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

FORM 10-Q

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

For the quarterly period ended September 30, 2025

or

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

For the transition period from to

Commission File Number: 001-39011

EXICURE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

81-5333008
(IRS Employer
Identification No.)

**400 Seaport Court, Suite 102
Redwood City, CA 94063**
(Address of principal executive offices)

Registrant's telephone number, including area code (847) 673-1700

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	XCUR	The Nasdaq Stock Market LLC

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

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

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

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

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

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

As of November 3, 2025, there were 6,373,869 shares of the registrant's common stock, par value \$0.0001 per share ("Common Stock"), outstanding.

EXICURE, INC.
QUARTERLY REPORT ON FORM 10-Q
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” contains express or implied “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical fact contained in this Report are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “could,” “will,” “would,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “intend,” “predict,” “seek,” “contemplate,” “project,” “continue,” “potential,” “ongoing” or the negative forms of these terms or other comparable terminology. Forward-looking statements also include the assumptions underlying or relating to such statements.

Although we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, such expectations or any of the forward-looking statements may prove to be incorrect and actual results could differ materially from those projected or assumed in the forward-looking statements. All forward-looking statements and reasons why results may differ included in this Quarterly Report on Form 10-Q are made as of the date hereof and we do not intend to update any forward-looking statements except as required by law. While certain risk may be within our ability to control, some risks are entirely outside of our control, and we are not in real time able to determine in which risks are within our control and which are not. We may initially determine in good faith the degree to which a certain set of risks are within our control and later learn such determinations were incorrect or incomplete.

Our future financial condition and results of operations, as well as any forward-looking statements, are subject to inherent risks and uncertainties, including, but not limited to, factors concerning the following:

- substantial uncertainties regarding our exploration of strategic alternatives to maximize stockholder value, including whether we are able to identify potential partners and consummate transactions, in a timely manner or at all, whether we would be able to obtain sufficient funding to complete this process and whether any such transactions would generate value for stockholders;
- our ability to raise the additional capital that is needed to fund our operations and our pursuit of strategic alternatives, particularly given our current lack of a revenue source and the substantial doubt about our ability to continue as a going concern;
- our ability to remain listed on The Nasdaq Capital Market (“Nasdaq”), including the ability to maintain minimum stockholders’ equity and stock price, and comply with applicable governance requirements, for continued listing on Nasdaq;
- any strategic plan or alternative that we may identify and pursue may involve unexpected costs, liabilities and/or delays and may not deliver anticipated benefits to our stockholders;
- our estimates of expenses, use of cash, timing of future cash needs, ongoing losses and capital requirements may prove to be inaccurate;
- uncertainty about reaction from investors and potential business partners to our recent changes of control and board of directors (the “Board”) and management composition and the future direction of the Company, and the ability of our controlling stockholders and new Board members and management to earn the confidence of investors and potential partners despite limited experience with U.S. public companies, and how these factors may impact our ability to obtain funding and execute any strategic alternatives that we may identify;
- potential turnover of senior management in the near term, and any inability to attract and retain qualified management and other key personnel, could create significant continuity risk and could impair our ability to raise capital and execute on our exploration of strategic alternatives;

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- our ability to comply with all applicable laws, which may be particularly challenging given the recent turnover in our Board and management, significant reductions in force, limited resources and the potential to enter into new business areas with which we have no past experience;
- the ability of investors to assess our operations, which are primarily within subsidiaries whose performance are stated on the Company's financial statements on a consolidated basis;
- our ability to obtain and maintain intellectual property protection for our technologies and our ability to operate our business without infringing the intellectual property rights of others;
- the impact of macroeconomic conditions, including global inflation, actions taken by central banks to counter inflation, capital market and bank instability, exchange rate fluctuations, supply chain disruptions, energy and fuel prices and uncertainty and disruption caused by geopolitical events, including the conflicts in Ukraine, Russia, and the Middle East;
- the impact of government laws and regulations, including but not limited to taxes and tariffs, as well as the impact and uncertainty with respect to political events such as the current federal government shutdown; and
- risk factors set forth in Part I, Item 1A "Risk Factors" in the Annual Report on Form 10-K for the year ended December 31, 2024, the reasons described elsewhere in this Quarterly Report on Form 10-Q, and other factors that may impact our financial results and condition and our ongoing strategic efforts.

