

REPORT OF INDEPENDENT AUDITORS AND
FINANCIAL STATEMENTS

SENTYNL THERAPEUTICS, INC.

For The Fiscal Years Ended March 31, 2026 and 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholder's
of Sentynl Therapeutics, Inc.

Opinion

We have audited the accompanying financial statements of Sentynl Therapeutics, Inc. (a Delaware Corporation), which comprise the balance sheets as of March 31, 2026 and 2025, and the related statements of operations, changes in stockholder's equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sentynl Therapeutics, Inc. as of March 31, 2026 and 2025, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sentynl Therapeutics, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sentynl Therapeutics, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sentyln Therapeutics, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sentyln Therapeutics, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Ram Associates

Ram Associates

Hamilton, NJ

May 15, 2026

Sentynl Therapeutics, Inc.**Balance Sheets****As of March 31,****(in thousands)**

	2026	2025
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,288	\$ 2,770
Accounts receivable, net	9,892	10,780
Inventories	10,734	9,668
Prepaid expenses and other current assets	5,087	1,670
Total current assets	29,001	24,888
DEFERRED TAX ASSETS, NET	10,674	10,659
PROPERTY AND EQUIPMENT, net	58	92
OPERATING LEASE RIGHT-OF-USE ASSET	123	342
IDENTIFIABLE INTANGIBLE ASSETS, net	30,904	38,842
Total assets	\$ 70,760	\$ 74,823
CURRENT LIABILITIES		
Accounts payable	\$ 918	\$ 1,075
Accrued expenses and other current liabilities	22,445	21,231
Interest payable on note - affiliate	366	345
Current portion of operating lease liabilities	140	242
Other payable - affiliate	197	36
Total current liabilities	24,066	22,929
LONG-TERM LIABILITIES		
Note payable - affiliate	154,500	152,000
Long-term operating lease liabilities, net of current portion	-	140
Total long-term liabilities	154,500	152,140
Total liabilities	178,566	175,069
COMMITMENTS AND CONTINGENCIES (Note 8)		
STOCKHOLDER'S EQUITY		
Common stock (par value, \$0.0001 per share, 2,000 shares authorized, 100 shares outstanding)	30,010	30,010
Retained earnings (accumulated deficit)	(137,816)	(130,256)
Total stockholder's equity (deficit)	(107,806)	(100,246)
Total liabilities and stockholder's equity (deficit)	\$ 70,760	\$ 74,823

See accompanying notes to financial statements.

Sentynl Therapeutics, Inc.
Statements of Operations
For the Fiscal Years Ended March 31,
(in thousands)

	<u>2026</u>	<u>2025</u>
NET REVENUE	\$ 40,582	\$ 23,499
OPERATING COSTS AND EXPENSES		
Cost of sales	4,386	2,830
Research and development, manufacturing support, quality and regulatory	15,374	16,599
General and administrative	6,943	7,848
Selling and marketing	4,368	4,115
Depreciation	258	274
Amortization	7,938	7,393
Litigation settlement expense	530	-
Total operating costs and expenses	<u>39,797</u>	<u>39,059</u>
OPERATING INCOME (LOSS)	785	(15,560)
INTEREST EXPENSE (INCOME)		
Interest expense	8,430	8,243
Interest income	(86)	(95)
Total interest expense, net	<u>8,344</u>	<u>8,148</u>
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	<u>(7,559)</u>	<u>(23,708)</u>
PROVISION (BENEFIT) FOR INCOME TAXES	<u>1</u>	<u>1</u>
NET INCOME (LOSS)	<u>\$ (7,560)</u>	<u>\$ (23,709)</u>

Sentynl Therapeutics, Inc.
Statements of Shareholder's Equity
For the Fiscal Years Ended March 31,
(in thousands)

	Common Stock		Retained Earnings (Accumulated Deficit)	Total Stockholder's Equity
	Units	Amount		
BALANCE, March 31, 2024	100	\$ 30,010	\$ (106,547)	\$ (76,537)
Net loss	-	-	(23,709)	(23,709)
BALANCE, March 31, 2025	100	30,010	(130,256)	(100,246)
Net loss	-	-	(7,560)	(7,560)
BALANCE, March 31, 2026	100	\$ 30,010	\$ (137,816)	\$ (107,806)

Sentynl Therapeutics, Inc.
Statements of Cash Flows
For the Fiscal Years Ended March 31,
(in thousands)

