the consummation of this offering, including adjustments in connection with the 1-for-10.067 reverse stock split of our common stock, which was effected on January 27, 2026. The following

table summarizes the Series B Preferred Stock issued to our directors, executive officers and beneficial holders of more than 5% of our capital stock:

Purchaser	Shares of Series B Preferred Stock	Aggregate Purchase Price of Shares Purchased (\$)	Aggregate Principal Amount of Converted Convertible Promissory Notes (\$)
Longitude Venture Partners V, L.P. ⁽¹⁾	12,449,165	14,999,999	—
Entities affiliated with J.W. Childs Associates ⁽²⁾	9,129,388	6,151,611	4,848,389
Entities affiliated with Suvretta Capital ⁽³⁾	8,299,443	9,999,999	—
Citadel Multi-Strategy Equities (Surveyor)	6,224,582	7,499,999	—
Therapeutics, Inc.	3,533,209	3,032,917	1,224,246
Connecticut Innovations, Incorporated	7,413,807	8,932,896	—
Trusts affiliated with Vladimir Coric ⁽⁴⁾	2,995,836	2,748,006	861,677
Christopher S. Eklund Trust U/A/D 8/31/2000	1,872,561	1,117,551	1,138,698
Entities affiliated with ChemWerth, Inc.	873,308	—	1,052,250

- (1) Mr. Enright, a member of our board of directors, is co-founder and serves as a Managing Director of Longitude Capital Management Co., LLC, an entity affiliated with Longitude Venture Partners V, L.P. or LVPV. LVPV beneficially owns more than 5% of our capital stock.
- (2) Mr. Childs, a member of our board of directors, serves as Chairman of J.W. Childs Associates, L.P. Entities related to J.W. Childs Associates beneficially own more than 5% of our capital stock.
- (3) Dr. Friedman, a member of our board of directors, serves as a Managing Director of Suvretta Capital. Dr. Birdsey-Benson, a former member of our board of directors, serves as a Managing Director of Suvretta Capital. Entities related to Suvretta Capital beneficially own more than 5% of our capital stock.
- (4) Dr. Coric, a member of our board of directors, is a beneficiary of the Vladimir Coric Family Trust 2013 and the Vladimir Coric Marital Trust 2013, each of which is administered by Elizabeth Ann Coric as trustee. Trusts affiliated with Vladimir Coric beneficially own more than 5% of our capital stock.

Series C Preferred Stock

In October 2025, we entered into a Series C Preferred Stock Purchase Agreement pursuant to which we issued an aggregate of 118,682,683 shares of our Series C Preferred Stock at a purchase price of \$1.2723 per share. Each share of our Series C Preferred Stock will convert into shares of our common stock immediately prior to the consummation of this offering, including adjustments in connection with the 1-for-10.067 reverse stock split of our common stock, which was effected on January 27, 2026. The following table summarizes the Series C Preferred Stock issued to our directors, executive officers and beneficial holders of more than 5% of our capital stock:

Purchaser	Shares of Series C Preferred Stock	Aggregate Purchase Price of Shares Purchased (\$)
Entities affiliated with Longitude Capital ⁽¹⁾	23,579,344	30,000,000
Entities affiliated with SR One ⁽²⁾	19,649,453	24,999,999
Entities affiliated with Viking Global	15,719,562	19,999,999
Entities affiliated with Suvretta Capital ⁽³⁾	9,431,736	11,999,998
Citadel Multi-Strategy Equities (Surveyor)	7,859,781	9,999,999
Entities affiliated with J.W. Childs Associates ⁽⁴⁾	5,242,474	6,670,000
Vladimir Coric ⁽⁵⁾	2,750,923	3,499,999

- (1) Mr. Enright, a member of our board of directors, is co-founder and serves as a Managing Director of Longitude Capital Management Co., LLC, an entity affiliated with LVPV and L103. LVPV and L103 collectively beneficially own more than 5% of our capital stock.
- (2) Dr. Pance, a member of our board of directors, serves as a Senior Associate at SR One Capital Management. Entities related to SR One beneficially own more than 5% of our capital stock.
- (3) Dr. Friedman, a member of our board of directors, serves as a Managing Director of Suvretta Capital. Dr. Birdsey-Benson, a former member of our board of directors, serves as a Managing Director of Suvretta Capital. Entities related to Suvretta Capital beneficially own more than 5% of our capital stock.
- (4) Mr. Childs, a member of our board of directors, serves as Chairman of J.W. Childs Associates, L.P. Entities related to J.W. Childs Associates beneficially own more than 5% of our capital stock.
- (5) Dr. Coric, a member of our board of directors, is a beneficiary of the Vladimir Coric Family Trust 2013 and the Vladimir Coric Marital Trust 2013, each of which is administered by Elizabeth Ann Coric as trustee. Trusts affiliated with Vladimir Coric beneficially own more than 5% of our capital stock.

Investors' Rights Agreement

We are party to a Third Amended and Restated Investors' Rights Agreement, or the Investors' Rights Agreement, with our current stockholders. Pursuant to the terms of the Investors' Rights Agreement, we granted these stockholders certain information rights and the right to participate in future stock issuances, which rights terminate upon this offering. The Investors' Rights Agreement also grants these stockholders certain registration rights. See the section titled "[Description of Capital Stock—Registration Rights](#)" for additional information regarding these registration rights. Other provisions of the Investors' Rights Agreement will terminate upon completion of this offering.

Director Affiliations

Some of our directors are affiliated with and, prior to the closing of this offering, have served on our board of directors as representatives of entities which beneficially own or owned 5% or more of our voting securities, as indicated in the table below:

Director	Affiliated Stockholder
David Friedman, M.D.	Entities affiliated with Suvretta Capital
John W. Childs	Entities affiliated with J.W. Childs Associates
Patrick Enright	Entities affiliated with Longitude Capital
Katarina Pance, Ph.D	Entities affiliated with SR One

Agreements with Therapeutics, Inc.

In September 2020, we entered into the MSA and the Collaboration Agreement with TI. The MSA and Collaboration Agreement are described in more detail under "[Business—Agreements with Therapeutics, Inc.](#)" Pursuant to the Collaboration Agreement, we issued TI a convertible promissory note with a principal amount of \$0.5 million. On September 22, 2021, the convertible promissory note was converted into 238,008 shares of our Series A-2 Preferred Stock. In August 2024, we issued to TI a convertible promissory note with a principal amount of \$1.2 million for committed research and development services. In November 2024, the convertible promissory note was converted into 1,016,056 shares of our Series B Preferred Stock pursuant to the Series B Preferred Stock Purchase Agreement. Prior to the conversion, the aggregate principal amount and unpaid interest of the convertible promissory note was \$1.2 million. During the years ended December 31, 2024, 2023 and 2022, and the nine months ended September 30, 2025, we paid TI \$14.4 million, \$5.9 million, \$1.4 million and \$31.9 million, respectively, in connection with the MSA and work orders thereunder. TI beneficially owned more than 5% of our capital stock during the years ended December 31, 2024, 2023 and 2022.

Agreement with ChemWerth, Inc.

In July 2022, we entered into a Development and Manufacturing Agreement, or the Development and Manufacturing Agreement with ChemWerth, Inc., or ChemWerth. In accordance with the Development and Manufacturing Agreement, ChemWerth provides development and manufacturing services for the production of active pharmaceutical ingredients or drug substances identified by the Company. In May 2023, we issued to ChemWerth a promissory note with principal amount of \$0.8 million, and in August 2024, we issued to ChemWerth a convertible note with principal amount of \$0.3 million, each in connection with the Development and Manufacturing Agreement. In November 2024, we repaid the promissory note, including accrued interest, in full with proceeds from our Series B Preferred Stock financing, and the convertible note, including accrued interest, was converted into 873,308 shares of our Series B Preferred Stock pursuant to the Series B Preferred Stock Purchase Agreement. Prior to the repayment of the promissory note and the conversion of the convertible note, the aggregate principal amount and unpaid interest of the promissory note and the convertible note was \$0.8 million and \$0.3 million, respectively. During the years ended December 31, 2024, 2023 and 2022, and the nine months ended September 30, 2025, we paid ChemWerth \$1.1 million, \$2.7 million, \$0.5 million and \$0.5 million, respectively, in connection with the Development and Manufacturing Agreement. ChemWerth and its affiliates together beneficially owned more than 5% of our capital stock during the years ended December 31, 2024, 2023 and 2022, respectively.

Agreements with Green Line Talent Group LLC

From December 2024 to July 2025, we entered into certain talent search agreements with Green Line Talent Group LLC, or Green Line, pursuant to which we retained Green Line on an exclusive basis to provide end-to-end recruitment services for various roles at the Company. During the nine months ended September 30, 2025, we paid Green Line \$0.1 million pursuant to the talent search agreements. The Green Line Agreements may be considered a related party transactions because Kristen Nielsen, a Partner at Green Line, is the spouse of Mr. Carrano, our Chief Financial Officer. The Green Line agreements were negotiated on an arm's-length basis and are market rate transaction on terms that we believe are no less favorable than would have been reached with an unrelated third party.

Director and Officer Indemnification and Insurance

We have agreed to indemnify each of our directors and executive officers against certain liabilities, costs and expenses, and have purchased directors' and officers' liability insurance. We also maintain a general liability insurance policy which covers certain liabilities of directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers.

Related Person Transactions Policy

Our board of directors has adopted a written related person transaction policy, which became effective upon the effectiveness of the registration statement of which this prospectus forms a part, setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds the lesser of (i) \$120,000 or (ii) one percent of the average of our total assets at year end for the last two completed fiscal years, in any fiscal year and a related person had, has or will have a direct or indirect material interest, including without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked with considering all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of September 30, 2025, as adjusted to reflect the conversion of all preferred stock into common stock prior to the consummation of this offering and the sale of common stock offered by us in this offering, for:

- each person who we know beneficially owns more than 5% of our common stock;
- each of our directors;
- each of our named executive officers; and
- all of our directors and executive officers as a group.

The number of shares beneficially owned by each stockholder is determined under rules issued by the SEC. Under these rules, a person is deemed to be a “beneficial” owner of a security if that person has or shares voting power or investment power, which includes the power to dispose of or to direct the disposition of such security. Except as indicated in the footnotes below, we believe, based on the information furnished to us, that the individuals and entities named in the table below have sole voting and investment power with respect to all shares of common stock beneficially owned by them, subject to any applicable community property laws.

Percentage ownership of our common stock before this offering is based on 20,000,170 shares of our common stock outstanding as of December 31, 2025, prior to the consummation of this offering, and after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock as of December 31, 2025 into an aggregate of 19,250,410 shares of our common stock immediately prior to the consummation of this offering. Percentage ownership of our common stock after this offering is based on shares of our common stock outstanding as of December 31, 2025, after giving effect to the transactions as described above and our issuance of shares of our common stock in this offering. The table below excludes any purchases that may be made in this offering. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options or other rights held by such person that are currently exercisable or that will become exercisable within 60 days of December 31, 2025 are considered outstanding, although these shares are not considered outstanding for purposes of computing the

percentage ownership of any other person. Unless noted otherwise, the address of all listed stockholders is 470 James St. New Haven, CT, 06513.

NAME OF BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENTAGE OF SHARES BENEFICIALLY OWNED	
		BEFORE OFFERING	AFTER OFFERING
5% or greater stockholders:			
Entities affiliated with Longitude Capital ⁽¹⁾	3,578,873	17.9 %	10.2 %
Entities affiliated with SR One ⁽²⁾	1,951,868	9.8 %	5.6 %
Entities affiliated with J.W. Childs Associates ⁽³⁾	1,907,889	9.5 %	5.4 %
Entities affiliated with Suvretta Capital ⁽⁴⁾	1,761,317	8.8 %	5.0 %
Entities affiliated with Viking Global ⁽⁵⁾	1,561,494	7.8 %	4.5 %
Citadel Multi-Strategy Equities (Surveyor) ⁽⁶⁾	1,399,062	7.0 %	4.0 %
Directors and Named Executive Officers:			
Reid Waldman, M.D. ⁽⁷⁾	499,121	2.5 %	1.4 %
Timothy Durso, M.D. ⁽⁸⁾	400,175	2.0 %	1.1 %
Dominic Carrano, CPA ⁽⁹⁾	44,249	*	*
David Friedman, M.D.	—	— %	— %
John W. Childs ⁽³⁾	1,907,889	9.5 %	5.4 %
Vlad Coric, M.D. ⁽¹⁰⁾	652,554	3.3 %	1.9 %
Katarina Pance, Ph.D.	—	— %	— %
Patrick Enright ⁽¹⁾	3,578,872	17.9 %	10.2 %
Jane Grant-Kels, M.D. ⁽¹¹⁾	22,431	*	*
All executive officers and directors as a group (11 persons) ⁽¹²⁾	7,105,291	35.5 %	20.3 %

* Represents beneficial ownership of less than one percent.

- (1) Consists of (i) 2,407,752 shares of common stock held by Longitude Venture Partners V, L.P. or LVPV and (ii) 1,171,121 shares of common stock held by Longitude 103.8 East, L.P., or L103. Longitude Capital Partners V, LLC, or LCPV, is the general partner of LVPV and may be deemed to have voting, investment and dispositive power with respect to these securities. Longitude 103.8 East Partners, LLC, or L103P is the general partner of L103 and may be deemed to have voting, investment and dispositive power with respect to these securities. Patrick G. Enright, a member of our Board, and Juliet Tammenoms Bakker are the managing members of each of LCPV and L103P, and may each be deemed to share voting, investment and dispositive power with respect to these securities. Each of LVPV, LCPV, L103, L103P, Mr. Enright and Ms. Tammenoms Bakker disclaims beneficial ownership of such securities except to the extent of their respective pecuniary interests therein. The address for these individuals and entities is 2740 Sand Hill Road, 2nd Floor, Menlo Park, CA 94025.
- (2) Consists of (i) 1,171,121 shares of common stock held by SR One Capital Fund II Aggregator, LP, or SR One Capital Fund II Aggregator and (ii) 780,747 shares of common stock held by AMZL, LP, or AMZL. SR One Capital Fund II Aggregator is directly controlled by its general partner, SR One Capital Partners II, LP, or SR One Capital Partners. AMZL is directly controlled by its general partner, SR One Capital SMA Partners, LP, or SMA Partners. SMA Partners and SR One Capital Partners are directly controlled by their general partners, SR One Capital Management, LLC, or SR One Capital Management, and Simeon George, M.D. controls SR One Capital Management. Accordingly, each of SR One Capital Management and Simeon George, M.D. may be deemed to have voting and dispositive power with respect to the 1,951,868 shares of common stock held of record by SR One Fund II Aggregator and AMZL. Katarina Pance, Ph.D. is a Senior Associate at SR One Capital Management, LP, an entity affiliated with SR One Fund II Aggregator and AMZL, and a member of our board of directors, and has no voting or dispositive power with respect to any of the above referenced shares and disclaims beneficial ownership of such shares except to the extent of her

actual pecuniary interest therein. All indirect holders of the above referenced shares disclaim beneficial ownership of all applicable shares except to the extent of their pecuniary interest therein. The address for these entities is 929 Main Street, Suite 200, Redwood City, California, 94063.

- (3) Consists of 1,907,889 shares of common stock held by J.W. Childs Associates (FL), L.P. John W. Childs 2013 Revocable Trust is the sole owner of J.W. Childs Associates (FL), L.P. John W. Childs, a member of our Board, is Trustee of John W. Childs 2013 Revocable Trust and may be deemed to hold voting and dispositive power with respect to these securities. The principal business address of J.W. Childs Associates (FL), L.P. is 180 Lakeview Avenue, Suite 2500, West Palm Beach, FL 33401.
- (4) Consists of (i) 1,701,918 shares of common stock held by Averill Master Fund, Ltd., or Averill Master Fund, and (ii) 59,399 shares of common stock held by Averill Madison Master Fund, Ltd., or Averill Madison Fund and, together with Averill Master Fund, the Averill Funds. Suvretta Capital Management, LLC is the investment manager of the Averill Funds. Aaron Cowen is a control person of Suvretta Capital Management, LLC and as such may be deemed to beneficially own these shares. The principal business address of Suvretta Capital Management, LLC is 540 Madison Avenue, 7th Floor, New York, NY 10022.
- (5) Consists of (i) 936,896 shares of common stock held by Viking Global Opportunities Illiquid Investments Sub-Master LP, or the Opportunities Fund, and (ii) 624,598 shares of common stock held by Viking Global Opportunities Drawdown (Aggregator) LP, or the Drawdown Fund. The Opportunities Fund has the authority to dispose of and vote the shares directly owned by it, which power may be exercised by its general partner, Viking Global Opportunities Portfolio GP LLC, or the Opportunities GP, and by Viking Global Investors LP, or VGI, which provides managerial services to the Opportunities Fund. The Drawdown Fund has the authority to dispose of and vote the shares directly owned by it, which power may be exercised by its general partner, Viking Global Opportunities Drawdown Portfolio GP LLC, or the Drawdown GP, and by VGI, which provides managerial services to the Drawdown Fund. Andreas Halvorsen, David C. Ott and Rose S. Shabet, as Executive Committee members of Viking Global Partners LLC (the general partner of VGI) and Viking Global Opportunities Parent GP LLC (the ultimate parent of the Opportunities GP and the Drawdown GP), have shared authority to direct the voting and disposition of investments beneficially owned by VGI, the Opportunities Fund, the Opportunities GP, the Drawdown Fund and the Drawdown GP. The business address of each of the entities is c/o Viking Global Investors LP, 600, Washington Blvd. Floor 11, Stamford, CT 06901.
- (6) Consists of 1,399,062 shares of common stock held by Citadel Multi-Strategy Equities Master Fund Ltd. (Surveyor). The principal business address of Citadel Multi-Strategy Equities Master Fund Ltd. is c/o Citadel Enterprises Americas LLC, 830 Brickell Plaza, Miami FL 33131.
- (7) Consists of (i) 234,908 shares of common stock held directly and (ii) 264,213 shares of common stock underlying outstanding stock options exercisable within 60 days of December 31, 2025.
- (8) Consists of (i) 234,908 shares of common stock held directly and (ii) 165,267 shares of common stock underlying outstanding stock options exercisable within 60 days of December 31, 2025.
- (9) Consists of 44,249 shares of common stock underlying outstanding stock options exercisable within 60 days of December 31, 2025.
- (10) Consists of (i) 129,939 shares of common stock held directly, (ii) 521,150 shares of common stock held in trust and (iii) 1,465 shares of common stock underlying outstanding stock options exercisable within 60 days of December 31, 2025.
- (11) Consists of 2,455 shares of common stock held directly and (ii) 19,976 shares of common stock held in trust.
- (12) Consists of (i) 6,088,971 shares of common stock held directly, (ii) 541,126 shares of common stock held in trust and (iii) 475,194 shares of common stock underlying outstanding stock options exercisable within 60 days of December 31, 2025.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock and provisions of our restated certificate of incorporation and amended and restated bylaws as they will be in effect prior to the consummation of this offering are summaries and are qualified in their entirety by reference to our restated certificate of incorporation and amended and restated bylaws that will be in effect prior to the consummation of this offering. Copies of these documents are filed as exhibits to the registration statement of which this prospectus is a part.