Forward-looking statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements.

Any forward-looking statement in this Quarterly Report on Form 10-Q reflects our current view with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our business, results of operations and future growth. Given these uncertainties, you should not place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this Quarterly Report on Form 10-Q and the documents that we reference herein and have filed with the SEC as exhibits thereto completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements. Except as required by law, we assume no, and specifically decline any, obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

Except where the context otherwise requires, in this Quarterly Report on Form 10-Q, the terms the "Company," "Exicure," "we," "us" and "our" refer to Exicure, Inc., a Delaware corporation, and, where appropriate, our subsidiaries.

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements.
EXICURE, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,438	\$ 12,508
Other receivable	55	521
Prepaid expenses and other current assets	946	644
Total current assets	5,439	13,673
Other noncurrent assets	1,888	1,357
Property and equipment, net	527	26
Right-of-use asset, net	289	—
Intangible asset	3,784	—
Goodwill	3,340	—
Total assets	\$ 15,267	\$ 15,056
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,307	\$ 1,031
Accrued expenses and other current liabilities	1,462	2,040
Total current liabilities	2,769	3,071
Financing lease liability, noncurrent	26	—
Operating lease liability, noncurrent	—	5,213
Contingent consideration	5,545	—
Total liabilities	8,340	8,284
Commitments and Contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value per share; 10,000,000 shares authorized, no shares issued and outstanding, September 30, 2025 and December 31, 2024	—	—
Common stock, \$0.0001 par value per share; 200,000,000 shares authorized, 6,373,869 issued and outstanding, September 30, 2025; 6,026,841 issued and outstanding, December 31, 2024	1	1
Additional paid-in capital	208,136	206,035
Accumulated other comprehensive income	102	—
Accumulated deficit	(201,312)	(199,264)
Total stockholders' equity	6,927	6,772
Total liabilities and stockholders' equity	\$ 15,267	\$ 15,056

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue:				
Revenue	\$ —	\$ —	\$ —	\$ 500
Total revenue	—	—	—	500
Operating expenses:				
Research and development expense	888	—	2,631	—
General and administrative expense	1,499	1,434	5,230	4,005
Litigation legal expense	—	1,138	—	1,138
Loss from sale or disposal of property and equipment	4	—	90	—
Gain on early lease termination	—	—	(5,974)	—
Total operating expenses	2,391	2,572	1,977	5,143
Operating loss	(2,391)	(2,572)	(1,977)	(4,643)
Other income (expense), net:				
Dividend income	27	—	106	5
Interest income	29	1	38	7
Interest expense	—	(12)	—	(18)
Gain on settlement of accounts payables	155	—	346	—
Change in fair value of contingent liability	(246)	—	(541)	—
Other (expense) income, net	(11)	1,500	(20)	2,137
Total other (expense) income, net	(46)	1,489	(71)	2,131
Net loss before provision for income taxes	(2,437)	(1,083)	(2,048)	(2,512)
Provision for income taxes	—	(8)	—	(8)
Net loss	<u>\$ (2,437)</u>	<u>\$ (1,091)</u>	<u>\$ (2,048)</u>	<u>\$ (2,520)</u>
Basic and diluted loss per common share	\$ (0.39)	\$ (0.57)	\$ (0.33)	\$ (1.36)
Weighted-average basic and diluted common shares outstanding	6,322,078	1,899,412	6,271,229	1,855,286

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands, except share and per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net loss	\$ (2,437)	\$ (1,091)	\$ (2,048)	\$ (2,520)
Other comprehensive loss, net of taxes				
Foreign currency translation adjustment	1	—	102	—
Other comprehensive income	1	—	102	—
Comprehensive loss	\$ (2,436)	\$ (1,091)	\$ (1,946)	\$ (2,520)

See Accompanying Notes to Consolidated Financial Statements.