	2026	2025
OPERATING ACTIVITIES		
Net income (loss)	\$ (7,560)	\$ (23,709)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	258	274
Amortization	7,938	7,393
Changes in operating assets and liabilities:		
Accounts receivable	888	(9,793)
Inventories	(1,066)	(8,123)
Prepaid expenses and other current assets	(3,416)	953
Accrued expenses and other current liabilities	968	10,278
Deferred tax liabilities	(15)	-
Accounts payable	(157)	(218)
Interest and other receivable – affiliate	184	(679)
Net cash used in operating activities	<u>(1,978)</u>	<u>(23,624)</u>
INVESTING ACTIVITIES		
Cash paid for asset acquisition	-	(39,265)
Purchase of property and equipment	(4)	(39)
Net cash used in investing activities	<u>(4)</u>	<u>(39,304)</u>
FINANCING ACTIVITIES		
Loan repayments from affiliate	-	(105,000)
Loan advances from affiliates	2,500	167,000
Net cash provided by financing activities	<u>2,500</u>	<u>62,000</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>518</u>	<u>(928)</u>
CASH AND CASH EQUIVALENTS		
Beginning of period	2,770	3,698
End of period	<u>\$ 3,288</u>	<u>\$ 2,770</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash payments for:		
Interest:		
Paid to a third party	\$ -	\$ -
Paid to a related party	8,409	8,933
Total interest paid	<u>\$ 8,409</u>	<u>\$ 8,933</u>
Income Taxes Paid (Refunded)	<u>\$ -</u>	<u>\$ -</u>

Note 1 - Organization and Description of Business

Sentynl Therapeutics, Inc. (the Company, or STI) was formed as a Delaware corporation in August 2011, and is headquartered in San Diego, California. STI is a US-based biopharmaceutical company focused on bringing innovative therapies to patients living with rare diseases. STI distributed its products through specialty distributors and specialty pharmacies. On April 30, 2015, the Company was acquired by Sentynl Holdings LLC (SHL). On January 19, 2017, SHL sold all of its shares to Zydus Holding Inc. (Zydus), a wholly owned subsidiary of Zydus Lifesciences Limited. (ZLL), and Zydus was merged into STI with STI being the surviving company and ZLL being sole owner of STI.

On March 13, 2026, the Company entered into an agreement with PRG S&Tech, Inc. (PRG), a Korean company, to license its investigational molecule Progerinin (SLC-D011) for Hutchinson-Gilford Progeria Syndrome (HGPS or Progeria). The agreement will allow the Company to begin working with PRG to advance the clinical development of Progerinin (SLC-D011) for HGPS, which has been designated as an orphan drug by the United States Food and Drug Administration (FDA). Under the conditions that certain milestones are met, the Company will acquire full rights to the molecule for HGPS, making Progerinin the Company's second therapy intended for the treatment of HGPS. The program is currently finalizing a Phase 2A clinical trial. See Note 4 for further discussion.

On May 3, 2024, the Company and Eiger BioPharmaceuticals, Inc. (Eiger) finalized an Asset Purchase Agreement (Eiger APA) pursuant to which the Company acquired the worldwide proprietary rights to Zokinvy® (lonafarnib) for the final cash price of \$44.3 million. Zokinvy® is a treatment approved in the United States, the European Union, Great Britain, Israel and Japan to target the causes and symptoms of HGPS and processing-deficient progeroid laminopathies (PDPL), in young people 12 months of age and older. Collectively known as progeria, HGPS and PDPL are ultra-rare, fatal, genetic premature aging diseases that accelerate mortality in young patients. The transaction was accounted for as an asset acquisition. See Note 4 for further discussion.

The Company and Cyprium Therapeutics, Inc. (Cyprium) entered into an Asset Purchase Agreement (Cyprium APA) in February 2021 and an Assignment and Assumption Agreement (Cyprium Assignment Agreement) in December 2023 pursuant to which the Company assumed full responsibility for development and commercialization of ZYCUBO® (Zycubo®), formerly known as CUTX-101. The FDA approved Zycubo® on January 12, 2026 for the treatment of Menkes Disease, a rare X-linked recessive pediatric disease caused by gene mutations of the copper transporter ATP7A. The Company is commercializing the product in the U.S. See Note 4 for further discussion.

On March 31, 2022, the Company and Origin Biosciences, Inc. (Origin) entered into an Asset Purchase Agreement pursuant to which the Company acquired the intellectual property and exclusive global rights to manufacture and distribute Nulibry® (fosdenopterin). Nulibry® is indicated to reduce the risk of mortality in patients with molybdenum cofactor deficiency (MoCD) Type A. MoCD Type A is a rare and devastating inborn error of metabolism (IEM) that presents shortly after birth, progresses rapidly, causes irreparable damage, and often leads to an early death (median survival age is 4 years). STI is responsible for ongoing development and commercialization of Nulibry® in the US, and developing, manufacturing and commercializing fosdenopterin globally. Origin finalized its development responsibilities for fosdenopterin with approval of the marketing authorization with the European Medicines Agency (EMA) and the Israeli Ministry of Health. The transaction was accounted for as an asset acquisition. See Note 4 for further discussion.

The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Note 2 – Summary of Significant Accounting Policies

Use of estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue recognition and related deductions and allowances – Revenue is accounted for in accordance with Accounting Standard Codification (ASC) Topic 606, *Revenue from Contracts with Customers*.