General

Upon the consummation of this offering, our authorized capital stock will consist of 200,000,000 shares of common stock, with a par value of \$0.00001 per share, and 25,000,000 shares of preferred stock, with a par value of \$0.00001 per share, all of which preferred stock will be undesignated. Our board of directors may establish the rights and preferences of the preferred stock from time to time.

As of September 30, 2025, after giving effect to (i) the automatic conversion of all outstanding shares of our convertible preferred stock as of September 30, 2025 into an aggregate of 7,461,130 shares of our common stock and (ii) the automatic conversion of 118,682,683 shares of Series C Preferred Stock issued after September 30, 2025 into an aggregate of 11,789,280 shares of our common stock, there would have been 19,999,437 shares of our common stock outstanding, held by 76 stockholders of record, and no shares of preferred stock outstanding.

Common Stock

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. An election of directors by our stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of any series of preferred stock that we may designate and issue in the future.

In the event of our liquidation or dissolution, the holders of common stock are entitled to receive proportionately our net assets available for distribution to stockholders after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock. Holders of common stock have no preemptive, subscription, redemption or conversion rights. Our outstanding shares of common stock are, and the shares offered by us in this offering will be, when issued and paid for, validly issued, fully paid and nonassessable. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Under the terms of our restated certificate of incorporation that will be in effect prior to the consummation of this offering, our board of directors is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third-party to acquire, or could discourage a third-party from seeking to acquire, a majority of our outstanding voting stock. Upon the consummation of this offering, there will be no shares of preferred stock outstanding, and we have no present plans to issue any shares of preferred stock.

Options

As of September 30, 2025, options to purchase 739,331 shares of our common stock were outstanding, 314,150 of which were vested and exercisable as of that date. For additional information regarding the terms of our 2021 Plan, see the sections titled [“Executive and Director Compensation—Equity Incentive Plans—2021 Equity Incentive Plan.”](#)

Registration Rights

On October 14, 2025, we entered into a Third Amended and Restated Investors’ Right Agreement, or the Investors’ Rights Agreement, with certain holders of our capital stock, or the Investors, including the purchasers of our Series C Preferred Stock and other specified stockholders.

The Investors’ Rights Agreement grants the parties thereto certain registration rights in respect of the “registrable securities” held by them, which securities include (i) shares of our common stock issued or issuable upon conversion of our preferred stock (ii) shares of our common stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, acquired by the Investors following the date of the Investors’ Rights Agreement and prior to the consummation of this offering, and (iii) any common stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i), (ii) and (iii). The registration of shares of our common stock pursuant to the exercise of these registration rights will enable the holders thereof to sell such shares without restriction under the Securities Act when the applicable registration statement is declared effective. Under the Investors’ Rights Agreement, we will pay all expenses relating to such registrations, including the reasonable fees of one counsel for the participating holders, and the holders will pay all underwriting discounts, selling commissions and stock transfer taxes relating to the sale of their shares. The Investors’ Rights Agreement also includes customary indemnification and procedural terms.

Holders of shares of our common stock (after giving effect to the conversion of preferred stock into shares of our common stock) are entitled to such registration rights pursuant to the Investors’ Rights Agreement. These registration rights will expire on the earlier of (i) such time after this offering as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such holder’s shares without limitation during a three-month period without registration and (ii) the fifth anniversary of the consummation of this offering.

Demand Registration Rights

At any time beginning 180 days after the effectiveness of the registration statement of which this prospectus forms a part, the holders of at least 35% of the registrable securities then outstanding may request that we file a registration statement on Form S-1 with respect to a majority of the registrable securities then outstanding, if the aggregate offering price of the registrable securities requested to be registered would exceed \$20 million.

Once we are eligible to use a registration statement on Form S-3, the holders of not less than 20% of the registrable shares then outstanding may request that we file a registration statement on Form S-3 with respect to such holders’ registrable securities then outstanding, if the aggregate offering price of the registrable securities requested to be registered would exceed \$1 million.

Piggyback Registration Rights

In the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, the stockholders party to the Investors’ Rights Agreement will be entitled to certain “piggyback” registration rights allowing them to include their registrable securities in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act other than with respect to a demand registration or a registration statement on Form S-4 or S-8, these holders will be entitled to notice of the registration and will have the right to include their registrable securities in the registration subject to certain limitations.

Anti-takeover Effects of Our Restated Certificate of Incorporation and Our Amended and Restated Bylaws

Our restated certificate of incorporation and amended and restated bylaws, which will be in effect prior to the consummation of this offering, will contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors, but which may have the effect of delaying, deferring or preventing a future takeover or change in control of us unless such takeover or change in control is approved by our board of directors.

These provisions include:

Classified board. Our restated certificate of incorporation will provide that our board of directors will be divided into three classes of directors, with the classes as nearly equal in number as possible. As a result, approximately one-third of our board of directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board of directors. Our restated certificate of incorporation will also provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed exclusively pursuant to a resolution adopted by our board of directors. Upon consummation of this offering, we expect that our board of directors will have members.

Action by written consent; special meetings of stockholders. Our restated certificate of incorporation will provide that stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting. Our restated certificate of incorporation and the bylaws will also provide that, except as otherwise required by law, special meetings of the stockholders can only be called pursuant to a resolution adopted by a majority of our board of directors. Except as described above, stockholders will not be permitted to call a special meeting or to require our board of directors to call a special meeting.

Removal of directors. Our restated certificate of incorporation will provide that our directors may be removed only for cause by the affirmative vote of at least 75% of the voting power of our outstanding shares of capital stock, voting together as a single class. This requirement of a supermajority vote to remove directors could enable a minority of our stockholders to prevent a change in the composition of our board of directors.

Advance notice procedures. Our bylaws will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although the bylaws will not give our board of directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Supermajority approval requirements. The DGCL generally provides that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless either a corporation's certificate of incorporation or bylaws requires a greater percentage. Our restated certificate of incorporation and bylaws will provide that the affirmative vote of holders of at least 75% of the total votes eligible to be cast in the election of directors will be required to amend, alter, change or repeal specified provisions. This requirement of a supermajority vote to approve amendments to our restated certificate of incorporation and bylaws could enable a minority of our stockholders to exercise veto power over any such amendments.

Authorized but unissued shares. Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred

stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Exclusive forum.

Our restated certificate of incorporation will provide that, subject to limited exceptions, the Court of Chancery of the State of Delaware (or, if, and only if, the Court of Chancery of the State of Delaware dismisses a Covered Claim (as defined below) for lack of subject matter jurisdiction, any other state or federal court in the State of Delaware that does have subject matter jurisdiction) will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for the following types of claims: (i) any derivative claim brought in the right of the Company, (ii) any claim asserting a breach of a fiduciary duty to the Company or the Company's stockholders owed by any current or former director, officer or other employee or stockholder of the Company, (iii) any claim against the Company arising pursuant to any provision of the DGCL, our restated certificate of incorporation or amended and restated bylaws, (iv) any claim to interpret, apply, enforce or determine the validity of our restated certificate of incorporation or amended and restated bylaws, (v) any claim against the Company governed by the internal affairs doctrine, and (vi) any other claim, not subject to exclusive federal jurisdiction and not asserting a cause of action arising under the Securities Act, brought in any action asserting one or more of the claims specified in clauses (a)(i) through (v) herein above, each a Covered Claim. This provision would not apply to claims brought to enforce a duty or liability created by the Exchange Act.

Our restated certificate of incorporation will further provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. In addition, our restated certificate of incorporation will provide that any person or entity purchasing or otherwise acquiring any interest in the shares of capital stock of the Company will be deemed to have notice of and consented to these choice-of-forum provisions and waived any argument relating to the inconvenience of the forums in connection with any Covered Claim.

The choice of forum provisions to be contained in our restated certificate of incorporation may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. While the Delaware courts have determined that such choice of forum provisions are facially valid, it is possible that a court of law in another jurisdiction could rule that the choice of forum provisions to be contained in our restated certificate of incorporation are inapplicable or unenforceable if they are challenged in a proceeding or otherwise, which could cause us to incur additional costs associated with resolving such action in other jurisdictions. See the section titled ["Risk Factors—Risks Related to This Offering and Our Common Stock—Our restated certificate of incorporation will designate specific courts as the sole and exclusive forum for certain claims or causes of action that may be brought by our stockholders, which could discourage lawsuits against us and our directors and officers."](#)

Section 203 of the DGCL

Upon consummation of this offering, we will be subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, 15% or more of the corporation's voting stock.

Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions: before the stockholder became interested, the corporation's board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock

plans, in some instances; or at or after the time the stockholder became interested, the business combination was approved by the board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

A Delaware corporation may “opt out” of these provisions with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders’ amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Limitations of Liability and Indemnification Matters

For a discussion of liability and indemnification, see the section titled “[Executive and Director Compensation-Limitations on Liability and Indemnification.](#)”

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Equiniti Trust Company, LLC.

Listing

Our common stock has been approved for listing on the NYSE under the symbol “MANE.”

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there was no public market for our common stock, and no predictions can be made about the effect, if any, that market sales of our common stock or the availability of such shares for sale will have on the market price prevailing from time to time. Nevertheless, future sales of our common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our common stock and could impair our ability to raise capital through future sales of our securities. See the section titled [“Risk Factors—Risks Related to This Offering and Our Common Stock—A significant portion of our total outstanding shares is restricted from immediate resale but may be sold into the market in the near future, which could cause the market price of our common stock to decline significantly, even if our business is doing well.”](#) Furthermore, although our common stock has been approved for listing on the NYSE, we cannot assure you that there will be an active public trading market for our common stock.

Upon the consummation of this offering, based on the number of shares of our common stock outstanding as of September 30, 2025, after giving effect to (i) the automatic conversion of all outstanding shares of our convertible preferred stock as of September 30, 2025 into an aggregate of 7,461,130 shares of our common stock and (ii) the automatic conversion of all outstanding shares of Series C Preferred Stock issued after September 30, 2025 into an aggregate of 11,789,280 shares of our common stock, in each case immediately prior to the consummation of this offering, we will have an aggregate of 35,077,084 shares of our common stock outstanding (or 37,338,731 shares of our common stock if the underwriters exercise in full their option to purchase additional shares). Of these shares of our common stock, all of the 15,077,647 shares sold in this offering (or 17,339,294 shares if the underwriters exercise in full their option to purchase additional shares) will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by our “affiliates,” as that term is defined in Rule 144 under the Securities Act, whose sales would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

All remaining shares of common stock held by existing stockholders immediately prior to the consummation of this offering will be “restricted securities” as such term is defined in Rule 144. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below. We expect that substantially all of these shares will be subject to the 180-day lock-up period under the lock-up agreements described below. Upon expiration of the lock-up period, we estimate that approximately 20,000,170 shares of our common stock will become available for sale in the public market, subject in some cases to applicable volume limitations under Rule 144.

Lock-Up Agreements

We and each of our directors and executive officers and holders of substantially all of our outstanding capital stock, who will collectively own approximately 19,878,828 shares of our common stock upon the consummation of this offering (based on our shares outstanding as of September 30, 2025 after giving effect to (i) the automatic conversion of all outstanding shares of our convertible preferred stock as of September 30, 2025 into an aggregate of 7,461,130 shares of our common stock and (ii) the automatic conversion of all outstanding shares of Series C Preferred Stock issued after September 30, 2025 into an aggregate of 11,789,280 shares of our common stock), have agreed, among other things and subject to certain exceptions, not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 180 days after the date of this prospectus without first obtaining the written consent of the representatives of the underwriters.

Upon the expiration of the lock-up period, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the limitations discussed above. For a further description of these lock-up agreements, please see the section titled [“Underwriters.”](#)

After the date of the initial public filing of the prospectus, certain of our employees, including our executive officers, and/or directors may enter into written trading plans that are intended to comply with Rule 10b5-1 under the Exchange Act. Sales under these trading plans would not be permitted until the expiration of the lock-up agreements relating to the offering described above.

Rule 144

Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale, who has beneficially owned shares of our common stock for at least six months would be entitled to sell (subject to the lock-up agreement referred to above, if applicable) in “broker’s transactions” or certain “riskless principal transactions” or to market makers, a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately 350,771 shares (or 373,387 shares if the underwriters exercise their option to purchase additional shares in full) of our common stock immediately after this offering; or
- the average weekly trading volume in shares of our common stock on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

An “affiliate” is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with an issuer. Affiliate resales under Rule 144 are also subject to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of \$50,000, the seller must file a notice on Form 144 with the SEC concurrently with either the placing of a sale order with the broker or the execution directly with a market maker.

Non-affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the three months preceding a sale, and who has beneficially owned shares of our common stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us (as well as the lock-up agreement referred to above, if applicable). If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90 day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation or notice filing provisions of Rule 144.

Rule 701

In general, under Rule 701, any of an issuer’s employees, directors, officers, consultants or advisors who purchases shares from the issuer in connection with a compensatory stock or option plan or other written agreement before the effective date of a registration statement under the Securities Act is entitled to sell such shares 90 days after such effective date in reliance on Rule 144. An affiliate of the issuer can resell shares in reliance on Rule 144 without having to comply with the holding period requirement, and non-affiliates of the issuer can resell shares in reliance on Rule 144 without having to comply with the current public information and holding period requirements.

The SEC has indicated that Rule 701 will apply to typical options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after an issuer becomes subject to the reporting requirements of the Exchange Act.

Equity Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of our common stock subject to outstanding options and shares of our common stock issued or issuable under our incentive plans. We expect to file the registration statement covering shares offered pursuant to our incentive plans shortly after the date of this prospectus, permitting the resale of such shares by non-affiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market, subject to compliance with the resale provisions of Rule 144.

Registration Rights

Upon the consummation of this offering, the holders of 19,250,410 shares of our common stock or their transferees, after giving effect to (i) the automatic conversion of all outstanding shares of our convertible preferred stock as of September 30, 2025 into an aggregate of 7,461,130 shares of our common stock and (ii) the automatic conversion of all outstanding shares of Series C Preferred Stock issued after September 30, 2025 into an aggregate of 11,789,280 shares of our common stock, in each case immediately prior to the consummation of this offering, will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See the section titled “[Description of Capital Stock—Registration Rights](#)” for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following is a summary of the material U.S. federal income tax considerations relating to the purchase, ownership and disposition of our common stock by Non-U.S. Holders (as defined below). This summary does not purport to be a complete analysis of all the potential tax considerations relevant to Non-U.S. Holders of our common stock. This summary is based upon the Code, the Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change at any time, possibly on a retroactive basis.

This discussion is limited to Non-U.S. Holders that hold our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). For purposes of this summary, a “Non-U.S. Holder” means a beneficial owner of our common stock that for U.S. federal income tax purposes is not classified as a partnership and is not:

- an individual who is a citizen or resident of the United States;
- a corporation or any other organization taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is included in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (1) a U.S. court is able to exercise primary supervision over the trust’s administration and one or more U.S. persons have the authority to control all of the trust’s substantial decisions or (2) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder’s particular circumstances, including any impact of any alternative minimum tax, any estate or gift tax, the special tax accounting rules under Section 451(b) of the Code or the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies and other financial institutions;
- brokers, dealers or traders in securities;
- “controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships or other pass-through entities for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans;
- persons who hold common stock that constitutes “qualified small business stock” under Section 1202 of the Code, or “Section 1244 stock” under Section 1244 of the Code;
- persons who acquired our common stock in a transaction subject to the gain rollover provisions of the Code (including Section 1045 of the Code);
- persons that acquired our common stock pursuant to the exercise of warrants or conversion rights under convertible instruments;
- persons who have elected to mark securities to market;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock; and

- “qualified foreign pension funds” as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of persons treated as its partners for U.S. federal income tax purposes will generally depend upon the status of the partner and the activities of the partnership. Partnerships and other entities that are classified as partnerships for U.S. federal income tax purposes and persons holding our common stock through a partnership or other entity classified as a partnership for U.S. federal income tax purposes are urged to consult their own tax advisors.

There can be no assurance that the IRS will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to the U.S. federal income tax consequences to a Non-U.S. Holder of the purchase, ownership or disposition of our common stock.

THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO BE TAX ADVICE. NON-U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME, STATE, LOCAL, NON-U.S. AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK.