EXICURE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands, except shares)

	Common Stock							
	Shares	\$		Additional Paid-in- Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss		Total Stockholders' Equity
Balance at January 1, 2025	6,026,841	\$ 1	\$	206,035	\$ (199,264)	\$	—	\$ 6,772
Vesting of restricted stock units	22	—		—	—		—	—
Issuance of common stock, net	290,908	—		1,600	—		—	1,600
Net income	—	—		—	3,010		—	3,010
Balance at March 31, 2025	6,317,771	\$ 1	\$	207,635	\$ (196,254)	\$	—	\$ 11,382
Equity-based compensation		—		1			—	1
Vesting of restricted stock units	22	—		—	—		—	—
Foreign currency translation adjustment	—	—		—	—		101	101
Net loss	—	—		—	(2,621)		—	(2,621)
Balance at June 30, 2025	6,317,793	\$ 1	\$	207,636	\$ (198,875)	\$	101	\$ 8,863
Vesting of restricted stock units	23	—		—	—		—	—
Issuance of common stock	56,053	—		500	—		—	500
Foreign currency translation adjustment	—	—		—	—		1	1
Net loss	—	—		—	(2,437)		—	(2,437)
Balance at September 30, 2025	6,373,869	\$ 1	\$	208,136	\$ (201,312)	\$	102	\$ 6,927

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands, except shares)

	<u>Common Stock</u>					
	Shares	\$	Additional Paid-in- Capital	Accumulated Deficit	Total Stockholders' Equity	
Balance at January 1, 2024	1,832,988	\$ —	\$ 192,594	\$ (189,563)	\$ 3,031	
Equity-based compensation	—	—	5	—	5	
Vesting of restricted stock units	40	—	—	—	—	
Net loss	—	—	—	(829)	(829)	
Balance at March 31, 2024	1,833,028	\$ —	\$ 192,599	\$ (190,392)	\$ 2,207	
Equity-based compensation	—	—	6	—	6	
Vesting of restricted stock units and related repurchases	40	—	—	—	—	
Net loss	—	—	—	(600)	(600)	
Balance at June 30, 2024	1,833,068	\$ —	\$ 192,605	\$ (190,992)	\$ 1,613	
Equity-based compensation	—	—	5	—	5	
Vesting of restricted stock units and related repurchases	41	—	—	—	—	
Net loss	—	—	—	(1,091)	(1,091)	
Balance at September 30, 2024	2,172,323	\$ —	\$ 193,628	\$ (192,083)	\$ 1,545	

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (2,048)	\$ (2,520)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	214	21
Equity-based compensation	1	16
Amortization of right-of-use asset	89	591
Change in fair value of contingent consideration	541	—
Gain on early lease termination	(5,974)	—
Gain on settlement of accounts payables	(346)	—
Loss from sale or disposal of property and equipment	90	—
Changes in operating assets and liabilities:		
Other receivable	1,457	(1,335)
Prepaid expenses and other current assets	42	607
Other noncurrent assets	(655)	—
Accounts payable	(227)	(293)
Accrued expenses	(592)	1,457
Other liabilities	—	(609)
Net cash used in operating activities	(7,408)	(2,065)
Cash flows from investing activities:		
Property and equipment	(214)	—
Proceeds from sale of fixed assets	42	—
Acquisition of GPCR Therapeutics USA Inc.	(2,090)	—
Net cash used in investing activities	(2,262)	—
Cash flows from financing activities:		
Proceeds from short-term borrowing	—	1,000
Proceeds from common stock offering	1,600	—
Net cash provided by provided by financing activities	1,600	1,000
Net decrease in cash, cash equivalents, and restricted cash	(8,070)	(1,065)
Cash, cash equivalents, and restricted cash - beginning of period	12,508	2,016
Cash, cash equivalents, and restricted cash - end of period	\$ 4,438	\$ 951

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(in thousands)