Revenue

The Company's products are distributed in the United States through an exclusive distribution model with a US-based third-party distributor (the US Distributor) whereby the Company directly sells its products to the US Distributor. The US Distributor subsequently sells products to specialty pharmacies and specialty hospitals (Customers) who have agreements in place with STI.

Products are distributed in territories outside the United States through distribution and Managed Access Vendor agreements with various partners in Europe, Asia, and rest of world (ExUS Distributors) on commercially available and pre-approval basis.

As of March 31, 2026, Zokinvy® is currently reimbursed by certain European countries. Further, certain countries, however, have provided pre-approval access to the Company's products in response to requests by physicians on behalf of specific, or named patients under Named-Patient Programs (NPP). The distribution of the Company's products to NPP is managed by Managed Access Vendors based in Europe, Eurasia, Latin America and Canada. The vendors pass on to the Company the reimbursements received for the Company's products dispensed to named patients under these programs. The Company recognized revenue on product dispensed to named patients to the extent of reimbursement received.

The Company recognizes net revenue for product sales when control of the promised goods is transferred to its customers in an amount that reflects the consideration it expects to be entitled to in exchange for those goods. Revenues are recorded, net of provisions, for variable consideration, including trade discounts and distribution fees, rebates, governmental rebate programs, product returns, chargebacks, other sales allowances. Accruals for these provisions are presented in the financial statements as reductions in determining net revenue and as a contra asset in accounts receivable, net (if settled via credit) and other current liabilities (if paid in cash). The following briefly describes the nature of the Company's provisions for variable consideration and how such provisions are valued. These provisions represent accrual estimates, which are based on the terms and conditions of contracts and other agreements with direct and indirect customers and are supported by relevant historical experience. The Company periodically reviews and, if necessary, adjusts the estimated amounts accrued for these deductions and allowances. It is reasonably possible that estimates could change in the near term.

Government rebates: Provision for rebates represents a significant estimate used in revenue recognition.

The Company contracts with Medicaid and other government agencies (Government Payors). It estimates the rebates it will provide to Government Payors and deducts these estimated amounts from its gross product revenue at the time revenue is recognized and establishes a current liability. The estimate of these rebates is based on the historical trends of rebates paid as well as estimated levels of inventory in the distribution channel.

Note 2 – Summary of Significant Accounting Policies (continued)

Trade discounts and Distribution fees: Trade discounts relate to prompt settlement discounts provided to the US Distributor and Customers. Distribution fees include fees, based on sales amount, paid to US Distributor for the distribution of the product. Estimates of these payments are recorded as a reduction of revenue based on contractual terms.

Product returns: Consistent with industry practice, the Company maintains a return policy that allows Customers to return a product within a period which begins six months prior to and ends twelve months after the expiration date. The Company's estimate of the provision for returns is generally based upon historical experience with actual returns and records this estimate as a reduction of revenue in the period the related product revenue is recognized. The Company also assesses other factors that could affect product returns including market conditions, product obsolescence, and the introduction of new competition. Although these factors do not normally give the Company's Customers the right to return products outside of the regular return policy, the Company realizes that such factors could ultimately lead to increased returns. The Company analyzes these situations and makes adjustments to the product return reserve as appropriate.

(in thousands)	<u>2026</u>	<u>2025</u>
Invoiced revenue	\$ 50,193	\$ 29,380
Other revenue	-	150
Less deductions and allowances:		
Third-party and government rebates, discounts and price reduction	6,427	4,012
Others	<u>3,184</u>	<u>2,019</u>
Total deductions and allowances	<u>9,611</u>	<u>6,031</u>
Net revenue	<u>\$ 40,582</u>	<u>\$ 23,499</u>

Concentrations – Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents and trade accounts receivable. The Company maintains all of its cash balances in the form of bank depository accounts that have immediate liquidity with a large United States-based financial institution. On March 31, 2026, the Company had uninsured cash balances totalling \$3.13 million held in one institution. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk in its cash and trade accounts receivable balances.

Cost of sales – Cost of sales consists primarily of third-party product manufacturing costs, product royalties when applicable, third-party distribution and destruction costs, product stability costs, and provision for estimated excess and obsolete inventory.

Cash and cash equivalents – Cash and cash equivalents consist of cash held in an account at a large United States-based bank.

Accounts receivables, net – During the fiscal years 2026 and 2025, the US Distributor was the only direct US customer of the Company. The amounts recorded at March 31, 2026 and 2025 of \$5.94 million and \$2.98 million, respectively, reflect unpaid amounts invoiced to this customer under the terms and conditions of the contract. The allowance for trade discounts was \$0.14 million and \$0.09 million as of March 31, 2026 and 2025, respectively. In addition, the Company had receivables from its ExUS Distributors totaling \$4.09 million and \$7.89 million as of March 31, 2026 and 2025, respectively.