Distributions on Our Common Stock

We do not currently expect to make distributions with respect to our common stock. If we make a distribution of cash or property with respect to our common stock, any such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent of our current and accumulated earnings and profits, if any, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will constitute a return of capital and will first reduce the holder’s adjusted tax basis in our common stock, but not below zero. Any remaining excess will be treated as capital gain, subject to the tax treatment described below in “—Gain on Sale, Exchange or Other Taxable Disposition of Our Common Stock.” Any such distribution would also be subject to the discussions below regarding effectively connected income and under the sections titled “—Additional Withholding and Reporting Requirements” and “—Backup Withholding and Information Reporting.”

Dividends paid to a Non-U.S. Holder generally will be subject to a 30% U.S. federal withholding tax unless such Non-U.S. Holder provides us or our agent, as the case may be, with an appropriate IRS Form W-8 establishing a reduction or exemption, such as:

- IRS Form W-8BEN or W-8BEN-E (or successor form) certifying, under penalties of perjury, a reduction or exemption in withholding under an applicable income tax treaty, or
- IRS Form W-8ECI (or successor form) certifying that a dividend paid on our common stock is not subject to withholding tax because it is effectively connected with a trade or business in the United States of the Non-U.S. Holder (in which case such dividend generally will be subject to regular graduated U.S. tax rates as described below).

The certification requirement described above must be provided to us or our agent prior to the payment of dividends and must be updated periodically. The certification also may require a Non-U.S. Holder that provides an IRS form or that claims treaty benefits to provide its U.S. taxpayer identification number. Special certification and other requirements apply in the case of certain Non-U.S. Holders that hold shares of our common stock through intermediaries or are pass-through entities for U.S. federal income tax purposes.

Each Non-U.S. Holder is urged to consult its own tax advisor about the specific methods for satisfying these requirements. A claim for reduction or exemption will not be valid if the person receiving the applicable form has actual knowledge or reason to know that the statements on the form are false.

If dividends are effectively connected with a trade or business in the United States of a Non-U.S. Holder (and, if required by an applicable income tax treaty, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States), the Non-U.S. Holder, although eligible for a reduction or exemption from

the withholding tax as described above (provided that the certification requirement described above is satisfied), generally will be subject to U.S. federal income tax on such dividends on a net income basis in the same manner as if it were a resident of the United States. In addition, if a Non-U.S. Holder is treated as a corporation for U.S. federal income tax purposes, the Non-U.S. Holder may be subject to an additional “branch profits tax” equal to 30% (unless reduced by an applicable income treaty) of its earnings and profits in respect of such effectively connected dividend income, as adjusted for certain items.

Non-U.S. Holders that do not timely provide us or our agent with the required certification, but which are eligible for a reduced rate of or exemption from U.S. federal withholding tax pursuant to an income tax treaty, may obtain a refund or credit of any excess amount withheld by timely filing an appropriate claim for refund with the IRS.

Gain on Sale, Exchange or Other Taxable Disposition of Our Common Stock

Subject to the discussions below under the sections titled “—Additional Withholding and Reporting Requirements” and “—Backup Withholding and Information Reporting,” in general, a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax on gain realized upon such holder’s sale, exchange or other taxable disposition of shares of our common stock, unless (1) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met, (2) we are or have been a “United States real property holding corporation,” as defined in the Code, or a USRPHC, at any time within the shorter of the five-year period preceding the disposition and the Non-U.S. Holder’s holding period in the shares of our common stock, and certain other requirements are met, or (3) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States).

If the first exception described above applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which such Non-U.S. Holder’s capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the disposition (provided that the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses). If the third exception described above applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain on a net income basis in the same manner as if it were a resident of the United States and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to any earnings and profits attributable to such gain at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

With respect to the second exception described above, generally, a corporation is a USRPHC only if the fair market value of its U.S. real property interests (as defined in the Code) equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We believe that we are not, and do not anticipate becoming, a USRPHC. Even if we became a USRPHC, a Non-U.S. Holder would not be subject to U.S. federal income tax on a sale, exchange or other taxable disposition of our common stock by reason of our status as USRPHC so long as our common stock is regularly traded on an established securities market at any time during the calendar year in which the disposition occurs and the Non-U.S. Holder does not own and is not deemed to own (directly, indirectly or constructively) more than 5% of our common stock at any time during the shorter of the five year period ending on the date of disposition and the holder’s holding period.

Additional Withholding and Reporting Requirements

The Foreign Account Tax Compliance Act, Sections 1471 through 1474 of the Code, and related Treasury regulations, together with other U.S. Treasury Department and IRS guidance issued thereunder, or FATCA, impose a U.S. federal withholding tax of 30% on certain payments, including dividends paid on our common stock, paid to (1) a “foreign financial institution” (as defined under FATCA) unless such institution furnishes proper documentation (typically on IRS Form W-8BEN-E) evidencing either (i) an exemption from FATCA withholding, (ii) its compliance (or deemed compliance) with specified due diligence, reporting, withholding and certification obligations under FATCA or (iii) residence in a jurisdiction that has entered into an intergovernmental agreement with the United States relating to FATCA and compliance with the diligence and

reporting requirements of the intergovernmental agreement and local implementing rules; or (2) a “non-financial foreign entity” (as defined under FATCA) that does not furnish proper documentation, typically on IRS Form W-8BEN-E, evidencing either (i) an exemption from FATCA or (ii) adequate information regarding substantial U.S. beneficial owners of such entity (if any). An intergovernmental agreement between the United States and an applicable foreign country, and legislation, rules and other official guidance adopted pursuant to such intergovernmental agreement, may modify these requirements.

The IRS and the U.S. Treasury Department have issued proposed regulations on which taxpayers may rely providing that these withholding rules will not apply to the gross proceeds of a sale or other disposition of shares of our common stock. Prospective investors should consult their own tax advisors regarding the effect of FATCA on their ownership and disposition of our common stock.

Backup Withholding and Information Reporting

We must report annually to the IRS and to each Non-U.S. Holder the gross amount of the distributions on our common stock paid to the holder and the tax withheld, if any, with respect to the distributions. Non-U.S. Holders may have to comply with specific certification procedures (such as the provision of a properly completed IRS Form W-8BEN or IRS Form W-8BEN-E) to establish that the holder is not a United States person (as defined in the Code) in order to avoid backup withholding at the applicable rate, currently 24%, with respect to dividends on our common stock. Dividends paid to Non-U.S. Holders subject to the U.S. withholding tax, as described above under the section titled “—Distributions on Our Common Stock,” generally will be exempt from U.S. backup withholding.

Information reporting and backup withholding will generally apply to the proceeds of a disposition of our common stock by a Non-U.S. Holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a Non-U.S. Holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Prospective investors should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them, including the availability of and procedure for obtaining an exemption from backup withholding.

Copies of information returns may be made available to the tax authorities of the country in which the Non-U.S. Holder resides or in which the Non-U.S. Holder is incorporated, under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder can be refunded or credited against the Non-U.S. Holder’s U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, dated February 3, 2026, among us and Jefferies LLC, Leerink Partners LLC, Citigroup Global Markets Inc. and Cantor Fitzgerald & Co. as the representatives of the underwriters named below and the book-running managers of this offering, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the respective number of shares of common stock shown opposite its name below:

Underwriter	Number of Shares
Jefferies LLC	5,427,953
Leerink Partners LLC	4,674,071
Citigroup Global Markets Inc.	2,713,976
Cantor Fitzgerald & Co.	2,261,647
Total	15,077,647

The underwriting agreement provides that the obligations of the several underwriters are subject to certain conditions precedent such as the receipt by the underwriters of officers' certificates and legal opinions and approval of certain legal matters by their counsel. The underwriting agreement provides that the underwriters will purchase all of the shares of common stock if any of them are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated. We have agreed to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities.

The underwriters have advised us that, following the consummation of this offering, they currently intend to make a market in the common stock as permitted by applicable laws and regulations. However, the underwriters are not obligated to do so, and the underwriters may discontinue any market-making activities at any time without notice in their sole discretion. Accordingly, no assurance can be given as to the liquidity of the trading market for the common stock, that you will be able to sell any of the common stock held by you at a particular time or that the prices that you receive when you sell will be favorable.

The underwriters are offering the shares of common stock subject to their acceptance of the shares of common stock from us and subject to prior sale. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. In addition, the underwriters have advised us that they do not intend to confirm sales to any account over which they exercise discretionary authority.

Eli Lilly has indicated an interest in purchasing at the initial public offering price shares of common stock in this offering in an amount up to 4.9% of the number of shares of common stock issued and outstanding after this offering. The shares of common stock to be purchased by Eli Lilly will not be subject to a lock-up agreement with the underwriters. Because this indication of interest is not a binding agreement or commitment to purchase, Eli Lilly may determine to purchase more, less or no shares in this offering or the underwriters may determine to sell more, less or no shares to Eli Lilly. The underwriters will receive the same underwriting discounts and commissions on any of our shares of common stock purchased by Eli Lilly as it will from any other shares of common stock sold to the public in this offering.

The cornerstone investor also has indicated an interest in purchasing up to \$30.0 million in shares of common stock in this offering at the initial public offering price. The shares of common stock to be purchased by the cornerstone investor will not be subject to a lock-up agreement with the underwriters. Because this indication of interest is not a binding agreement or commitment to purchase, the cornerstone investor may determine to purchase more, less or no shares in this offering or the underwriters may determine to sell more, less or no shares to the cornerstone investor. The underwriters will receive the same underwriting discounts and commissions on any of our shares of common stock purchased by the cornerstone investor as they will from any other shares of common stock sold to the public in this offering.

The number of shares of common stock available for sale to the public will be reduced to the extent that Eli Lilly or the cornerstone investor purchases shares of common stock in the offering.

Commission and Expenses

The underwriters have advised us that they propose to offer the shares of common stock to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers, which may include the underwriters, at that price less a concession not in excess of \$0.714 per share of common stock. After the offering, the initial public offering price, concession and reallowance to dealers may be reduced by the representatives. No such reduction will change the amount of proceeds to be received by us as set forth on the cover page of this prospectus.

The following table shows the public offering price, the underwriting discounts and commissions that we are to pay the underwriters and the proceeds, before expenses, to us in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Per Share		Total	
	Without Option to Purchase Additional Shares	With Option to Purchase Additional Shares	Without Option to Purchase Additional Shares	With Option to Purchase Additional Shares
Public offering price	\$ 17.00	\$ 17.00	\$ 256,319,999	\$ 294,767,998
Underwriting discounts and commissions paid by us	\$ 1.19	\$ 1.19	\$ 17,942,400	\$ 20,633,760
Proceeds to us, before expenses	\$ 15.81	\$ 15.81	\$ 238,377,599	\$274,134,238

We estimate expenses payable by us in connection with this offering, other than the underwriting discounts and commissions referred to above, will be approximately \$4.4 million. We have agreed to reimburse the underwriters for certain of their expenses relating to clearance of this offering with the Financial Industry Regulatory Authority up to \$40,000.

Determination of Offering Price

Prior to this offering, there has not been a public market for our common stock. Consequently, the initial public offering price for our common stock was determined by negotiations between us and the representatives. Among the factors considered in these negotiations was prevailing market conditions, our financial information, market valuations of other companies that we and the underwriters believed to be comparable to us, estimates of our business potential, the present state of our development and other factors deemed relevant.

We offer no assurances that the initial public offering price will correspond to the price at which the common stock will trade in the public market subsequent to the offering or that an active trading market for the common stock will develop and continue after the offering.

Listing

Our common stock has been approved for listing on the New York Stock Exchange under the trading symbol "MANE."

Stamp Taxes

If you purchase shares of common stock offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus.

Option to Purchase Additional Shares

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase, from time to time, in whole or in part, up to an aggregate of 2,261,647 shares from us at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions. If the underwriters exercise this option, each underwriter will be obligated, subject to specified conditions, to purchase a number of additional shares proportionate to that underwriter's initial purchase commitment as indicated in the table above. This option may be exercised only if the underwriters sell more shares than the total number set forth on the cover page of this prospectus.

No Sales of Similar Securities

We, our officers, directors and holders of all or substantially all of our outstanding capital stock have agreed, subject to specified exceptions, not to directly or indirectly:

- sell, offer to sell, contract to sell or lend, effect any short sale or establish or increase any "put equivalent position" within the meaning of Rule 16a-1(h) under the Exchange Act, pledge, hypothecate or grant any security interest in, or in any other way transfer or dispose of any shares of common stock, options or warrants to acquire shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock currently or hereafter owned either of record or beneficially, or
- enter into any swap, hedge or similar arrangement that transfers, in whole or in part, the economic risk of ownership of shares of common stock, options or warrants to acquire shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock, regardless of whether any such transaction is to be settled in securities, in cash or otherwise, or
- make any demand for, or exercise any right with respect to, the registration under the Securities Act of the offer and sale of any shares of common stock, options or warrants to acquire shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock, or cause to be filed a registration statement, prospectus or prospectus supplement (or an amendment or supplement thereto) with respect to any such registration, or
- publicly announce an intention to do any of the foregoing.

This restriction terminates after the close of trading of the common stock on and including the 180th day after the date of this prospectus.

The foregoing restrictions shall not apply to:

- (i) transfers or dispositions of shares of common stock, options or warrants to acquire shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock as a bona fide gift or for estate planning purposes, or by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary or any family member, to a trust for the direct or indirect benefit of the securityholder and/or a family member, or to a charitable organization or educational institution in each case under this clause (i) in a transfer not involving a disposition for value;
- (ii) transfers or dispositions of shares of common stock, options or warrants to acquire shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock to any corporation, partnership, limited liability company or other entity, all of the beneficial ownership interests of which are held by the securityholder or any family member;
- (iii) if the securityholder is an entity, transfers, dispositions or distributions of shares of common stock, options or warrants to acquire shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (within the meaning set forth in Rule 405 under the Securities Act, and including the subsidiaries of the securityholder) of the securityholder, to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the securityholder or affiliates of the securityholder (including, for the avoidance of doubt, where the securityholder is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership) or to its stockholders, limited partners, general partners, limited liability company members or other equityholders or to

the estate of any such stockholders, limited partners, general partners, limited liability company members or equityholders;

(iv) the exercise of an option to purchase shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock granted under any equity incentive plan or stock purchase plan described in the registration statement of which this prospectus is a part, provided that the underlying shares of common stock shall continue to be subject to the lock-up agreement;

(v) the establishment or amendment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock; provided that such plan does not provide for any transfers of shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock during the lock-up period and any required public disclosure, announcement or filing under the Exchange Act made by us or any person regarding the establishment or amendment of such plan during the lock-up period shall include a statement that the undersigned is not permitted to transfer, sell or otherwise dispose of securities under such plan during the lock-up period in contravention of this agreement, and no public announcement, report or filing under the Exchange Act, or any other public filing, report or announcement, shall be voluntarily made regarding the establishment or amendment of such plan during the lock-up period;

(vi) transfers or dispositions of shares of common stock acquired in this offering or on the open market following this offering, provided that no public disclosure or filing under the Exchange Act (other than any required filing on Schedule 13G, Schedule 13G/A or Form 13F) shall be made;

(vii) the transfer of shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i)-(iii) above;

(viii) transfers or dispositions of shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock as forfeitures to satisfy tax withholding obligations of the undersigned in connection with the vesting or exercise of equity awards by the undersigned pursuant to our equity incentive, stock option, stock bonus or other stock plan or arrangement described in the registration statement of which this prospectus is a part;

(ix) transfers or dispositions of shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock pursuant to a net exercise or cashless exercise by the undersigned of outstanding equity awards pursuant to our equity incentive, stock option, stock bonus or other stock plan or arrangement described in the registration statement of which this prospectus is a part;

(x) transfers or dispositions of shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock pursuant to a bona fide third-party tender offer for our shares, merger, consolidation or other similar transaction made to all holders of our securities involving a change of control (including, without limitation, the entering into any lock-up, voting or similar agreement pursuant to which the undersigned may agree to transfer, sell, tender or otherwise dispose of common stock or other such securities in connection with such transaction, or vote any common stock or other such securities in favor of any such transaction), provided that in the event the tender offer, merger, consolidation or other such transaction is not completed, the securityholder's securities shall remain subject to the restrictions set forth in such lock-up agreement;

(xi) transfers or dispositions of shares of common stock, or securities exchangeable or exercisable for or convertible into shares of common stock by operation of law, including pursuant to a domestic order or negotiated divorce settlement, or pursuant to a court order; or

(xii) transfers or dispositions of securities that may be deemed to have occurred as a result of the conversion of any of our securities held by the securityholder in connection with or prior to the consummation of this offering;

provided that, (A) in the case of a transfer pursuant to clause (viii) or clause (ix) above, if the securityholder is required to make or voluntarily makes a filing under the Exchange Act reporting a reduction in beneficial

ownership of shares of common stock during the lock-up period, the securityholder shall include a statement in such report to the effect that the filing relates to the circumstances described in such clause, (B) any shares of common stock acquired upon conversion or exercise described in clause (ix) and clause (xii) shall be subject to the restrictions set forth in the lock-up agreement, and (C) in the case of clauses (i)-(iii) and (vii) above it shall be a condition to such transfer or disposition that:

- each transferee executes and delivers a similar lock-up agreement and such shares of common stock shall remain subject to the restrictions set forth above, and
- prior to the expiration of the lock-up period, no public disclosure or filing under the Exchange Act by any party to the transfer (donor, donee, transferor or transferee) shall be required, or made voluntarily, reporting a reduction in beneficial ownership of shares of common stock in connection with such transfer.