Allowance for Credit Losses – The allowance for credit losses (ACL) on trade receivables is a valuation account that is used to present the net amount expected to be collected on trade receivables. An ACL under

Note 2 – Summary of Significant Accounting Policies (continued)

the current expected credit losses (CECL) methodology is determined using loss-rate approach and measured on a collective (pool) basis when similar risk characteristics exist. The CECL allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. While the Company uses various credit quality metrics, it primarily monitors collectability by assessing the credit worthiness of its Distributor and its experience with delinquent trade receivables. Based on the Company's experience, the risk of delinquent trade receivables with the Company's distributors is low. The Company has no historical credit loss experience with its distributors. Accordingly, the Company has a zero-loss expectation under which, for a materiality exclusion, it recognized essentially no loss on its receivables. The ACL as of March 31, 2026 and March 31, 2025, and change in the ACL during the fiscal years ended March 31, 2026 and March 31, 2025, was not material to the financial statements.

Inventories, net – Inventories consist of pharmaceutical raw materials, drug substances and drug products that are manufactured by FDA-approved third-party suppliers. Inventories are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. The Company's existing products have initial shelf-lives in the range of 18 - 48 months. The Company records an estimated allowance for excess and obsolete inventory based on projected future sales, reported and estimated unit quantities of products held by its direct and indirect customers, remaining product shelf-life, historical trends, and other relevant factors.

Property and equipment – Property and equipment purchased by the Company is stated at cost, net of accumulated depreciation. Assets acquired pursuant to a business combination are stated at their fair value on the date of the acquisition. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from 2 to 5 years.

Identifiable intangible assets – Intangible assets are stated at cost, less accumulated amortization and impairment adjustments. Amortization is generally recorded on a straight-line basis over estimated useful lives having ranged from 6 to 7 years. The Company evaluates the estimated remaining useful lives of intangible assets based on relevant factors that include market size and growth trends, stability of therapeutic class, and further strength of competing products and periodically reviews the estimated useful lives of intangible assets and adjusts when events indicate that a shorter life is appropriate.

Impairment of long-lived assets (other than goodwill) – The Company periodically evaluates whether changes in facts and circumstances indicate that the carrying amounts of long-lived assets might not be recoverable. Impairment is determined to exist when the carrying amount exceeds the estimated future undiscounted cash flows associated with the asset over its estimated remaining economic life (fair value). Fair value is determined using the market, income, or cost approaches as appropriate for the asset. The estimated remaining economic life of product rights and other related intellectual property rights is subject to change in the near term based on, among other things, third-party generic competition, regulatory changes, the reliability of future product supply, competition from products prescribed for similar indications, physician loyalty, and promotional efforts or lack thereof. If an asset is impaired, an impairment loss is recognized based on the excess of the asset's carrying amount over its estimated fair value. Any write-downs are treated as permanent reductions in the carrying amount of the asset and recognized as an operating loss.

Management judgment is involved in estimating the recoverability of these assets and is dependent upon the accuracy of the assumptions used in making these estimates, as well as how the estimates compare to the eventual future operating performance of the intangible assets. Any future long-lived assets impairment charges could have an impact on the Company's financial condition and results of operations.

Note 2 – Summary of Significant Accounting Policies (continued)

Leases – The Company adopted Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), as amended (ASC Topic 842). This standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months and classify as either operating or finance leases.

In accordance with ASC Topic 842, the Company, at the inception of an amendment to its facility operating lease, made the determination that the arrangement was a lease based on the terms of the lease including whether the agreement involved the use of a distinct identified asset, whether the Company obtained the right to substantially all the economic benefit from the use of the asset, and whether the Company had the right to direct the use of the asset. Leases with a term greater than one year are recognized on the balance sheet as ROU assets, lease liabilities and, if applicable, long-term lease liabilities.

Lease liability and the corresponding ROU assets were recorded based on the present value of lease payments over the expected lease term. The implicit rate was not determinable and, therefore, the Company used the risk-free rate in effect at the time of the lease commencement. ASC Topic 842 provides a practical expedient for nonpublic business entities, which allows the use of a risk-free rate for a period comparable to the lease term. See Note 9.

Research and development – Research and development expenses consist of costs associated with regulatory activities, ongoing clinical studies and development efforts primarily associated with the Nulibry®, Zokinvy®, Zycubo® products and expenses related to milestone payments made before regulatory approval. Research and development expenses are charged to operations as incurred.

Income taxes – The Company accounts for income taxes payable based on the asset and liability method that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statements and income tax returns. A deferred tax asset valuation allowance is recorded if it is more likely than not that a deferred tax asset will not be realized. Interest and penalties on tax underpayments are recorded as general and administrative expenses in the statement of operations.

Reclassifications and adjustments – Certain items in the prior year's financial statements have been reclassified to conform to the current presentation.