Jefferies LLC, Leerink Partners LLC, Citigroup Global Markets Inc. and Cantor Fitzgerald & Co. may, in their sole discretion and at any time or from time to time before the termination of the 180-day period, release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriters and any of our stockholders who will execute a lock-up agreement, providing consent to the sale of shares prior to the expiration of the lock-up period.

Stabilization

The underwriters have advised us that they, pursuant to Regulation M under the Exchange Act, certain persons participating in the offering may engage in short sale transactions, stabilizing transactions, syndicate covering transactions or the imposition of penalty bids in connection with this offering. These activities may have the effect of stabilizing or maintaining the market price of the common stock at a level above that which might otherwise prevail in the open market. Establishing short sales positions may involve either “covered” short sales or “naked” short sales.

“Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares of our common stock in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares of our common stock or purchasing shares of our common stock in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option to purchase additional shares.

“Naked” short sales are sales in excess of the option to purchase additional shares of our common stock. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering.

A stabilizing bid is a bid for the purchase of shares of common stock on behalf of the underwriters for the purpose of fixing or maintaining the price of the common stock. A syndicate covering transaction is the bid for or the purchase of shares of common stock on behalf of the underwriters to reduce a short position incurred by the underwriters in connection with the offering. Similar to other purchase transactions, the underwriter’s purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. A penalty bid is an arrangement permitting the underwriters to reclaim the selling concession otherwise accruing to a syndicate member in connection with the offering if the common stock originally sold by such syndicate member are purchased in a syndicate covering transaction and therefore have not been effectively placed by such syndicate member.

None of we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. The underwriters

are not obligated to engage in these activities and, if commenced, any of the activities may be discontinued at any time.

Electronic Distribution

A prospectus in electronic format may be made available by e-mail or on the web sites or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares of common stock for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information on the underwriters' web sites and any information contained in any other web site maintained by any of the underwriters is not part of this prospectus, has not been approved and/or endorsed by us or the underwriters and should not be relied upon by investors.

Other Activities and Relationships

The underwriters and certain of their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and certain of their respective affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for us and our affiliates, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and certain of their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments issued by us and our affiliates. If the underwriters or their respective affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. The underwriters and their respective affiliates may hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities or the securities of our affiliates, including potentially the common stock offered hereby. Any such short positions could adversely affect future trading prices of the common stock offered hereby. The underwriters and certain of their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Disclaimers About Non-U.S. Jurisdictions

Canada

(A) Resale Restrictions

The distribution of the shares of common stock in Canada is being made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of these securities are made. Any resale of the shares of common stock in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

(B) Representations of Canadian Purchasers

By purchasing the shares of common stock in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the shares of common stock without the benefit of a prospectus qualified under those securities laws as it is an “accredited investor” as defined under National Instrument 45-106 – Prospectus Exemptions,
- the purchaser is a “permitted client” as defined in National Instrument 31-103 - Registration Requirements, Exemptions and Ongoing Registrant Obligations,
- where required by law, the purchaser is purchasing as principal and not as agent, and
- the purchaser has reviewed the text above under Resale Restrictions.

(C) Conflicts of Interest

Canadian purchasers are hereby notified that Jefferies LLC, Leerink Partners LLC, Citigroup Global Markets Inc. and Cantor Fitzgerald & Co. are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105 – *Underwriting Conflicts* from having to provide certain conflict of interest disclosure in this document.

(D) Statutory Rights of Action

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the prospectus (including any amendment thereto) such as this document contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

(E) Enforcement of Legal Rights

All of our directors and officers as well as the experts named may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

(F) Taxation and Eligibility for Investment

Canadian purchasers of shares of our common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the shares of common stock in their particular circumstances and about the eligibility of the shares of common stock for investment by the purchaser under relevant Canadian legislation.

(G) Language of Documents

The purchaser confirms its express wish and that it has requested that this document, all documents evidencing or relating to the sale of the securities described herein and all other related documents be drawn up exclusively in the English language.

L’acquéreur confirme sa volonté expresse et qu’il a demandé que le présent document, tous les documents attestant de la vente des titres décrits dans le présent document ou s’y rapportant ainsi que tous les autres documents s’y rattachant soient rédigés exclusivement en langue anglaise.

Australia

This prospectus is not a disclosure document for the purposes of Australia’s Corporations Act 2001 (Cth) of Australia, or Corporations Act, has not been lodged with the Australian Securities & Investments Commission

and is only directed to the categories of exempt persons set out below. Accordingly, if you receive this prospectus in Australia:

(A) You confirm and warrant that you are either:

- a “sophisticated investor” under section 708(8)(a) or (b) of the Corporations Act;
- a “sophisticated investor” under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant’s certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;
- a person associated with the Company under Section 708(12) of the Corporations Act; or
- a “professional investor” within the meaning of section 708(11)(a) or (b) of the Corporations Act.

To the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this prospectus is void and incapable of acceptance.

(B) You warrant and agree that you will not offer any of the securities issued to you pursuant to this prospectus for resale in Australia within 12 months of those securities being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

European Economic Area

In relation to each Member State of the European Economic Area (each, a “Relevant State”), no shares have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which have been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the shares may be offered to the public in that Relevant State at any time:

- (1) to any legal entity which is a “qualified investor” as defined under Article 2 of the Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of representatives for any such offer; or
- (3) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the shares shall require us or any of the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression “offer to the public” in relation to the shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Hong Kong

No shares of common stock have been offered or sold, and no shares of common stock may be offered or sold, in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong, or SFO, and any rules made under that Ordinance; or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong, or CO, or which do not constitute an offer or invitation to the public for the purpose of the CO or the SFO. No document, invitation or advertisement relating to the shares of common stock has been issued or may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to shares of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that Ordinance.

This prospectus has not been registered with the Registrar of Companies in Hong Kong. Accordingly, this prospectus may not be issued, circulated or distributed in Hong Kong, and the shares of common stock may not be offered for subscription to members of the public in Hong Kong. Each person acquiring the shares of common stock will be required, and is deemed by the acquisition of the securities, to confirm that he is aware of the restriction on offers of the shares of common stock described in this prospectus and the relevant offering documents and that he is not acquiring, and has not been offered any shares of common stock in circumstances that contravene any such restrictions.

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, or the Securities Law, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, and any offer of the shares of common stock is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and “qualified individuals,” each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Japan

The offering has not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended), or FIEL, and the Initial Purchaser will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This prospectus has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA,, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the common stock is subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

The shares of common stock may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the securities or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to the offering, the Company or the shares of common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of the shares of common stock will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of the shares of common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares of common stock.

United Kingdom

No shares of common stock have been offered or will be offered pursuant to the offering to the public in the United Kingdom except that the shares of common stock may be offered to the public in the United Kingdom at any time:

- (a) where (i) the offer is conditional on the admission of the shares of common stock to trading on the London Stock Exchange plc's main market (in reliance on the exception in paragraph 6(a) of Schedule 1 of the POATR) or (ii) the shares of common stock being offered are at the time of the offer already admitted to trading on London Stock Exchange plc's main market (in reliance on the exception in paragraph 6(b) of Schedule 1 of the POATR);
- (b) to any "qualified investor" as defined in paragraph 15 of Schedule 1 of the POATR;
- (c) to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 of the POATR), subject to obtaining the prior consent of the underwriters for any such offer; or
- (d) in any other circumstances falling within Part 1 of Schedule 1 of the POATR.

For the purposes of this provision, the expression an "offer to the public" in relation to the shares of common stock in the United Kingdom means the communication to any person which presents sufficient information on: (a) the shares of common stock to be offered; and (b) the terms on which they are to be offered, to enable an investor to decide to buy or subscribe for the shares of common stock and the expression "POATR" means the Public Offers and Admissions to Trading Regulations 2024.

This prospectus is only being distributed to and is only directed at: (A) persons who are outside the United Kingdom, or (B) qualified investors who are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), or (ii) high-net-worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of

the Order (all such persons falling within (1) - (3) together being referred to as “relevant persons”). The shares of common stock are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the shares of common stock will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for us by Ropes & Gray LLP, Boston, Massachusetts. Certain legal matters in connection with this offering will be passed upon for the underwriters by Cooley LLP, New York, New York.

EXPERTS

The financial statements of Veradermics, Incorporated as of December 31, 2024 and 2023, and for each of the two years in the period ended December 31, 2024, included in this Prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report. Such financial statements are included in reliance upon the report of such firm given their authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information about us and the shares of common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed thereto.

Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. The SEC also maintains an Internet website that contains reports, proxy statements and other information about registrants, like us, that file electronically with the SEC. The address of that site is www.sec.gov.

Upon the effectiveness of the registration statement, we will be subject to the informational requirements of the Exchange Act and, in accordance with the Exchange Act, will file reports, proxy and information statements and other information with the SEC. Such annual, quarterly and special reports, proxy and information statements and other information can be accessed at the SEC's website referenced above. We also intend to make this information available on the investor relations section of our website, which is located at www.veradermics.com. Information contained on or accessible through our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Veradermics, Incorporated

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Veradermics, Incorporated and subsidiaries (the “Company”) as of December 31, 2024 and 2023, the related consolidated statements of operations, changes in redeemable convertible preferred stock and shareholders’ deficit, and cash flows, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

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.

/s/ Deloitte & Touche LLP

Hartford, Connecticut

October 24, 2025 (January 28, 2026, as to the effects of the reverse stock split discussed in Note 13)

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

VERADERMICS, INCORPORATED

Consolidated Balance Sheets

(in thousands, except share and per share amounts)	As of December 31,	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 53,084	\$ 16,296
Prepaid expenses and other current assets	2,451	1,266
Total current assets	55,535	17,562
Total assets	\$ 55,535	\$ 17,562
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	\$ 2,248	\$ 1,852
Accrued expenses	2,470	1,200
Total current liabilities	4,718	3,052
Promissory note	—	786
Total liabilities	4,718	3,838
Commitments and contingencies (Note 10)		
Redeemable convertible preferred stock:		
Series A preferred stock, \$0.00001 par value, 12,865,375 shares authorized, issued and outstanding with an aggregate liquidation preference of \$37,238 net of issuance costs	36,860	36,860
Series B preferred stock, \$0.00001 par value, 62,245,806 and 0 shares authorized; 55,246,971 and 0 issued and outstanding with an aggregate liquidation preference of \$133,944 and \$0 as of December 31, 2024 and 2023, respectively, net of issuance costs	66,285	—
Subscription receivable	(3,848)	(894)
Stockholders' equity (deficit):		
Common stock, \$0.00001 par value, 98,774,582 and 25,500,000 authorized as of December 31, 2024 and 2023, respectively and 736,933 shares issued and outstanding	1	1
Additional paid-in capital	750	500
Accumulated deficit	(49,231)	(22,743)
Total stockholders' deficit	(48,480)	(22,242)
Total liabilities, redeemable convertible preferred stock, and stockholders' deficit	\$ 55,535	\$ 17,562

See accompanying notes of the financial statements

VERADERMICS, INCORPORATED
Consolidated Statements of Operations

(in thousands, except share and per share amounts)	Year Ended December 31,	
	2024	2023
Operating Expenses:		
Research and development	\$ 23,283	\$ 14,971
General and administrative	3,495	2,353
Total operating expenses	26,778	17,324
Loss from operations	(26,778)	(17,324)
Other income (expenses):		
Interest income	481	870
Other income	394	—
Interest expense	(585)	(36)
Total other income, net	290	834
Loss before income taxes	(26,488)	(16,490)
Income tax benefit	—	—
Net loss	\$ (26,488)	\$ (16,490)
Net loss attributable to common stock	\$ (27,303)	\$ (16,490)
Net loss per share of common stock, basic and diluted	\$ (37.05)	\$ (22.38)
Weighted average common stock outstanding, basic and diluted	736,933	736,933

See accompanying notes of the financial statements

VERADERMICS, INCORPORATED

Consolidated Statements of Changes in Redeemable Convertible Preferred Stock and Stockholders' Deficit

(in thousands, except share amounts)	Redeemable Convertible Preferred Stock					Stockholders' Deficit				
	Series A Redeemable Convertible Preferred Stock		Series B Redeemable Convertible Preferred Stock		Subscription Receivable	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount		Shares	Amount			
Balance, January 1, 2023	7,899,803	\$21,896	—	\$ —	\$ (892)	736,933	\$ 1	\$ 294	\$ (6,253)	\$ (5,958)
Issuance of Series A-4 Redeemable Convertible Preferred Stock, net of issuance costs of \$35	4,965,572	14,964	—	—	(1,070)	—	—	—	—	—
Subscription receivable settled through research and development services received	—	—	—	—	1,068	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	—	206	—	206
Net loss	—	—	—	—	—	—	—	—	(16,490)	(16,490)
Balance, December 31, 2023	<u>12,865,375</u>	<u>\$36,860</u>	<u>—</u>	<u>\$ —</u>	<u>\$ (894)</u>	<u>736,933</u>	<u>\$ 1</u>	<u>500</u>	<u>\$ (22,743)</u>	<u>\$ (22,242)</u>
Issuance of Series B Redeemable Convertible Preferred Stock, net of issuance costs of \$283	—	—	55,246,971	66,285	(3,965)	—	—	—	—	—
Subscription receivable settled through for research and development services received	—	—	—	—	1,011	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	—	250	—	250
Net loss	—	—	—	—	—	—	—	—	(26,488)	(26,488)
Balance, December 31, 2024	<u>12,865,375</u>	<u>\$36,860</u>	<u>55,246,971</u>	<u>\$66,285</u>	<u>\$ (3,848)</u>	<u>736,933</u>	<u>\$ 1</u>	<u>750</u>	<u>\$ (49,231)</u>	<u>\$ (48,480)</u>

See accompanying notes of the financial statements

VERADERMICS, INCORPORATED
Consolidated Statements of Cash Flows

(in thousands)	Year Ended December 31,	
	2024	2023
Cash Flows from Operating Activities		
Net loss	\$ (26,488)	\$ (16,490)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	250	206
Research and development expenses paid with convertible and promissory notes	234	750
Non-cash research and development services	1,011	1,068
Other	573	36
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(1,185)	(983)
Accounts payable	646	1,354
Accrued expenses	1,271	549
Net cash used in operating activities	(23,688)	(13,510)
Cash Flows from Financing Activities:		
Issuance of convertible notes	8,507	—
Payment of promissory note	(845)	—
Issuance of Series A-4 preferred stock	—	13,930
Issuance of Series B preferred stock	53,097	—
Preferred stock issuance costs	(283)	(35)
Net cash provided by financing activities	60,476	13,895
Net increase in cash and cash equivalents	36,788	385
Cash and cash equivalents—beginning of year	16,296	15,911
Cash and cash equivalents—end of year	\$ 53,084	\$ 16,296
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 95	\$ —
Cash paid during the year for income taxes	\$ —	\$ —
Supplemental Schedule of Noncash Financing Activities:		
Issuance of Series A-4 preferred stock for contractual research and development services	\$ —	\$ 1,070
Issuance of Series B preferred stock for contractual research and development services	\$ 3,033	\$ —
Issuance of Series B preferred stock as payment for convertible notes	\$ 10,438	\$ —
Issuance of convertible note for research and development services	\$ 1,166	\$ —
Conversion of other receivable in exchange for research and development services to subscription receivable	\$ 932	\$ —
Issuance of convertible note for accounts payable	\$ 250	\$ —

See accompanying notes of the financial statements

VERADERMICS, INCORPORATED

Notes to Financial Statements

1. Nature of the Business

Veradermics, Incorporated and its wholly owned subsidiary (collectively, the “Company” or “Veradermics”) is a dermatologist-founded, late clinical-stage biopharmaceutical company focused on developing innovative therapeutics to address pervasive treatment challenges in highly prevalent aesthetic and dermatological conditions. The Company’s initial focus is developing better treatments for pattern hair loss, or PHL, a condition affecting approximately 50 million men and approximately 30 million women in the United States. Beyond VDPHL01, the Company has created a portfolio utilizing its real-world experience as dermatologists to generate compelling pipeline assets, including VDMN for the treatment of common warts, VDAA for the treatment of alopecia areata, and VDMC for the treatment of molluscum contagiosum.

Veradermics began its operations in 2019 as a company incorporated under the laws of the State of Texas. Effective on September 14, 2021, the Company was converted into a company incorporated under the laws of the State of Delaware. The Company is headquartered in New Haven, CT.

Liquidity and Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared on the basis of continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business.

In accordance with Accounting Standards Update (“ASU”) 2014-15, *Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern (Subtopic 205-40)*, the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the financial statements are issued.

The Company has incurred recurring losses since its inception, including net losses of \$26.5 million and \$16.5 million for the years ended December 31, 2024 and 2023, as well as incurred negative cash flows from operations of \$23.7 million and \$13.5 million, respectively. In addition, as of December 31, 2024, the Company had an accumulated deficit of \$49.2 million. The Company expects to continue to generate operating losses for the foreseeable future. Through December 31, 2024, the Company has financed its operations primarily from the sale of equity securities. The Company may never achieve profitability, and unless and until it does, the Company will continue to need to raise additional capital to fund its operations.

In November 2024, the Company completed the first closing of a \$66.5 million Series B redeemable convertible preferred stock financing. Subsequent to December 31, 2024, the Company completed the second funding of Series B preferred stock of \$8.4 million in the first quarter of 2025 and then completed a \$150.0 million Series C preferred stock financing in the fourth quarter of 2025. As of the date of these financial statements \$135.0 million of the Series C preferred stock financing had been received, with an additional \$15.0 million that may be purchased at an additional closing for the same per share purchase price. The 2025 financings, along with cash on hand, will enable the Company to meet its obligations for at least the twelve-month period from the date the financial statements are available to be issued.

Risks and Uncertainties

The Company is subject to risks and uncertainties common to early-stage companies in the pharmaceutical industry, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations and those specific to the pharmaceutical industry such as the U.S. Food and Drug Administration, and the ability to secure additional capital to fund operations. Products currently under development will require significant additional research and development efforts, including preclinical and clinical testing and regulatory approval, prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure, and extensive compliance and reporting capabilities. The Company's future clinical trials require significant compliance and monitoring by government agencies and there can be no assurances that such agencies will approve procedures followed in the Company's trials. Another likely scenario is that such agencies would require additional procedures to be performed which would push out commercialization timing. Further, even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

If the Company's product development efforts are successful, they are subject to significant risks and uncertainties related to product commercialization and launch, including being unable to secure additional funding to make support to Company's commercial launch efforts. Additionally, the Company's potential product would compete in the market of medical dermatology. The industry is subject to technology advancements as well as being affected by political conditions which could impact the market's reimbursement and regulatory policy, and by economic conditions surrounding availability and affordability of health insurance and access to health services. The pharmaceutical industry is heavily regulated by the need for approval in order to sell a product, to reimbursement policy for use of the product, and how companies can and cannot interact and sell to physicians or hospitals.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Principles of Consolidation

The accompanying financial statements include the accounts of the Company and the Company's subsidiary which the Company controls. Accordingly, all intercompany balances and transactions between these entities have been eliminated within the financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Changes in estimates and assumptions are reflected in reported results in the period in which they become known. Actual results could differ from those estimates. Management considers many factors in selecting appropriate financial accounting policies and controls, and in developing the estimates and assumptions that are used in the preparation of these financial statements. Management must apply significant judgment in this process. In addition, other factors may affect estimates, including expected business and operational changes, sensitivity and volatility associated with the assumptions used in developing estimates, and whether historical trends are expected to be representative of future trends. The estimation process often may yield a range of potentially reasonable estimates of the ultimate future outcomes, and management must select an amount that falls within that range of reasonable estimates. Estimates are used in the following areas, among others: valuation of prepaid and accrued expenses related to certain research and development contracts, and share-based compensation expense which includes estimating the fair value of its common stock.

Cash and Cash Equivalents

Cash and cash equivalents are short-term, highly liquid investments with original maturities of three months or less at the date of purchase.

Leases

The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from leases with a term of one year or less for any class of underlying asset. The Company did not have any leases with lease terms in excess of one-year for the years ended December 31, 2024 and 2023.

Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurement* ("ASC 820"), establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances.

ASC 820 identifies fair value as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a three-tier fair value hierarchy that distinguishes among the following:

- Level 1—Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2—Valuations based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and models for which all significant inputs are observable, either directly or indirectly.
- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Financial instruments consist of cash and cash equivalents, accounts payable, accrued expenses and promissory notes. These financial instruments are stated at their respective historical carrying amounts, which approximate fair value due to their short-term nature.

Subscription Receivable

Subscription receivable is recorded when preferred stock has been issued, and the Company has a legal right to receive payment or contractual services from the subscriber, but the contractual payment or services have not yet been received as of the balance sheet date. The Company records this amount as a subscription receivable in the mezzanine equity section along with the preferred shares on the consolidated balance sheets.

Accrued Expenses

As part of the process of preparing financial statements, the Company is required to estimate accrued expenses. This process involves identifying services that have been performed on the Company's behalf and estimating the level of services performed and the associated costs incurred for such services where the Company has not yet been invoiced or otherwise notified of actual cost. The Company records these estimates in its consolidated financial statements as of the balance sheet date. Examples of estimated accrued expenses include:

- fees due to vendors in connection with the research and development; and
- professional service fees.

In accruing fees, the Company estimates the time period over which services will be provided and the level of effort in each period. If the actual timing of the provision of services or the level of effort varies from the estimate, the Company adjusts the accrual accordingly. In the event that the Company does not identify costs that have been incurred or it under or overestimates the level of services performed or the costs of such services, its actual expenses could differ from such estimates. The date on which some services commence, the level of services performed on or before a given date and the cost of such services can be subjective determinations. The Company prepares its estimates based on the facts and circumstances known to it at the time.

Research and Development Expenses

Research and development expenses are comprised of costs incurred in performing research and development activities, including personnel-related costs, stock-based compensation, external research and development expenses, clinical trial costs, contracted services, consultants license fees and other external costs. The accrual process involves reviewing open contracts and purchase orders, communicating with the Company's personnel and with vendors to identify services that have been performed on behalf of the Company and estimating the level of service performed and the associated cost incurred for the service when the Company has not yet been invoiced or otherwise notified of the actual cost. Costs incurred in connection with research and development activities are expensed as incurred. Costs are considered incurred based on an evaluation of the progress to completion of each contract using information and data provided by the respective vendors, including the clinical sites. Depending upon the timing of payments to the service providers, the Company recognizes prepaid expenses or accrued expenses related to these costs. These accrued or prepaid expenses are based on management's estimates of the work performed under service agreements, milestones achieved, and experience with similar contracts. The Company monitors each of these factors and adjusts estimates accordingly.

The Company bases its expenses related to research and development activities on the estimates of the services received and efforts expended pursuant to quotes and contracts with vendors that conduct research and development on behalf of the Company. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to the vendors will exceed the level of services provided and result in a prepayment of the research and development expense. In accruing service fees, the Company estimates the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from the estimate, the Company adjusts the accrual or prepaid balance accordingly. Non-refundable advance payments for goods and services that will be used in future research and development activities are expensed when the activity has been performed or when the goods have been received rather than when the payment is made.

Although the Company does not expect the estimates to be materially different from amounts incurred, if the estimates of the status and timing of services performed differ from the actual status and timing of services performed, it could result in reporting amounts that are too high or too low in any particular period.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries, benefits, and stock-based compensation, for personnel in the Company's executive, legal, finance and accounting, and other administrative functions. General and administrative expenses also include legal fees relating to intellectual property and corporate matters, professional fees paid for accounting, auditing, tax and consulting services, insurance costs, travel expenses, and direct facility costs not otherwise included in research and development expenses. General and administrative expenses are expensed as incurred.

Preferred Stock and Issuance Costs

The Company classifies convertible preferred stock as mezzanine equity in the accompanying consolidated balance sheets because, in certain deemed liquidation events, which are outside the Company's control, such as a merger, acquisition or sale of all or substantially all of the Company's assets, the preferred stock will become redeemable. Preferred stock issuance costs are legal fees incurred in obtaining funding. Preferred stock issuance costs are presented as a direct deduction of the carrying amount of the Series B preferred stock totaled \$0.3 million for the year ended December 31, 2024 and the Series A-4 preferred stock was less than \$0.1 million for the year ended December 31, 2023.

The Company has determined that the Series A and Series B preferred stock are contingently redeemable, based on the Company's amended and restated certificate of incorporation that states upon the occurrence of certain events that equate to deemed liquidation events, the holders of preferred stock are entitled to receive cash or other assets. Additionally, the deemed liquidation events are not in the sole control of the Company and the preferred stock does not meet any limited exceptions under ASC 480, Distinguishing Liabilities From Equity. As such, the Company classified its redeemable preferred stock as mezzanine equity.

Stock-Based Compensation Expense

The Company measures stock-based compensation based on the grant date fair value of the stock-based awards and recognizes stock-based compensation expense on a straight-line basis over the requisite service period of the awards, which is generally the vesting period of the respective award. Stock-based compensation expense on grants to employees is classified in the consolidated statements of operations based on the function to which the related services are provided or in the same manner in which the grantee's payroll costs are classified. Board of Directors expense is classified as general and administrative expenses. Forfeitures are accounted for as they occur.

As there has been no public market for the common stock, the estimated fair value of the common stock has been determined by the Company's Board of Directors ("Board") after considering valuation reports provided by an independent third-party valuation firm and exercising reasonable judgment and considering numerous objective and subjective factors to determine the best estimate of the fair value of the Company's common stock at each stock option grant date. In accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, a third-party valuation firm prepared valuations of the common stock using an option pricing method ("OPM"), which is a Black-Scholes option pricing model. The total equity value can be implied from the OPM, using the recent preferred stock financing price if transacted by the Company around each valuation date. The OPM treats common stock and preferred stock as call options on the total equity value of a company, with exercise prices based on the value thresholds at which the allocation among the various holders of a company's securities changes to value the common stock of the company. A discount for lack of marketability of the common stock is then applied to arrive at an indication of value for the common stock as of the valuation date.

The Company lacks sufficient history of company-specific historical and implied volatility information for its common stock. Therefore, under the American Institute of Certified Public Accountants' Accounting and Valuation Guide, Valuation of Privately-Held Company Equity Securities Issued as Compensation, the Company estimates its expected stock price volatility based on the historical volatility of publicly traded peer companies. The Company did not meet the requirements for using the simplified method for determining the expected term and lacks sufficient history to determine an expected term of the options. The Company estimated a term of 10 years based on the details of the grants issued. This is the full term of the stock option grants which was the best estimate. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends on its common stock and does not expect to pay any cash dividends in the foreseeable future.

There are significant judgments related to volatility and time to liquidity as well as estimates inherent in these valuations. These judgments and estimates include assumptions regarding the Company's future operating performance, the stage of development of the Company's product candidates, the timing of a potential IPO or other liquidity events and the determination of the appropriate valuation methodology at each valuation date. The assumptions underlying these valuations represent management's best estimates, which involve inherent uncertainties and the application of management judgment. As a result, if factors or expected outcomes change and the Company use significantly different assumptions or estimates, the stock-based compensation expense could be materially different. Following the completion of this offering, the fair value of the Company's common stock will be determined based on the quoted market price of the common stock.

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the associated temporary differences become deductible. A valuation allowance is established for those jurisdictions in which the realization of deferred tax assets is not deemed to be more likely than not.

Accounting guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This accounting guidance also provides guidance on derecognition, classification, interest and penalties, accounting in the interim periods, disclosure, and transition. Penalties and interest related to uncertain tax positions are recognized as a component of income tax expense. To the extent penalties and interest are not assessed with respect to uncertain tax positions, amounts accrued are reduced and reflected as a reduction of the overall income tax provision.

Concentration of Credit Risk and Other Risks

Financial instruments that subject the Company to credit risk consist primarily of cash. The Company places its cash deposits in accredited financial institutions and, therefore, the Company's management believes these funds are subject to minimal credit risk. The Company has no off-balance sheet concentrations of credit risk such as foreign currency exchange contracts, option contracts or other hedging arrangements.

The Company's three largest vendors, which provide services under the Development and Manufacturing Agreement and Master Services Agreement (see Note 11), accounted for approximately 72% and 60% of its research and development expenses for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023 one and three vendors accounted for more than 10% of the Company's accounts payable and accrued expenses.

Segment Information

Operating segments are defined as components of an enterprise for which discrete financial information is regularly reviewed by the chief operating decision maker (“CODM”) in deciding how to allocate resources and in assessing operating performance. The Company manages its operations as a single segment for the purposes of allocating resources, assessing performance, and making operating decisions.

Basic and Diluted Net Loss Per Common Share

The Company calculates basic net loss per common share by dividing the net loss, adjusted for the unpaid cumulative Series B preferred stock dividends, the weighted average number of shares of common stock outstanding during the period, without consideration of potential dilutive securities. Diluted net loss per share is computed by dividing the net loss, adjusted for the unpaid cumulative Series B preferred stock dividends, by the sum of the weighted average number of shares of common stock outstanding during the period plus the dilutive effects of potentially dilutive securities outstanding during the period. Potentially dilutive securities include outstanding stock options and redeemable convertible preferred stock. The dilutive effect of redeemable convertible preferred stock is calculated using the if-converted method. Under the if-converted method, it is assumed that all convertible preferred stock are converted into common stock at the beginning of the period, or at the time of issuance, if later. The Company has generated a net loss for all periods presented, therefore diluted net loss per common share is the same as basic net loss per common share since the inclusion of potentially dilutive securities would be anti-dilutive. Preferred stockholders do not have a contractual obligation to share in the Company’s losses and are not obligated to fund future losses.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09 (“ASU 2023-09”), Income Taxes (Topic 740): Improvements to Income Tax Disclosures to enhance the transparency and usefulness of income tax disclosures. ASU 2023-09 is effective for annual periods beginning after December 15, 2025, on a prospective basis. Early adoption is permitted. As the amendments apply to income tax disclosures only, the Company does not expect adoption to have a material impact on its financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This update enhances the segment reporting requirements by increasing transparency and providing investors with additional insights into how an entity’s CODM evaluates segment performance and allocates resources.

The standard requires public entities to disclose significant segment expenses that are regularly reviewed by the CODM and included in the reported measure of segment profit or loss. Additionally, entities must provide a reconciliation of total segment amounts to financial statements, as well as enhanced qualitative disclosures regarding the methodology used to identify reportable segments and assess performance. The update applies to all public entities, including those with a single reportable segment, and expands segment disclosures in interim financial statements.

ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company adopted ASU 2023-07 for the year ended December 31, 2024, and has updated its segment disclosures accordingly. The adoption of this standard did not impact the recognition or measurement of the Company’s financial statements but resulted in enhanced segment-related disclosures in the notes to its consolidated financial statements.

3. Prepaid Expenses, Other Current Assets, and Accrued Expenses

Prepaid expenses and other current asset as of December 31, 2024 and 2023, consisted of the following:

(in thousands)	2024	2023
Prepaid research and development	\$ 1,038	\$ 1,220
Tax credit receivable	1,375	—
Other	\$ 38	\$ 46
	<u>\$ 2,451</u>	<u>\$ 1,266</u>

Accrued expenses as of December 31, 2024 and 2023, consisted of the following:

(in thousands)	2024	2023
Research and development	\$ 1,064	\$ 293
Bonus	1,033	764
Professional fees	371	138
Other	2	5
	<u>\$ 2,470</u>	<u>\$ 1,200</u>

4. Promissory Note

On May 3, 2023, the Company entered into a Promissory Note (the “Promissory Note”) that provided for up to \$0.8 million in notes pursuant to the Development and Manufacturing Agreement dated July 26, 2022 (see Note 11). The Promissory Note was used to pay for services provided. The Promissory Note was originally scheduled to mature in October 2025 or on the date the Company consummates an equity financing with gross proceeds of greater than \$20.0 million. The completion of the Series B preferred stock financing in November 2024 caused the Promissory Note to reach maturity.

The Promissory Note bears interest on the outstanding principal amount at the rate of 8.0% per annum, compounded annually. Interest commences on the date of issuance and continues until the outstanding principal amount is paid in full. Interest is computed on the basis of a year of 365 days for the actual number of days elapsed.

The Company incurred interest expense of approximately \$0.1 million for the year ended December 31, 2024. In the fourth quarter of 2024, the Promissory Note, including accrued interest, was paid in full with the proceeds of the Series B preferred stock financing. Interest expense for the year ended December 31, 2023 was not material.

5. Convertible Notes

In August of 2024, the Company issued nine convertible promissory notes (the “Convertible Notes”) for a total of \$9.9 million of which \$8.5 million was for cash and \$1.4 million was for committed research and development services. The Convertible Notes accrued simple interest at the rate of 1.5% per month (18% per annum) on commencement and continuing until the outstanding principal amount is fully paid or converted. The Convertible Notes automatically convert under a qualified equity financing event or change of control event.

On November 25, 2024, the Company entered into a Series B preferred stock purchase agreement which converted the Convertible Notes’ outstanding principal and accrued interest of \$10.4 million through the issuance of 8,661,917 shares of Series B preferred stock at a purchase price of \$1.2049 per share of which \$1.5 million was a subscription receivable for committed research and development services. Interest expense related to the Convertible Notes for the year ended December 31, 2024 was \$0.5 million.

6. Stockholders' Equity – Common and Preferred Stock

Common Stock

In accordance with the Third Amended and Restated Certificate of Incorporation filed on November 22, 2024, the Company is authorized to issue 98.8 million shares of common stock, par value \$0.00001 per share, of which 92.6 million are designated as voting common stock and 6.2 million are designated as non-voting common stock. Each share of non-voting common stock shall be convertible, at the option of the holder thereof, at any time, and without the payment of additional consideration by the holder thereof, into one fully paid and nonassessable share of voting common stock. The Company had no outstanding shares of non-voting common stock as of December 31, 2024 and 2023. The voting, dividend and liquidation rights of the holders of the common stock are subject to and qualified by the rights, power, and preferences of the preferred stockholders.

As of December 31, 2024 and 2023, a total of 736,933 shares of common stock were issued and an aggregate of 771,832 shares (subject to certain anti-dilution adjustments) of common stock were reserved for the granting of stock-based compensation. In addition, the Company has reserved sufficient shares of common stock for issuance upon conversion of convertible preferred stock.

The holders of the common stock are entitled to one vote for each share of common stock held at all meetings of stockholders (and written actions in lieu of meetings), and there are no cumulative voting rights. The number of authorized shares of common stock may be increased or decreased by the affirmative vote of the holders of common stock of the Company; however, the issuance of common stock may be subject to the vote of the holders of one or more series of preferred stock that may be required by terms of the Third Amended and Restated Certificate of Incorporation.

Preferred Stock

Preferred stock outstanding as of December 31, 2024 consisted of the following:

Preferred Series Shares	Date Sold	Shares Sold	Par Value	Sales Price/Share	Total Proceeds (in millions)	Liquidation Preference as of December 31, 2024 (in millions)
Series A-1	September 2021	6,515,849	\$ 0.00001	\$ 2.8770	\$ 18.7	\$ 18.7
Series A-2	September 2021	680,479	0.00001	2.1578	1.5	1.5
Series A-3	September 2021	703,475	0.00001	2.8770	2.0	2.0
Series A-4	April 2023	4,965,572	0.00001	3.0208	15.0	15.0
Series B	November 2024	55,246,971	0.00001	1.2049	66.6	133.9

In connection with the Series A4 Preferred Stock Purchase Agreement, the Company increased the number of shares of common stock authorized from 18,000,000 to 25,500,000 under the Second Amended and Restated Certificate of Incorporation dated as of April 13, 2023.