Accounting Standards Update (ASU) 2023-09 Improvements to Income Tax Disclosures, Income Taxes (Topic 740): This ASU requires enhanced disclosures about a reporting entity's effective tax rate and its income taxes paid (refunded). Entities other than Public Business Entities are required to qualitatively disclose the nature and effect of the specific categories of reconciling items listed in ASC 740-10-50-12A(a) as well as individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate. Numerical reconciliation is not required. Further, income taxes paid must be disaggregated by foreign, domestic, and state taxes, with further disaggregation by jurisdiction on the basis of a quantitative threshold of 5 percent "of total income taxes paid (net of refunds received)". However, comparative information for all periods presented is not required for the disclosures related to income taxes paid in an individual jurisdiction under ASC 740-10-50-23. ASU 2023-09 is effective for public business entities for annual periods beginning after December 15, 2024, and for annual periods beginning after December 15, 2025, for all other entities.

Note 3 – Balance Sheet Details

Balance sheet details as of March 31, 2026 and 2025, are as follows:

(in thousands)

	<u>2026</u>	<u>2025</u>
Accounts receivable, net		
Trade accounts receivable	\$ 10,028	\$ 10,866
Trade discounts	(136)	(86)
Accounts receivable, net	<u>\$ 9,892</u>	<u>\$ 10,780</u>
Inventories		
Raw materials	\$ 7,008	\$ 6,407
Work-in progress	1,441	2,002
Finished goods	2,285	1,259
Inventories	<u>\$ 10,734</u>	<u>\$ 9,668</u>
Prepaid expenses and other current assets		
Deposits and advanced payments for inventory and materials	\$ 4,049	\$ 635
Prepaid PDUFA fees	663	606
Prepaid commercial insurance	56	160
Prepaid subscription fees	190	142
Prepaid market data	-	31
Income tax receivable	-	15
Other	129	81
Prepaid expenses and other current assets	<u>\$ 5,087</u>	<u>\$ 1,670</u>
Property and equipment, net		
Computer hardware and software	\$ 376	\$ 371
Furniture and fixtures	273	273
Manufacturing Equipment	26	26
	675	670
Accumulated depreciation	(617)	(578)
Property and equipment, net	<u>\$ 58</u>	<u>\$ 92</u>
Accrued expenses and other current liabilities		
Accrued fees / taxes on ExUS sales	\$ 6,426	\$ 1,802
Accrued product sales charges	14,019	11,671
Deferred revenue	1,305	6,893
Other	695	865
Accrued expenses and other current liabilities	<u>\$ 22,445</u>	<u>\$ 21,231</u>

Note 4 – Asset Acquisition & Acquired In-Process R&D

PRG

As described in Note 1, on March 13, 2026, the Company entered into an APA with PRG pursuant to which the Company committed development funding for and will acquire Progerinin for Hutchinson-Gilford Progeria Syndrome (HGPS or Progeria) making Progerinin the Company's second therapy intended for the treatment of HGPS.

The up-front payment, (pre-approval), are considered as acquired IPR&D. As of March 31, 2026, the

Note 4 – Asset Acquisition & Acquired In-Process R&D (continued)

Company paid PRG an upfront payment in connection with this agreement. The Company recorded this payment as In-Process R&D (IPR&D) in Research and development expenses in the Company's statement of operations.

PRG may be eligible for a future development milestone payment, as well as future commercial milestones. The Company also committed to pay royalties at agreed rates as a percentage of net sales as defined in the underlying agreement. Post-approval payments, if any, will be capitalized as intangible assets and amortized over the estimated useful life of the product. These payments are contingent upon the occurrence of certain future events and achievement of revenue targets.

Cyprium

The Company and Cyprium Therapeutics, Inc. (Cyprium) entered into an Asset Purchase Agreement (Cyprium APA) in February 2021 and an Assignment and Assumption Agreement (Cyprium Assignment Agreement) in December 2023 pursuant to which the Company assumed full responsibility for development and commercialization of Zycubo®, formerly known as CUTX-101. The FDA approved Zycubo® on January 12, 2026 for the treatment of Menkes Disease, a rare X-linked recessive pediatric disease caused by gene mutations of the copper transporter ATP7A.

Pursuant to the terms of these agreements, the Company paid Cyprium an aggregated total of \$14 million milestones reflecting reduced payment amounts in connection with the Cyprium Assignment Agreement. The achievement of certain revenue targets could commit the Company to additional sales-based milestone payments but given the uncertainty it is unclear when, if ever, the Company may be required to pay such amounts.

The Company is commercializing the product in the U.S. It committed to paying future royalties at agreed rates as a percentage of net sales as defined in the Cyprium APA.

Eiger

On May 3, 2024, the Company and Eiger BioPharmaceuticals, Inc. (Eiger) finalized an Asset Purchase Agreement (Eiger APA) pursuant to which the Company acquired, royalty-free, the worldwide proprietary rights to manufacture and distribute Zokinvy® (lonafarnib). Zokinvy® is a treatment approved in the United States, the European Union, Great Britain, Israel and Japan to target the causes and symptoms of progeria, also known as Hutchinson-Gilford progeria syndrome (HGPS) and processing-deficient progeroid laminopathies (PDPL), in young people 12 months of age and older. Collectively known as progeria, HGPS and PDPL are ultra-rare, fatal, genetic premature aging diseases that accelerate mortality in young patients.

This transaction was accounted for as an asset acquisition. The Company paid \$44.30 million in cash at closing and incurred \$1.59 million in transaction costs, the total of which was allocated to product rights in the amount of \$39.27 million and acquired inventory totaling \$6.62 million. The product rights are amortized over a period of six years.

Origin

As described in Note 1, on March 31, 2022 (Closing Date), the Company consummated an Asset Purchase Agreement with Origin (Origin APA) pursuant to which the Company acquired the intellectual property and exclusive global rights to manufacture and distribute Nulibry® (fosdenopterin) indicated to reduce the risk of mortality in patients with molybdenum cofactor deficiency (MoCD) Type A.

Note 4 – Asset Acquisition & Acquired In-Process R&D (continued)

Pursuant to the terms of the Origin APA, STI is responsible for the ongoing development and commercialization in the US, and developing, manufacturing and commercializing fosdenopterin globally. Origin completed its development responsibilities for fosdenopterin with the approval of the marketing authorization with EMA and Israeli Ministry of Health.

In connection with the Origin APA, STI assumed certain agreements which could commit the Company to additional development, approval and sale-based milestone payments and additional royalty payments. On March 27, 2026, the Company amended the terms of one such agreement to revise the milestones to be based on an aggregate of worldwide net sales. The events that would obligate the Company to pay any additional milestone amounts had not occurred by March 31, 2026. Accordingly, no contingent consideration was recognized as of the reporting date.

This transaction was accounted for as an asset acquisition, the total of which was allocated to product rights in the amount of \$9.76 million, amortized over a period of seven years.

Note 5 – Identifiable Intangible Assets

The identifiable intangible assets were valued at \$49.02 million at March 31, 2026 and March 31, 2025, and are being amortized over a range of useful lives of 6 to 7 years.

The carrying amounts of intangible assets were as follows:

(in thousands)	<u>2026</u>	<u>2025</u>
License and product rights - Nulibry®	\$ 9,758	\$ 9,758
License and product rights - Zokinvy®	39,265	39,265
Less accumulated amortization	<u>(18,119)</u>	<u>(10,181)</u>
Intangible assets, net	<u>\$ 30,904</u>	<u>\$ 38,842</u>

Amortization expense related to the identifiable intangible assets was \$7.94 million and \$7.39 million in the years ended March 31, 2026 and 2025, respectively. Future expected amortization expense for identifiable intangible assets held as of March 31, 2026, is as follows:

<u>Year ended March 31 (in thousands),</u>		
2027	\$	7,938
2028		7,938
2029		7,938
2030		6,545
2031		545
Total	<u>\$</u>	<u>30,904</u>

Note 6 – Stockholder's Equity

As the result of the acquisition described in Note 1, ZLL became the sole owner and holder of 100 shares of the Company's common stock.

Note 7 – Income Taxes

The Company accounts for income taxes in accordance with FASB ASC Topic 740, *Income Taxes*. Deferred tax assets and liabilities arise from temporary differences between the tax basis of assets and liabilities, and their reported amounts in the financial statements, that will result in taxable or deductible amounts in future years. Accounting for deferred taxes involves the evaluation of a number of factors concerning the realizability of the Company's net deferred tax assets. Management primarily considered such factors as the nature of the deferred tax assets, and the timing, likelihood, and amount, if any, of future taxable income during the periods in which those temporary differences and carryforwards become deductible. The Company records a valuation allowance against the deferred tax assets if and to the extent it is more likely than not that the Company will not recover the deferred tax assets. In evaluating the need for a valuation allowance, the Company weighs all relevant positive and negative evidence, and considers among other factors, historical financial performance, projected future taxable income, scheduled reversals of deferred tax liabilities, the overall business environment, and tax planning strategies. Losses in recent periods and cumulative pre-tax losses in the three-year period ending with the current year, is collectively considered significant negative evidence under ASC 740 when assessing whether an entity can use projected income as a basis for concluding that deferred tax assets are realizable on a more-likely-than not basis. For purposes of assessing the recoverability of deferred tax assets, the Company determined that it could not include future projected earnings in the analysis due to recent history of losses and therefore had insufficient objective positive evidence that the Company will generate sufficient future pre-tax income to overcome the negative evidence of cumulative losses. Accordingly, during the years ended March 31, 2026 and 2025, the Company determined that a portion of its deferred tax assets are not expected to be realizable in the future. As a result, the Company recorded a partial valuation allowance of approximately \$11.24 million and \$9.04 million during the years ended March 31, 2026 and 2025, respectively against its U.S. federal deferred tax assets.