In connection with the Series B Preferred Stock Purchase Agreement, the Company increased the number of shares of common stock authorized from 25,500,000 to 98,774,582 under the Third Amended and Restated Certificate of Incorporation dated as of November 22, 2024.

Collectively, the shares of Series A1, A2, A3 and A4 preferred stock are referred to as "Series A preferred stock." The following terms detailed below for the Series A and B preferred stock are documented in the Company's Third Amended and Restated Certificate of Incorporation dated as of November 22, 2024 and other equity-related documents:

Conversion

Each share of Series A and Series B preferred stock, at the option of the holder, is convertible into a number of fully paid and non-assessable common shares as determined by multiplying the number of shares of Series A and Series B preferred stock being converted by the applicable conversion rate. The conversion rate in effect at any time is determined by dividing the preferred stock issue price by the conversion price in effect at that time. The conversion price applicable (all adjusted for the reverse stock split) to the Series A1 preferred stock is equal to \$28.963 per share, the conversion price applicable to the Series A2 preferred stock is equal to \$21.7226 per share, the conversion price applicable to the Series A3 preferred stock is equal to \$28.963 per share, the conversion price applicable to the Series A4 preferred stock is equal to \$30.4104 per share, and the conversion price applicable to the Series B preferred stock is equal to \$12.1297 per share. Such initial conversion price, and the rate at which shares of preferred stock may be converted into common stock, is subject to adjustment. See Note 13 for information on the reverse stock split that adjusted the preferred stock conversion ratio.

The Series A and Series B preferred stock will automatically convert to common stock either upon the closing of a public offering of the Company's common stock at a price of at least five times the conversion price, noted above, resulting in aggregate proceeds of at least \$50.0 million, or upon the written election of a majority of the holders of Series B preferred stock.

Dividends

The Series B preferred stock contains cumulative dividend rights at the annual rate of 12%, if and when declared by the Board, such that the Series B preferred stockholders, acting as one class, shall first receive, or simultaneously receive, preferential dividends as calculated under the terms of the Company's Third Amended and Restated Certificate of Incorporation prior to Series A and common stockholders receiving any declared dividend. Since inception, no dividends have been declared or paid on the Series B preferred stock. As of December 31, 2024, cumulative undeclared dividends totaled approximately \$0.8 million.

The Series A preferred stock contains non-cumulative dividend rights at the annual rate of 8%, if and when declared by the Board, such that the holders of the preferred stock, acting as one class, shall receive, or simultaneously receive, preferential dividends as calculated under the terms of the Company's Third Amended and Restated Certificate of Incorporation prior to common stockholders receiving any declared dividend. As of December 31, 2024, no dividends have been declared by the Board.

Deemed Liquidation Event

Certain transactions are defined as Deemed Liquidation Events, unless waived by the holders of a majority of the outstanding preferred stock. These events generally include a merger or consolidation involving the Company, the sale or disposition of all or substantially all of the Company's assets, a SPAC transaction, or a merger or other business combination with a public company (a "Public Listing Transaction"). Transactions in which existing stockholders retain a majority of the voting power of the surviving entity are not considered Deemed Liquidation Events.

Liquidation Preference

In the event of any liquidation, dissolution, or winding up of the Company, the Series B preferred stockholders are entitled to receive prior to, and in preference to, any distribution to the Series A preferred and common stockholders, an amount equal to the greater of the applicable of two times the Original Issue Price per share plus accrued but unpaid dividends whether or not declared, or such amount per share as would have been payable had all shares of Series B preferred stock been converted to shares of common stock immediately prior to such event of liquidation, dissolution or winding up. In the event that upon liquidation or dissolution, if the assets and funds of the Company are insufficient to permit the payment to preferred stockholders of the full preferential amounts, then the entire assets and funds of the Company legally available for distribution would be distributed ratably among the Series B preferred stockholders in proportion to the full preferential amount each is otherwise entitled to receive.

Following the completion of the distributions to the Series B Preferred stockholders, the Series A preferred stockholders are entitled to receive prior to, and in preference to, any distribution to the common stockholders, an amount equal to the greater of the applicable Original Issue Price per share plus accrued but unpaid dividends declared, or such amount per share as would have been payable had all shares of Series A preferred stock been converted to shares of common stock immediately prior to such event of liquidation, dissolution or winding up. In the event that upon liquidation or dissolution, if the assets and funds of the Company are insufficient to permit the payment to preferred stockholders of the full preferential amounts, then the entire assets and funds of the Company legally available for distribution are to be distributed ratably among the Series A preferred stockholders in proportion to the full preferential amount each is otherwise entitled to receive. After the distributions described above have been paid in full, the remaining assets of the Company available for distribution would be distributed pro-rata to the common stockholders.

Voting Rights

Each Series A and Series B preferred stockholder is entitled to the number of votes equal to the number of shares of voting common stock into which such holder's shares are convertible.

7. Net Loss Per Common Share

Basic and diluted net loss per common share was calculated as follows:

	Year Ended December 31,	
	2024	2023
(in thousands except for share and per share amounts)		
Net loss	\$ (26,488)	\$ (16,490)
Less: Cumulative dividends on Series B preferred stock	815	—
Net loss attributable to common stock	(27,303)	(16,490)
Weighted-average number of shares of common stock outstanding, basic and diluted	736,933	736,933
Net loss per common share, basic and diluted	\$ (37.05)	\$ (22.38)

Basic net loss per common share is calculated by dividing the net loss, adjusted for the unpaid cumulative Series B preferred stock dividends, by the weighted-average number of shares of common stock outstanding during the period. Diluted loss per share is computed by dividing net loss for the period by the weighted-average number of shares of common stock and common stock equivalents outstanding (unless their effect is anti-dilutive) for the period. Common share equivalents include shares issuable upon the exercise of stock options and the conversion of preferred stock. During the years ended December 31, 2024 and 2023, convertible preferred stock on an as if converted basis and unexercised options have been excluded as their effect is antidilutive. There were no other potentially dilutive, unissued shares of common stock for the years ended December 31, 2024 and 2023. The Company had no outstanding non-voting common stock as of December 31, 2024 and 2023.

The Company reported net losses for each of the years ended December 31, 2024 and 2023 and therefore excluded all options and convertible preferred stock from the computation of diluted net loss per common share as their inclusion would have had an antidilutive effect, as summarized below:

	Year Ended December 31,	
	2024	2023
Stock options	279,208	244,551
Convertible preferred stock	6,765,903	1,277,975
Total potentially dilutive shares	7,045,111	1,522,526

8. Stock-Based Compensation

The Company adopted the 2021 Equity Incentive Plan (the “2021 Plan”) to grant option awards to its officers, directors and employees as compensation for their services to the Company. Under the 2021 Plan, up to 771,832 shares of voting common stock were made available for issuance.

Stock option awards under the 2021 Plan must be issued at an exercise price of not less than 100% of the fair market value of the voting common stock at the date of the grant. The 2021 Plan is administered by the Board, which has the authority to grant awards, interpret the plan and related agreements, establish rules and regulations, and make all other determinations necessary for its administration. The board may delegate these powers to a committee. Stock option awards granted under the 2021 Plan generally vest over 36 or 48 months, with 33.3% or 25% vesting one year after the grant date and the remainder vesting in equal monthly installments over the following 24 or 36 months, respectively.

To estimate the fair value of the Company’s stock options, the Company used the Black-Scholes OPM. The following key assumptions were used to estimate the fair value:

	2024	2023
Expected volatility	82.6 %	81.2 %
Expected term (years)	10.0	10.0
Risk free interest rate	4.2 %	4.3 %
Expected dividend yield	0.0 %	0.0 %

During the years ended December 31, 2024 and 2023, the Company recognized stock-based compensation expense of \$0.3 million and \$0.2 million, respectively. Stock-based compensation expense for the years ended December 31, 2024 and 2023 was allocated as follows:

(in thousands)	2024	2023
Research and development	\$ 156	\$ 138
General and administrative	94	68
	<u>\$ 250</u>	<u>\$ 206</u>

As of December 31, 2024 and 2023, there was \$0.3 million and \$0.4 million of unrecognized stock-based compensation expense that is expected to be recognized over a weighted average period of approximately 2.3 and 2.7 years.

Total option activity for the years ended December 31, 2024 and 2023, is summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Contractual Term (in years)
Outstanding as of January 1, 2023	211,095	\$ 29.00	9.11
Granted	33,456	30.41	
Forfeited	—	—	
Outstanding as of December 31, 2023	244,551	\$ 29.20	8.34
Granted	34,657	30.41	
Forfeited	—	—	
Outstanding as of December 31, 2024	279,208	\$ 29.30	7.55
Stock options exercisable as of December 31, 2024	208,256	\$ 29.00	7.14

Using the Black-Scholes OPM, the weighted average grant-date fair value per unit of options granted during the years ended December 31, 2024 and 2023, was \$6.35 per share. The intrinsic value of options outstanding and exercisable as of December 31, 2024 and 2023 was \$0, as the exercise price of all options exceeded the fair value of the Company's common stock on that date.

9. Income Taxes

The Company did not record a provision for income taxes for the years ended December 31, 2024 and 2023, due to a full valuation allowance against its deferred tax assets.

The reconciliation of the Company's effective tax rate to the U.S. federal statutory rate is as follows:

(in thousands)	2024	2023
Federal tax at statutory rate	21.0 %	21.0 %
State taxes, net of federal benefit	5.9	5.9
Permanent differences	0.3	—
Research and development credits	5.3	4.1
Change in valuation allowance	(32.5)	(31.0)
Effective tax rate	— %	— %

The significant components of the Company's net deferred tax assets as of December 31, 2024 and 2023 are shown below. In determining the realizability of the Company's net deferred tax assets, the Company considered numerous factors, including historical profitability and estimated future taxable income. Based on this information and management's assessment, the Company has provided a valuation allowance for the full amount of its net deferred tax assets because the Company has determined that it is more likely than not it will not be realized. Significant components of the Company's deferred tax assets are as follows:

(in thousands)	December 31,	
	2024	2023
Deferred tax assets:		
Federal and state net operating losses	\$ 3,942	\$ 1,372
Capitalized research and development	8,795	4,450
Federal and state research and development tax credits	2,239	853
Accrued expenses	278	—
Other	137	92
Valuation allowance	(15,391)	(6,767)
Total deferred tax assets:	—	—

As of December 31, 2024 a full valuation allowance of \$15.4 million was established against its deferred tax assets due to the uncertainty surrounding the realization of such assets. The valuation allowance increased \$8.6 million compared to December 31, 2023 primarily due to increases in federal and state net operating losses, capitalized research and development and federal and state research and development tax credits.

As of December 31, 2024, the Company had federal and state net operating loss carryforwards of \$29.3 million. Federal net operating losses carryforward indefinitely. State net operating loss carryforwards will begin to expire in 2040.

The Company had federal research and development credit carryforwards of \$2.1 million as of December 31, 2024. The federal research tax credit carryforwards will begin to expire in 2041. The Company had state research and development credit carryforwards of \$0.1 million as of December 31, 2024. The state research tax credit carryforwards will begin to expire in 2037.

Pursuant to Section 382 and 383 of the Internal Revenue Code ("IRC"), utilization of the Company's federal net operating loss carryforwards and research and development credit carryforwards may be subject to annual limitations in the event of any significant future changes in its ownership structure. These annual limitations may result in the expiration of net operating loss and research and development credit carryforwards prior to utilization. The Company has not completed an IRC Section 382 and 383 analyses regarding the limitation of net operating loss and research and development credit carryforwards.

No liability is recorded on the financial statements related to uncertain tax positions. There are no unrecognized tax benefits as of December 31, 2024. The Company does not expect that uncertain tax benefits will materially change in the next 12 months.

The Company's policy is to record estimated interest and penalties related to uncertain tax benefits as income tax expense. As of December 31, 2024, the Company had no accrued interest or penalties recorded related to uncertain tax positions.

10. Commitments and Contingencies

From time to time, in the ordinary course of business, the Company is subject to litigation and regulatory examinations as well as information gathering requests, inquiries and investigations. As of December 31, 2024 and 2023, there were no matters which would have a material impact on the Company's financial results.

In July 2022, the Company entered into a license agreement with The Trustees of the University of Pennsylvania ("Penn") to which the Company was granted intellectual property rights in certain technology, to develop, manufacture and commercialize such technology related to the advancement of its VDMC asset. The Company is required to make development and regulatory milestone payments up to \$3.3 million and commercial and sales milestone up to \$16 million. The Company is also required to pay annual single-digit royalties on net product sales over the term of the License Agreement. As of December 31, 2024, it is not practicable to estimate the future payments of any such milestone payments or royalties that may arise due to the clinical stage of development of VDMC.

11. Development and Manufacturing Agreement and Master Service Agreement

Development and Manufacturing Agreement

On July 26, 2022, the Company entered into a Development and Manufacturing Agreement (the "DMA"). The Company engaged the counterparty to perform development and manufacturing services for the production of API (active pharmaceutical ingredients or drug substances) identified by the Company. The specific terms for each API will be documented in a development plan. The counterparty provided \$1.0 million worth of research and development services to the Company in exchange for 347,584 shares of Series A3 preferred stock. The Company issued a promissory note for \$0.8 million to settle payables arising from the research and development services provided under the DMA as described in Note 4 herein. During the year ended December 31, 2023, the aggregate invoices exceeded \$0.8 million and the Company paid all remaining invoices under the DMA in cash. The Company issued a convertible note for \$0.3 million for committed research and development services. On November 25, 2024 the Company entered into a Series B preferred stock purchase agreement which converted the convertible note's outstanding principal and accrued interest through the issuance of 217,860 shares of Series B preferred stock at a purchase price of \$1.2049. As discussed in Note 4 the full principal and interest was paid during the year ended December 31, 2024.

The DMA commenced on July 26, 2022, and will expire after all development plans are complete or five years whichever date occurs first. Upon expiration, the DMA shall automatically renew for a total of ten one-year periods, unless the Company sends a notice of non-renewal. Either party can terminate the DMA upon written notice.

During the years ended December 31, 2024 and 2023, the Company incurred research and development expense of \$2.4 million and \$3.5 million, respectively, in connection with the DMA. As of December 31, 2023, the Company had deposits with the counterparty of \$0.2 million which is included in prepaid expenses on the consolidated balance sheets. There were no deposits as of December 31, 2024.

Master Service Agreement

On September 21, 2020, the Company entered into a Master Service Agreement (the “MSA”). The MSA provides the terms and conditions upon which the Company may engage for the purpose of managing the preclinical and clinical development of its products in the field of dermatology, and other related services or projects, by executing work orders specifying the details of the service and the related terms and conditions. The MSA automatically renews for additional 1-year terms until the MSA is terminated upon written notice. Either party may terminate a work order for material breach (subject to a cure period) and the Company may terminate any work order for any reason on 90 days’ written notice, subject to payment of fees earned and expenses payable, in addition to a termination fee equal to a low-double-digit percentage of the remaining work order budget. As of December 31, 2024, there are no outstanding work order cancellation fees.

During the years ended December 31, 2024 and 2023, the Company recognized research and development expense of \$13.4 million and \$4.8 million, respectively, in connection with the MSA. As of December 31, 2024 and 2023, the Company has deposits with the counterparty of \$0.3 million and \$0.6 million, respectively, which is included in prepaid expenses on its consolidated balance sheets for each year.

Collaboration Agreement

In September 2020, the Company entered into a Collaboration Agreement, pursuant to which the counterparty serves as the exclusive provider of certain clinical trial management, regulatory, and related CRO services through completion of Work Order Number One of the MSA noted herein. In connection with the agreement, the Company issued the counterparty an unsecured convertible promissory note with a principal amount of approximately \$0.5 million, which was converted into 238,008 shares of Series A-2 Preferred Stock in September 2021. The agreement may be terminated by the Company upon payment of a mid-six-figure liquidated damages amount, subject to reduction based on completed in-human clinical studies. As of December 31, 2024, there are no outstanding termination fees.

12. Segments

The Company defines its segments on the basis of the way in which internally reported financial information is regularly reviewed by the CODM to analyze financial performance, make decisions, and allocate resources. The Company’s CODM is the Chief Executive Officer. The Company manages its operations as a single operating and reportable segment and the measure of segment profit or loss is net loss. The CODM uses net loss in the budget and forecasting process and considers budget-to-actual variances on a quarterly basis when making decisions about the allocation of operating and capital resources. The following table summarizes the significant segment expenses presented on the Company’s consolidated statements of operations:

(in thousands)	Year Ended December 31,	
	2024	2023
<i>Direct research and development by program</i>		
VDPHL01	14,641	2,953
VDMN	3,747	5,056
VDMC	1,329	3,648
VDAA	402	1,146
Other program candidates and expenses	1,370	1,036
<i>Other unallocated research and development costs</i>		
Personnel expenses (including share-based compensation)	1,499	1,131
Other expenses	295	1
General and administrative, excluding personnel expenses	2,319	1,559
General and administrative, personnel expenses (including share-based compensation)	1,176	794
Other segment items ⁽¹⁾	(290)	(834)

(in thousands)	Year Ended December 31,	
	2024	2023
Segment net loss	(26,488)	(16,490)

- (1) For the year ended December 31, 2024 other segment items include interest income of \$0.5 million and research and development tax credit of \$0.4 million, partially offset by interest expense of \$0.6 million. For the year ended December 31, 2023, other segment items include interest income of \$0.9 million, partially offset by less than \$0.1 million of interest expense.

13. SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through October 24, 2025, the date the consolidated financial statements were available to be issued, and through January 28, 2026, for the effects of the reverse stock split described below. The following events occurred subsequent to December 31, 2024:

In October 2025, the Company issued 106,107,033 shares of Series C Preferred Stock, \$0.00001 par value, at a purchase price of \$1.2723 per share, for total cash consideration of \$135.0 million, with an additional \$15.0 million that may be purchased at an additional closing for the same per share purchase price. Additionally, in connection with the issuance of the Series C redeemable preferred stock, certain other terms of the Series A and B redeemable preferred stock terms were amended. The liquidation preference for Series B redeemable preferred stock was changed from two times to one times its original purchase price and is paid pari passu with the Series C redeemable preferred stock, and the Series C redeemable preferred stock is entitled to dividends prior to the Series B redeemable preferred stock.

In the first quarter of 2025 the Company issued an additional 6,998,834 shares of Series B redeemable convertible preferred stock, \$0.00001 par value, at a purchase price of \$1.2049 per share, for total cash proceeds of \$8.4 million.

On January 27, 2026, the Company effected a 1-for-10.067 reverse stock split of the Company's issued and outstanding common stock and adjusted the conversion ratio of the Company's outstanding convertible preferred stock. Accordingly, all share and per share amounts for all periods presented in the accompanying consolidated financial statements and notes thereto have been retroactively adjusted, where applicable, to reflect the reverse stock split and the adjustment of the preferred stock conversion ratios.

VERADERMICS, INCORPORATED
Condensed Consolidated Balance Sheets
(Unaudited)

(in thousands, except share and per share amounts)	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,660	\$ 53,084
Marketable securities at fair value	9,479	—
Prepaid expenses and other current assets	3,574	2,451
Total current assets	18,713	55,535
Property, plant and equipment, net	18	—
Right-of-use asset and other long-term assets	66	—
Total assets	<u>\$ 18,797</u>	<u>\$ 55,535</u>
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	1,985	2,248
Accrued expenses	2,602	2,470
Other current liabilities and lease liabilities	1,107	—
Total current liabilities	5,694	4,718
Lease liabilities - non-current	16	—
Total liabilities	5,710	4,718
Commitments and contingencies (Note 9)		
Redeemable convertible preferred stock:		
Series A preferred stock, \$0.00001 par value, 12,865,375 shares authorized, issued and outstanding with an aggregate liquidation preference of \$37,238 net of issuance costs as of September 30, 2025 and December 31, 2024, net of issuance costs	36,860	36,860
Series B preferred stock, \$0.00001 par value, 62,245,806 shares authorized; 62,245,805 and 55,246,971 issued and outstanding with an aggregate liquidation preference of \$157,833 and \$133,944 as of September 30, 2025 and December 31, 2024, respectively, net of issuance costs	74,708	66,285
Subscription receivable	(2,466)	(3,848)
Stockholders' equity (deficit):		
Common stock, \$0.00001 par value, 749,027 and 736,933 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively, and 98,774,582 authorized as of September 30, 2025 and December 31, 2024	1	1
Additional paid-in capital	1,363	750
Accumulated deficit	(97,379)	(49,231)
Total stockholders' deficit	(96,015)	(48,480)
Total liabilities, redeemable convertible preferred stock, and stockholders' deficit	<u>\$ 18,797</u>	<u>\$ 55,535</u>

See accompanying notes of the financial statements

VERADERMICS, INCORPORATED
Condensed Consolidated Statements of Operations
(Unaudited)

(in thousands, except share and per share amounts)	Nine Months Ended September 30,	
	2025	2024
Operating Expenses:		
Research and development	\$ 43,873	\$ 18,333
General and administrative	5,463	2,474
Total operating expenses	49,336	20,807
Loss from operations	(49,336)	(20,807)
Other income (expense):		
Interest income	656	272
Interest expense	—	(293)
Other income	532	—
Total other income (expense), net	1,188	(21)
Loss before income taxes	(48,148)	(20,828)
Income tax benefit	—	—
Net loss	\$ (48,148)	\$ (20,828)
Net loss attributable to common shares	\$ (55,166)	\$ (20,828)
Net loss per common share, basic and diluted	\$ (74.21)	\$ (28.26)
Weighted average common shares outstanding, basic and diluted	743,401	736,933

See accompanying notes of the financial statements

VERADERMICS, INCORPORATED

Condensed Consolidated Statements of Changes in Redeemable Convertible Preferred Stock and Stockholders' Deficit

(Unaudited)

(in thousands, except share amounts)	Series A Redeemable Convertible Preferred Stock		Series B Redeemable Convertible Preferred Stock		Subscription Receivable	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount		Shares	Amount			
Balance, January 1, 2024	12,865,375	\$36,860	—	\$ —	\$ (894)	736,933	\$ 1	\$ 501	\$ (22,743)	\$ (22,241)
Release of subscription receivable	—	—	—	—	680	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	—	159	—	159
Net loss	—	—	—	—	—	—	—	—	(20,828)	(20,828)
Balance, September 30, 2024	<u>12,865,375</u>	<u>\$36,860</u>	<u>—</u>	<u>\$ —</u>	<u>\$ (214)</u>	<u>736,933</u>	<u>\$ 1</u>	<u>\$ 660</u>	<u>\$ (43,571)</u>	<u>\$ (42,910)</u>
Balance, January 1, 2025	12,865,375	\$36,860	55,246,971	\$66,285	\$ (3,848)	736,933	\$ 1	\$ 750	\$ (49,231)	\$ (48,480)
Issuance of Series B Redeemable Convertible Preferred stock, net of issuance costs of \$9,863	—	—	6,998,834	8,423	—	—	—	—	—	—
Subscription receivable settled through for research and development services received	—	—	—	—	1,382	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	—	466	—	466
Stock option exercises	—	—	—	—	—	12,094	—	147	—	147
Net loss	—	—	—	—	—	—	—	—	(48,148)	(48,148)
Balance, September 30, 2025	<u>12,865,375</u>	<u>\$36,860</u>	<u>62,245,805</u>	<u>\$74,708</u>	<u>\$ (2,466)</u>	<u>749,027</u>	<u>\$ 1</u>	<u>\$ 1,363</u>	<u>\$ (97,379)</u>	<u>\$ (96,015)</u>

See accompanying notes of the financial statements

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VERADERMICS, INCORPORATED
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in thousands, except share amounts)	Nine Months Ended September 30,	
	2025	2024
Cash Flows from Operating Activities		
Net loss	\$ (48,148)	\$ (20,828)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	466	159
Non-cash research and development services	1,382	680
Net accretion of discount/premium on debt securities	(418)	—
Other	29	45
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(1,126)	(1,139)
Accounts payable	(263)	(397)
Accrued expenses	132	1,424
Other current liabilities and lease liabilities	(28)	—
Net cash used in operating activities	<u>(47,974)</u>	<u>(20,056)</u>
Cash Flows from Investing Activities:		
Purchase of property, plant and equipment	(19)	—
Purchases of marketable securities	(24,061)	—
Maturities of marketable securities	15,000	—
Net cash used in investing activities	<u>(9,080)</u>	<u>—</u>
Cash Flows from Financing Activities:		
Issuance of convertible notes	—	10,170
Issuance of Series B preferred stock	8,433	—
Preferred stock issuance costs	(10)	—
Prefunded equity financing	1,060	—
Exercise of stock options	147	—
Net cash provided by financing activities	<u>9,630</u>	<u>10,170</u>
Net decrease in cash and cash equivalents	(47,424)	(9,886)
Cash and cash equivalents—beginning of period	53,084	16,296
Cash and cash equivalents—end of period	<u>\$ 5,660</u>	<u>\$ 6,410</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for interest	\$ —	\$ —
Cash paid during the period for income taxes	\$ —	\$ —
Supplemental Schedule of Noncash Financing Activities:		
Right-of-use asset exchanged for lease liabilities	\$ 90	\$ —

See accompanying notes of the financial statements

VERADERMICS, INCORPORATED

Notes to Condensed Consolidated Financial Statements

(Unaudited)

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1. Nature of Business

Veradermics, Incorporated and its wholly owned subsidiary (collectively, the “Company” or “Veradermics”) is a dermatologist-founded, late clinical-stage biopharmaceutical company focused on developing innovative therapeutics to address pervasive treatment challenges in highly prevalent aesthetic and dermatological conditions. The Company’s initial focus is developing better treatments for pattern hair loss, or PHL, a condition affecting approximately 50 million men and approximately 30 million women in the United States. Beyond VDPHL01, the Company has created a portfolio utilizing its real-world experience as dermatologists to generate compelling pipeline assets, including VDMN for the treatment of common warts, VDAA for the treatment of alopecia areata, and VDMC for the treatment of molluscum contagiosum.

Veradermics began its operations in 2019 as a company incorporated under the laws of the State of Texas. Effective on September 14, 2021, the Company was converted into a company incorporated under the laws of the State of Delaware. The Company is headquartered in New Haven, CT.

Liquidity and Ability to Continue as a Going Concern

The accompanying condensed consolidated financial statements have been prepared on the basis of continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business.

In accordance with Accounting Standards Update (“ASU”) 2014-15, *Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern (Subtopic 205-40)*, the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the financial statements are issued.

The Company has incurred recurring losses since its inception, including net losses of \$48.1 million and \$20.8 million for the nine months ended September 30, 2025 and 2024, as well as incurred negative cash flows from operations of \$48.0 million and \$20.1 million, respectively. In addition, as of September 30, 2025, the Company had an accumulated deficit of \$97.4 million. The Company expects to continue to generate operating losses for the foreseeable future. Through September 30, 2025, the Company has financed its operations primarily from the sale of equity securities. The Company may never achieve profitability, and unless and until it does, the Company will continue to need to raise additional capital to fund its operations.

In November 2024, the Company completed the first closing of a \$66.5 million Series B redeemable convertible preferred stock financing. In the first quarter of 2025, the Company completed the second funding of Series B preferred stock of \$8.4 million and then completed a \$151.0 million Series C preferred stock financing in the fourth quarter of 2025. The 2025 financings, along with cash on hand, will enable the Company to meet its obligations for at least the twelve-month period from the date the financial statements are available to be issued.

Risks and Uncertainties

The Company is subject to risks and uncertainties common to early-stage companies in the pharmaceutical industry, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations and those specific to the pharmaceutical industry such as the U.S. Food and Drug Administration, and the ability to secure additional capital to fund operations. Products currently under development will require significant additional research and development efforts, including preclinical and clinical testing and regulatory approval, prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure, and extensive compliance and reporting capabilities. The Company’s future clinical trials require significant compliance and monitoring by government agencies and there can be no assurances that such agencies will approve procedures followed in the Company’s trials. Another likely scenario is that such agencies would require additional procedures to be performed which would push out commercialization timing. Further, even if the Company’s product development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

If the Company's product development efforts are successful, they are subject to significant risks and uncertainties related to product commercialization and launch, including being unable to secure additional funding to make support to Company's commercial launch efforts. Additionally, the Company's potential product would compete in the market of medical dermatology. The industry is subject to technology advancements as well as being affected by political conditions which could impact the market's reimbursement and regulatory policy, and by economic conditions surrounding availability and affordability of health insurance and access to health services. The pharmaceutical industry is heavily regulated by the need for approval in order to sell a product, to reimbursement policy for use of the product, and how companies can and cannot interact and sell to physicians or hospitals.

2. Summary of Significant Accounting Policies

Basis of Presentation

Our financial statements included herein have been prepared in conformity with accounting principles generally accepted in the United States of America, or GAAP. In our opinion, the information furnished reflects all adjustments, all of which are of a normal and recurring nature, necessary for a fair presentation of the financial position and results of operations for the reported interim periods. We consider events or transactions that occur after the balance sheet date but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. The results of operations for interim periods are not necessarily indicative of results to be expected for the full year or any other interim period. These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements, including the related notes thereto, for the year ended December 31, 2024.

There were no changes to the Company's significant accounting policies during the nine months ended September 30, 2025 other than noted below.

Deferred Offering Costs

The Company capitalizes incremental legal, professional accounting and other third-party fees that are directly associated with the IPO as other current assets until the IPO is consummated. After consummation of the IPO, these costs will be recorded in stockholders' deficit as a reduction of additional paid-in-capital generated as a result of the offering. As of September 30, 2025, there were no deferred offering costs included in prepaid expenses and other assets.

Prefunded Equity Financing

Proceeds received from prefunded equity financings are recorded as liabilities when no firm commitment for the issuance of equity instruments exists and therefore the criteria for equity classification are not met. During the nine months ended September 30, 2025, \$1.1 million is included in other current liabilities in the condensed consolidated balance sheet. Upon authorization and issuance of the related shares, the liability is reclassified to stockholders' equity.

Property, Plant and Equipment

Property and equipment are recorded at cost and consists of computer and other equipment, furniture and fixtures, leasehold improvements, and capitalized software. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to six years. Maintenance and repairs which do not extend the lives of the assets are charged directly to expense as incurred. Upon retirement or disposal, cost and related accumulated depreciation are removed from the related accounts, and any resulting gain or loss is recognized as a component of income or loss in the consolidated statements of operations.

Marketable Securities

The Company invests excess cash balances in highly rated United States ("U.S.") government-backed debt securities and treasuries. We classify our marketable securities as available-for-sale and accordingly, record such securities at fair value. Debt securities with original maturities of greater than 90 days are classified as available-for-sale marketable securities and debt securities with original maturities of less than 90 days from the date of purchase are classified as cash equivalents.

Unrealized gains and losses on our marketable debt securities that are deemed temporary are included in accumulated other comprehensive gain (loss) as a separate component of stockholders' equity. If any adjustment to fair value reflects a significant decline in the value of the security, we evaluate the extent to which the decline is determined to be other-than-temporary and would mark the security to market through a charge to our consolidated statements of operations. Credit losses are identified when we do not expect to receive cash flows sufficient to recover the amortized cost basis of a security. In the event of a credit loss, only the amount associated with the credit loss is recognized in operating results, with the amount of loss relating to other factors recorded in accumulated other comprehensive gain (loss).

Fair Value

ASC Topic 820, *Fair Value Measurement* ("ASC 820"), establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the assets or liability and are developed based on the best information available in the circumstances. ASC 820 identifies fair value as the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a three-tiered value hierarchy that distinguishes between the following:

Level 1—Quoted market prices in active markets for identical assets or liabilities.

Level 2—Inputs other than Level 1 inputs that are either directly or indirectly observable, such as quoted market prices, interest rates and yield curves.

Level 3—Unobservable inputs for the asset or liability (i.e. supported by little or no market activity). Level 3 inputs include management's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

To the extent the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair values requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized as Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value.

Leases

In the first quarter of 2025, the Company entered into an office lease agreement in New Haven, Connecticut. The Company leases approximately 1,202 square feet of office space under a lease that expires in February 2027, with an option to extend the lease for an additional two-year period.

The Company accounts for leases under ASC Topic 842, *Leases* ("ASC 842"). At the inception of an arrangement, the Company determines if an arrangement is, or contains, a lease based on the facts and circumstances present in that arrangement. Lease classification, recognition, and measurement are then determined at the lease commencement date. For arrangements that contain a lease the Company (i) identify lease and non-lease components, (ii) determine the consideration in the contract, (iii) determine whether the lease is an operating or financing lease; and (iv) recognize lease right-of-use ("ROU") assets and liabilities. Lease liabilities and their corresponding ROU assets are recorded based on the present value of fixed, or in substance fixed, lease payments over the expected lease term. When the interest rate implicit in lease contracts is not readily determinable the Company uses the incremental borrowing rate based on the information available at the lease commencement date, which represents an internally developed rate that would be incurred to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in a similar economic environment.

The Company elected to combine lease components with non-lease components on the office real estate asset class. Fixed, or in substance fixed, lease payments on operating leases are recognized over the expected term of the lease on a straight-line basis. Variable lease expenses that are not considered fixed, or in substance fixed, are recognized as incurred. Fixed and variable lease expense on operating leases is recognized within operating expenses within the condensed consolidated statements of operations. Some leases include options to extend the lease and the Company includes these options in the recognition of the Company's ROU assets and lease liabilities when it is reasonably certain that the Company will exercise such options. During the nine months ended September 30, 2025, \$0.1 million is included in ROU assets, other current liabilities, and non-current lease liabilities in the condensed consolidated balance sheet.

Recent accounting pronouncements not yet adopted

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures*, ("ASU 2024-03"). ASU 2024-3 requires disclosure of additional information about specific expense categories in the notes to the financial statements on an interim and annual basis. The standard is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, with prospective or retrospective application and early adoption permitted. The Company is currently evaluating the disclosure requirements related to this new standard.

3. Prepaid Expenses, Other Current Assets, and Accrued Expenses

Prepaid expenses and other current assets as of September 30, 2025 and December 31, 2024, consisted of the following:

(in thousands)	September 30, 2025	December 31, 2024
Prepaid research and development	\$ 2,067	\$ 1,038
Tax credit receivable	1,234	1,375
Other	273	38
	<u>\$ 3,574</u>	<u>\$ 2,451</u>

Accrued expenses as of September 30, 2025 and December 31, 2024, consisted of the following:

(in thousands)	September 30, 2025	December 31, 2024
Bonus	\$ 1,032	\$ 1,033
Research and development	838	1,064
Professional fees	640	371
Other	92	2
	<u>\$ 2,602</u>	<u>\$ 2,470</u>

4. Marketable Securities

The amortized cost and fair value of our marketable securities by type of security as of September 30, 2025 was as follows:

	Fair Value Hierarchy Level	Amortized Cost	Fair Value
Money market funds	Level 1	\$ 1,795	\$ 1,795
U.S. treasury securities	Level 1	7,480	7,481
U.S. government agency securities	Level 2	1,999	1,998

Total unrealized gains and losses were not material as of September 30, 2025.