Currently, the Company does not have any uncertain tax positions and does not anticipate any significant changes within the twelve months to March 31, 2027 in uncertain tax positions that would be material to the financial statements taken as a whole.

The income tax provision (benefit) consists of the following:

(in thousands)

Current:

Federal

2026	2025
\$ -	\$ -

State

1	1
---	---

Total current

1	1
---	---

Deferred:

Federal

-	-
---	---

State

-	-
---	---

Total deferred

-	-
---	---

Total income tax provision (benefit)

\$ 1	\$ 1
------	------

STI's net deferred tax assets are as follows:

(in thousands)

Deferred tax liabilities (assets):

Net operating loss

2026	2025
\$ 12,512	\$ 11,745

Interest limitation

4,003 2,821

Amortization of Products Rights

2,205 1,224

Amortization of R&D expenses

2,070 2,318

Allowance for returns and rebates

661 730

Deferred revenue, net of expenses

160 844

Note 7 – Income Taxes (continued)

Depreciation and amortization	(2)	(12)
Other	307	25
Valuation allowance	(11,242)	(9,036)
Total net deferred tax assets / (liabilities)	<u>\$ 10,674</u>	<u>\$ 10,659</u>

The difference between the effective income tax rate and the statutory federal income tax rate applied to pretax income (loss) is as follows:

(in thousands)

	2026	
	Amount	Percentage
Tax on Income before Income Tax	\$ (1,581)	21.00%
Effect of permanent differences	(7)	0.00%
Net operating loss	<u>1,589</u>	<u>-21.00%</u>
Total income tax expense	1	0.00%
Deferred tax benefit	<u>-</u>	<u>0.00%</u>
Total income tax benefit	<u>\$ 1</u>	<u>0.00%</u>

(in thousands)

	2025	
	Amount	Percentage
Tax on Income before Income Tax	\$ (4,976)	21.00%
Effect of permanent differences	(9)	0.00%
Net operating loss	<u>4,986</u>	<u>-21.00%</u>
Total income tax expense	1	0.00%
Deferred tax benefit	<u>-</u>	<u>0.00%</u>
Total income tax benefit	<u>\$ 1</u>	<u>0.00%</u>

The Company has not incurred any material interest or penalties during the reporting period with respect to income tax matters.

The Company is subject to taxation in the United States and various state jurisdictions. As of March 31, 2026, the Company's tax years for 2022 through 2024 are subject to examination by the taxing authorities. The Company is currently under payroll tax audit with the United States Internal Revenue Service (IRS) for tax year 2023.

Note 8 – Retirement Plan

The Company has established a qualified defined contribution 401(k) plan for its eligible employees. Company contributions to the 401(k) plan are at the sole discretion of the Board of Directors. In 2026 and 2025, the Board approved, and the Company paid, matching contributions of \$0.18 million in each year related to employee services for the immediately preceding year. At March 31, 2026, the Company accrued a discretionary matching contribution for employee services related to 2026 totaling \$0.12 million, which, subject to Board approval, will be funded in early 2027.

Note 9 – Commitments and Contingencies

Legal matters – On or about May 3, 2024, Sentynl acquired worldwide rights to Zokinvy® from Eiger Biopharmaceuticals, Inc. as part of a bankruptcy auction (see Note 1). On November 1, 2024, Sentynl filed a motion in the same court for allowance of administrative expense related to damages Sentynl incurred in connection with the Zokinvy® sale. On March 7, 2025, Sentynl filed another motion in the same court to enforce the Zokinvy® sale order and for contempt against Eiger InnoTherapeutics (EIT) seeking further relief.

The matter was fully settled through a settlement agreement entered into on June 5, 2025 by and between Eiger and the Company, and a settlement agreement entered into by and between EIT and the Company on or about June 27, 2025. The court presiding over the Zokinvy® sale entered a Stipulation and Agreed Order on July 3, 2025 formally concluding these matters. The Company recorded litigation settlement expense in the fiscal year ended March 31, 2026 in connection with these agreements classified as Litigation settlement expense in the statement of operations.

The Company may be involved in legal matters that arise from time to time in the ordinary course of business. Management does not believe that the resolution of any of these matters would have a material impact on the Company's financial position or results of operations.

STI accrued unpaid legal and related costs totaling \$0.16 million in the fiscal year ended March 31, 2026 and \$0.15 million in the fiscal year ended March 31, 2025.

Product manufacturing agreements – The Company uses FDA-validated third-party and related party contractors to manufacture and package its products. Under the terms and conditions of agreements with these contractors, the Company enters into firm purchase commitments that specify quantities, expected delivery, and pricing for each specific order.

The Company made purchases totaling \$0.57 million and \$2.80 million under such contracts in fiscal years 2026 and 2025, respectively. On March 31, 2026, there were \$6.09 million outstanding firm purchase commitments in connection with these agreements.