The fair values of marketable securities by classification in the condensed consolidated balance sheet as of September 30, 2025 was as follows:

	September 30, 2025
Cash and cash equivalents	1,795
Marketable securities	\$ 9,479

The contractual maturity of all the marketable securities as of September 30, 2025 was one year or less.

The Company had sales and maturities of marketable securities of \$15.0 million and purchases of \$24.1 million during the nine months ended September 30, 2025. The Company had an immaterial amount of realized gains or losses during the nine months ended September 30, 2025.

As of September 30, 2025, the Company believes that the cost basis of our marketable securities is recoverable and no allowance for credit losses was recorded.

5. Convertible Notes

In August of 2024, the Company issued nine convertible promissory notes (the "Convertible Notes") for a total of \$9.9 million of which \$8.5 million was for cash and \$1.4 million was for committed research and development services. The Convertible Notes accrued simple interest at the rate of 1.5% per month (18% per annum) on commencement and continuing until the outstanding principal amount is fully paid or converted. The Convertible Notes automatically convert under a qualified equity financing event or change of control event.

On November 25, 2024, the Company entered into a Series B preferred stock purchase agreement which converted the Convertible Notes' outstanding principal and accrued interest of \$10.4 million through the issuance of 8,661,917 shares of Series B preferred stock at a purchase price of \$1.2049 per share of which \$1.5 million was a subscription receivable for committed research and development services. Interest expense related to the Convertible Notes for the nine months ended September 30, 2024 was \$0.2 million.

6. Stockholders' Equity – Common and Preferred Stock

In accordance with the Third Amended and Restated Certificate of Incorporation filed on November 22, 2024, the Company is authorized to issue 98.8 million shares of common stock, par value \$0.00001 per share, of which 92.6 million are designated as voting common stock and 6.2 million are designated as non-voting common stock. Each share of non-voting common stock shall be convertible, at the option of the holder thereof, at any time, and without the payment of additional consideration by the holder thereof, into one fully paid and nonassessable share of voting common stock. The Company had no outstanding shares of non-voting common stock as of September 30, 2025 and December 31, 2024. The voting, dividend and liquidation rights of the holders of the common stock are subject to and qualified by the rights, power, and preferences of the preferred stockholders.

As of September 30, 2025 and December 31, 2024 a total of 749,027 and 736,933 shares of common stock were issued and an aggregate of 771,832 shares (subject to certain anti-dilution adjustments) of common stock were reserved for the granting of stock-based compensation. In addition, the Company has reserved sufficient shares of common stock for issuance upon conversion of convertible preferred stock.

The holders of the common stock are entitled to one vote for each share of common stock held at all meetings of stockholders (and written actions in lieu of meetings), and there are no cumulative voting rights. The number of authorized shares of common stock may be increased or decreased by the affirmative vote of the holders of common stock of the Company; however, the issuance of common stock may be subject to the vote of the holders of one or more series of preferred stock that may be required by terms of the Third Amended and Restated Certificate of Incorporation.

Preferred Stock

Preferred stock outstanding as of September 30, 2025 consisted of the following:

Preferred Series Shares	Date Sold	Shares Sold	Par Value	Sales Price/Share	Total Proceeds (in millions)	Liquidation Preference as of September 30, 2025 (in millions)
Series A-1	September 2021	6,515,849	\$ 0.00001	\$ 2.8770	\$ 18.7	\$ 18.7
Series A-2	September 2021	680,479	0.00001	2.1578	1.5	1.5
Series A-3	September 2021	703,475	0.00001	2.8770	2.0	2.0
Series A-4	April 2023	4,965,572	0.00001	3.0208	15.0	15.0
Series B	November 2024 - February 2025	62,245,806	0.00001	1.2049	75.0	157.8

In connection with the Series A4 Preferred Stock Purchase Agreement, the Company increased the number of shares of common stock authorized from 18,000,000 to 25,500,000 under the Second Amended and Restated Certificate of Incorporation dated as of April 13, 2023.

In connection with the Series B Preferred Stock Purchase Agreement, the Company increased the number of shares of common stock authorized from 25,500,000 to 98,774,582 under the Third Amended and Restated Certificate of Incorporation dated as of November 22, 2024.

Collectively, the shares of Series A1, A2, A3 and A4 preferred stock are referred to as the “Series A preferred stock.” The following terms detailed below for the Series A and B preferred stock are documented in the Company’s Third Amended and Restated Certificate of Incorporation dated as of November 22, 2024 and other equity-related documents:

Conversion

Each share of Series A and Series B preferred stock, at the option of the holder, is convertible into a number of fully paid and non-assessable common shares as determined by multiplying the number of shares of Series A and Series B preferred stock being converted by the applicable conversion rate. The conversion rate in effect at any time is determined by dividing the preferred stock issue price by the conversion price in effect at that time. The conversion price applicable (all adjusted for the reverse stock split) to the Series A1 preferred stock is equal to \$28.963 per share, the conversion price applicable to the Series A2 preferred stock is equal to \$21.7226 per share, the conversion price applicable to the Series A3 preferred stock is equal to \$28.963 per share, the conversion price applicable to the Series A4 preferred stock is equal to \$30.4104 per share, and the conversion price applicable to the Series B preferred stock is equal to \$12.1297 per share. Such initial conversion price, and the rate at which shares of preferred stock may be converted into common stock, is subject to adjustment. See Note 11 for information on the reverse stock split that adjusted the preferred stock conversion ratio.

The Series A and Series B preferred stock will automatically convert to common stock either upon the closing of a public offering of the Company's common stock at a price of at least five times the conversion price, noted above, resulting in aggregate proceeds of at least \$50.0 million, or upon the written election of a majority of the holders of Series B preferred stock.

Dividends

The Series B preferred stock contains cumulative dividend rights at the annual rate of 12%, if and when declared by the Board, such that the Series B preferred stockholders, acting as one class, shall first receive, or simultaneously receive, preferential dividends as calculated under the terms of the Company's Third Amended and Restated Certificate of Incorporation prior to Series A and common stockholders receiving any declared dividend. Since inception, no dividends have been declared or paid on the Series B preferred stock. As of September 30, 2025, cumulative undeclared dividends totaled approximately \$7.8 million.

The Series A preferred stock contains non-cumulative dividend rights at the annual rate of 8%, if and when declared by the Board, such that the holders of the preferred stock, acting as one class, shall receive, or simultaneously receive, preferential dividends as calculated under the terms of the Company's Third Amended and Restated Certificate of Incorporation prior to common stockholders receiving any declared dividend. As of September 30, 2025 and 2024, no dividends have been declared by the Board.

Deemed Liquidation Event

Certain transactions are defined as Deemed Liquidation Events, unless waived by the holders of a majority of the outstanding preferred stock. These events generally include a merger or consolidation involving the Company, the sale or disposition of all or substantially all of the Company's assets, a SPAC transaction, or a merger or other business combination with a public company (a "Public Listing Transaction"). Transactions in which existing stockholders retain a majority of the voting power of the surviving entity are not considered Deemed Liquidation Events.

Liquidation Preference

In the event of any liquidation, dissolution, or winding up of the Company, the Series B preferred stockholders are entitled to receive prior to, and in preference to, any distribution to the Series A preferred and common stockholders, an amount equal to the greater of the applicable of two times the Original Issue Price per share plus accrued but unpaid dividends whether or not declared, or such amount per share as would have been payable had all shares of Series B preferred stock been converted to shares of common stock immediately prior to such event of liquidation, dissolution or winding up. In the event that upon liquidation or dissolution, if the assets and funds of the Company are insufficient to permit the payment to preferred stockholders of the full preferential amounts, then the entire assets and funds of the Company legally available for distribution would be distributed ratably among the Series B preferred stockholders in proportion to the full preferential amount each is otherwise entitled to receive.

Following the completion of the distributions to the Series B Preferred stockholders, the Series A preferred stockholders are entitled to receive prior to, and in preference to, any distribution to the common stockholders, an amount equal to the greater of the applicable Original Issue Price per share plus accrued but unpaid dividends declared, or such amount per share as would have been payable had all shares of Series A preferred stock been converted to shares of common stock immediately prior to such event of liquidation, dissolution or winding up. In the event that upon liquidation or dissolution, if the assets and funds of the Company are insufficient to permit the payment to preferred stockholders of the full preferential amounts, then the entire assets and funds of the Company legally available for distribution are to be distributed ratably among the Series A preferred stockholders in proportion to the full preferential amount each is otherwise entitled to receive. After the distributions described above have been paid in full, the remaining assets of the Company available for distribution would be distributed pro-rata to the common stockholders.

Voting Rights

Each Series A and Series B preferred stockholder is entitled to the number of votes equal to the number of shares of voting common stock into which such holder's shares are convertible.

7. Net Loss Per Common Share

Basic and diluted net loss per common share was calculated as follows:

(in thousands except share and per share amounts)	Nine Months Ended September 30,	
	2025	2024
Net loss	\$ (48,148)	\$ (20,828)
Less: Cumulative dividends on Series B preferred stock	7,018	—
Net loss attributable to common stock	(55,166)	(20,828)
Weighted-average number of shares of common stock outstanding, basic and diluted	743,401	736,933
Net loss per common share, basic and diluted	\$ (74.21)	\$ (28.26)

Basic net loss per common share is calculated by dividing the net loss, adjusted for the unpaid cumulative Series B preferred stock dividends, by the weighted-average number of shares of common stock outstanding during the period. Diluted loss per share is computed by dividing net loss for the period by the weighted-average number of shares of common stock and common stock equivalents outstanding (unless their effect is anti-dilutive) for the period. Common share equivalents include shares issuable upon the exercise of stock options and the conversion of preferred stock. During the nine months ended September 30, 2025 and 2024, convertible preferred stock on an as if converted basis and unexercised options have been excluded as their effect is antidilutive. There were no other potentially dilutive, unissued shares of common stock for the nine months ended September 30, 2025 and 2024. The Company had no outstanding non-voting common stock as of nine months ended September 30, 2025 and 2024.

The Company reported net losses for each of the nine months ended September 30, 2025 and 2024 and therefore excluded all options and convertible preferred stock from the computation of diluted net loss per common share as their inclusion would have had an antidilutive effect, as summarized below:

	Nine Months Ended September 30,	
	2025	2024
Stock options	739,331	279,208
Convertible preferred stock	7,461,130	1,277,975
Total potentially dilutive shares	8,200,461	1,557,183

8. Stock-Based Compensation

In September 2021, the Company adopted the 2021 Equity Incentive Plan (the “2021 Plan”) to grant stock option awards to its officers and employees as compensation for their services to the Company. Under the 2021 Plan, up to 771,832 shares of common stock were made available for issuance.

Stock option awards under the 2021 Plan must be issued at an exercise price of not less than 100% of the fair market value of the common stock at the date of the grant. The 2021 Plan is administered by the Board of Directors, which has the authority to determine to whom options may be granted, the period of exercise and what other restrictions, if any, should apply. Vesting for awards granted to date under the 2021 Plan is principally over four years from the date of an employee’s commencement of service, with awards vesting over a period of 36 or 48 months.

To estimate the fair value of the Company's stock options, the Company used the Black-Scholes option pricing model ("OPM"). The following key assumptions were used to estimate the fair value:

	September 30, 2025
Expected volatility	77.0% - 82.7%
Expected term (years)	10.0
Risk free interest rate	3.6% - 4.5%
Expected dividend yield	—

During the nine months ended September 30, 2025 and 2024, the Company recognized stock-based compensation of \$0.5 million and \$0.2 million, respectively. Stock-based compensation expense for the nine months ended September 30, 2025 and 2024 was allocated as follows:

(in thousands)	Nine Months Ended September 30,	
	2025	2024
Research and development	\$ 266	\$ 102
General and administrative	200	58
	<u>\$ 466</u>	<u>\$ 160</u>

Total option activity for the nine months ended September 30, 2025 is summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Contractual Term (in years)
Outstanding at December 31, 2024	279,208	\$ 29.30	7.55
Granted	472,217	12.19	
Exercised	(12,094)	12.19	
Forfeited	—	—	
Cancelled	—	—	
Outstanding at September 30, 2025	<u>739,331</u>	<u>\$ 12.19</u>	<u>8.25</u>
Stock options exercisable as of September 30, 2025	<u>314,150</u>	<u>\$ 12.19</u>	<u>6.98</u>

Using the Black-Scholes OPM, the weighted average grant-date fair value per unit of stock options granted during the nine months ended September 30, 2025 was \$2.82 per share. The intrinsic value of options outstanding and exercisable as of nine months ended September 30, 2025 and 2024 was \$0, as the exercise price of all options exceeded the fair value of the Company's common stock on that date.

In the first quarter of 2025, the Company repriced an aggregate of 279,208 previously granted stock options to employees and other individuals, to an exercise price of \$12.19 per share. The modification resulted in an immaterial amount of incremental stock-based compensation expense recognized in the first quarter of 2025.

9. Commitments and Contingencies

From time to time, in the ordinary course of business, the Company is subject to litigation and regulatory examinations as well as information gathering requests, inquiries and investigations. As of September 30, 2025, there were no matters which would have a material impact on the Company's financial results.

In July 2022, the Company entered into a license agreement with a third party to which the Company was granted intellectual property rights in certain technology, to develop, manufacture and commercialize such technology related to the advancement of its VDMC asset. The Company is required to make development and regulatory milestone payments up to \$3.3 million and commercial and sales milestone up to \$16 million. The Company is also required to pay annual single-digit royalties on net product sales over the term of the License Agreement. As of September 30, 2025, it is not practicable to estimate the future payments of any such milestone payments or royalties that may arise due to the clinical stage of development of VDMC.

10. Segments

The Company defines its segments on the basis of the way in which internally reported financial information is regularly reviewed by the CODM to analyze financial performance, make decisions, and allocate resources. The Company's CODM is the Chief Executive Officer. The Company manages its operations as a single operating and reportable segment and the measure of segment profit or loss is net loss. The CODM uses net loss in the budget and forecasting process and considers budget-to-actual variances on a quarterly basis when making decisions about the allocation of operating and capital resources. The following table summarizes the significant segment expenses presented on the Company's condensed consolidated statements of operations:

(in thousands)	Nine Months Ended September 30,	
	2025	2024
<i>Direct research and development costs by program</i>		
VDPHL01	\$ 39,458	\$ 11,395
VDMN	978	3,100
VDMC	22	1,154
VDAA	9	439
Other program candidates and expenses	48	1,322
<i>Other unallocated research and development costs</i>		
Personnel expenses (including stock-based compensation)	3,012	830
Other expenses	346	93
General and administrative, excluding personnel expenses	3,975	1,626
General and administrative, personnel expenses (including stock-based compensation)	1,488	848
Other segment items ⁽¹⁾	(1,188)	21
Segment net loss	<u>\$ (48,148)</u>	<u>\$ (20,828)</u>

(1) For the nine months ended September 30, 2025 other segment items included \$0.7 million of interest income and \$0.5 million of accretion income on investments. For the nine months ended September 30, 2024, other segment items include interest expense of \$0.3 million, partially offset by \$0.3 million of interest income.

11. SUBSEQUENT EVENTS

The Company evaluated all material subsequent events through January 9, 2026 the date the financial statements were available to be issued, and through January 28, 2026, for the effects of the reverse stock split described below. The Company noted the following material events occurred subsequent to September 30, 2025.

In the fourth quarter of 2025, the Company issued 118,682,683 shares of Series C Preferred Stock, \$0.00001 par value, at a purchase price of \$1.2723 per share, for total cash consideration of \$151.0 million. Additionally, in connection with the issuance of the Series C redeemable preferred stock, certain other terms of the Series A and B redeemable preferred stock terms were amended. The liquidation preference for Series B redeemable preferred stock was changed from two times to one times its original purchase price and is paid pari passu with the Series C redeemable preferred stock, and the Series C redeemable preferred stock is entitled to dividends prior to the Series B redeemable preferred stock.

In accordance with the Company's Certificate of Amendment to the Fourth Amended and Restated Certificate of Incorporation filed in December 2025, the Company increased the number of authorized shares of common stock to 267,466,797 shares, par value \$0.00001 per share, of which 253,382,434 are designated as voting shares and 14,084,363 are designated as non-voting shares.

In the fourth quarter of 2025, the Board of Directors approved increases to the aggregate shares of common stock available for issuance under the 2021 Plan from 7,770,032 (771,832 as adjusted for the reverse stock split) to 44,406,983 shares (4,411,143 shares as adjusted for the reverse stock split) .

In the fourth quarter of 2025, the Board of Directors granted performance-based stock option awards of 543,635 and non-performance based stock awards of 2,431,003 to certain employees and other individuals under the 2021 Plan. The exercise prices range between \$12.19 and \$12.79. The performance based stock option awards are earned based on achievement of a specified corporate milestone and will vest immediately upon Board certification of milestone achievement. The total estimated unrecognized stock-based compensation expense related to these fourth quarter grants was approximately \$18.0 million.

On January 27, 2026, the Company effected a 1-for-10.067 reverse stock split of the Company's issued and outstanding common stock and adjusted the conversion ratio of the Company's outstanding convertible preferred stock. Accordingly, all share and per share amounts for all periods presented in the accompanying consolidated financial statements and notes thereto have been retroactively adjusted, where applicable, to reflect the reverse stock split and the adjustment of the preferred stock conversion ratios.

15,077,647 Shares



Veradermics, Incorporated
Common Stock

PROSPECTUS

Jefferies

Leerink Partners

Citigroup

Cantor

February 3, 2026

Through and including February 28, 2026 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