Royalty Agreements – STI is obligated to pay quarterly royalties in connection with the Origin APA and Assigned Agreements, subject to certain limitations as further defined in the Origin APA. In addition, royalties are due in connection with the Cyprium APA upon the FDA approval and commercialization of Zycubo® which occurred in January 2026. Royalties are based on a percentage of the net sales from the sales of these products.

Leases – In December 2022, the Company amended its lease agreement for office space at its corporate headquarters in San Diego, California, to extend the lease term through October 31, 2026. In accordance with ASC Topic 842, the Company determined this arrangement contained a lease at inception and recognized a ROU asset in connection with this amendment of \$0.73 million. At March 31, 2026, the unamortized amount for this asset was \$0.12 million. This operating lease does not include a renewal option.

ROU assets represent the Company's right to control an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the estimated present value of lease payments over the lease term. The Company utilized the practical expedient for determining the discount rate available for nonpublic business entities which allowed it to use a risk-free rate for a period comparable to the lease term.

Note 9 – Commitments and Contingencies (continued)

Lease expense is recorded over the lease term and was \$0.22 million and \$0.23 million in fiscal years 2026 and 2025, respectively.

Schedule of cash flow related to leases (in thousands):

	<u>2026</u>	<u>2025</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 264	\$ 256
ROU assets obtained in exchange for lease liabilities:	\$ -	\$ -
Remaining lease term (in months):	7	19
Weighted average discount rate:	4.0%	4.0%

Future minimum payments due and payable under the Company's non-cancelable operating lease, as amended, are as follows:

Years ended March 31, (in thousands)	
2027	\$ 157
	<u>157</u>
Total Lease Payments	157
Less: amount representing interest	(17)
	<u>140</u>
Total	<u>\$ 140</u>

Note 10 – Related Party Transactions

As of March 31, 2026, the Company had received cumulative net loan advances totaling \$34.50 million, net of repayments, from Zydus Pharmaceuticals (USA) Inc. (ZPUI) pursuant to a loan agreement between the Company and ZPUI. Interest accrued on the unpaid loan balance is calculated at interest rates deemed to represent fair value. The Company recorded \$1.49 million in interest expense associated with this loan during the fiscal years ended March 31, 2026 and \$3.45 million during fiscal year ended March 31, 2025. The current outstanding principal and accrued interest payable balance was \$34.87 million on March 31, 2026 and \$32.34 million on March 31, 2025.

The Company received cumulative loan advances totaling \$120.0 million from ZLL pursuant to a loan agreement between the Company and ZLL. Interest accrued on the unpaid loan balance is calculated at interest rates deemed to represent fair value. The Company recorded \$6.94 million and \$4.79 million of interest expense associated with this loan during the years ended March 31, 2026 and 2025. The outstanding principal balance was \$120.0 million on March 31, 2026 and 2025.

As of March 31, 2026 and 2025, the Company classified the outstanding loan payable balances as long-term liabilities as follows:

(in thousands)	<u>2026</u>	<u>2025</u>
Note Payable - ZPUI	\$ 34,500	\$ 32,000
Note Payable - ZLL	<u>120,000</u>	<u>120,000</u>
Note payable – affiliate	<u>\$ 154,500</u>	<u>\$ 152,000</u>

Note 10 – Related Party Transactions (continued)

As of March 31, 2026 and 2025, the interest payable on these outstanding loan balances is as follows:

(in thousands)	<u>2026</u>	<u>2025</u>
Interest payable on Note - ZPUI	\$ 366	\$ 345
Interest Payable on Note - ZLL	<u>-</u>	<u>-</u>
Interest payable on note – affiliate	<u>\$ 366</u>	<u>\$ 345</u>

ZPUI provided Administrative Services, as defined, pursuant to an Intercompany Administrative Service Agreement dated July 12, 2022. Such services were charged at rates deemed to be arm's length. The Company recognized administrative support expense related to this agreement of \$0.14 million in the fiscal year ended March 31, 2026 and \$0.07 million in the fiscal year ended March 31, 2025. The Company recorded reimbursement of expenses paid by ZPUI and other affiliates of \$0.01 million, net of costs it paid on ZPUI's behalf, in the fiscal year ended March 31, 2026 and \$0.03 million in the fiscal year ended March 31, 2025.

The Company entered into a Product Development Agreement with ZLL pursuant to which ZLL provided the Company manufacturing technology services for certain of its products. The Company recognized costs related to product manufactured for the Company of \$0.34 million and \$0.00 million in fiscal years ended March 31, 2026 and 2025, respectively.

Net amounts payable associated with such services, reimbursement of expenses paid and amounts owed to ZLL for product it manufactured for the Company are included in "Other payable – affiliate" in the balance sheets and were \$0.20 million at March 31, 2026 and \$0.03 million at March 31, 2025.

Note 11 - Subsequent Events

The Company has evaluated subsequent events through May 15, 2026, the date which the financial statements were available to be issued. No reportable subsequent events have occurred through May 15, 2026, which would have a significant effect on the financial statements as of March 31, 2026, except as otherwise disclosed.