	Nine Months Ended September 30, 2025	
	2025	2024
Supplemental disclosure of cash flow information		
Non-cash operating activities:		
Reclass of legal expenses from accruals to accounts payable	\$ 190	\$ —
Issuance of stock to GPCR Korea	\$ 500	\$ —
Non-cash investing activities:		
Reclass prepaid expenses from noncurrent to current	\$ 321	\$ —
Initial recording of ROU asset and related lease liability	100	—
Non-cash financing activities:		
Equity effect of debt to equity conversion	—	1,018

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)**1. Description of Business, Basis of Presentation and Going Concern***Description of Business*

Exicure, Inc. has historically been an early-stage biotechnology company focused on developing nucleic acid therapies targeting ribonucleic acid against validated targets. In September 2022, the Company announced a significant reduction in force, suspension of preclinical activities and halting of all research and development, and that the Company was exploring strategic alternatives to maximize stockholder value. In 2024, the Company entered into a licensing agreement for patents related to one of our historical drug candidates, and received a small, one-time payment and an entitlement to only modest royalties on future sales of the licensed technology that was not material. The Company then sold some of its samples related to the licensed product. Also in 2024, the Company entered into an asset purchase agreement (the “Purchase Agreement”) with Flashpoint Therapeutics, Inc. to sell its historical biotechnology intellectual property and other assets to the purchaser. The Company continues to engage in a broader exploration of strategic alternatives, including but not limited to private company acquisitions, raising additional capital, strategic partnerships, some combination of these, and other arrangements that are in management’s view worth exploring.

On January 19, 2025, the Company entered into a share purchase agreement (the “Share Purchase Agreement”) with GPCR Therapeutics Inc, a Korean corporation, (“GPCR”), pursuant to which the Company acquired from GPCR all of the issued and outstanding equity securities of its then-subsiidiary, GPCR Therapeutics USA Inc., a California corporation (“GPCR USA”). Upon closing under the Share Purchase Agreement, the Company purchased all of GPCR USA’s six million (6,000,000) common shares that were issued and outstanding for \$1,600, causing GPCR USA to become a wholly owned subsidiary of Exicure.

In connection with the closing of the Share Purchase Agreement, the Company and GPCR entered into a License and Collaboration Agreement to further develop and commercialize GPCR’s technologies related to certain intellectual property and patents (the “License and Collaboration Agreement”), for an initial payment of \$500. The License and Collaboration Agreement requires the Company to make milestone payments to GPCR upon the achievement of specific milestone events relating to clinical trials, marketing authorizations, and net sales, as well as for the Company to pay a recurring royalty payments, as set forth in the agreement.

GPCR USA has an ongoing Phase 2 clinical trial focused on blood cancer patients, particularly those eligible for hematopoietic stem cell transplantation, commonly referred to as bone marrow transplant. Its current clinical trial involves the combined administration of GPC-100 (a small molecule antagonist with a high binding affinity to a chemokine receptor) and propranolol (a beta-blocker drug that affects the heart and circulation) for mobilization of stem cells in Multiple Myeloma patients. GPCR USA completed the administration of GPC-100 to 19 patients in the second quarter of 2025 and aims to announce the clinical trial results during the fourth quarter of 2025.

On March 26, 2025, the Company formed KC Creation Co., Ltd. (“KC Creation”), a wholly-owned South Korean subsidiary. It was established based on the future growth strategies, such as a collaboration with GPCR USA and Korean bio-platform companies, response to sustainability trends by development of infrastructure based on eco-friendly renewable energy, and diversification of business and utilization of global growth potential of Korean entertainment content. These business lines are designed to enhance the Company’s mid- and long-term value through investment recovery potential and brand synergy.

Throughout these unaudited condensed consolidated financial statements, the terms the “Company,” and “Exicure” refer to Exicure, Inc., and, where appropriate, its wholly owned subsidiaries.

EXICURE, INC.**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
(in thousands, except share and per share data)***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements as of September 30, 2025 and December 31, 2024, and for the three and nine months ended September 30, 2025 and 2024, have been presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and with instructions to Form 10-Q and Article 10 of Regulation S-X under the Exchange Act.

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Exicure and its wholly owned subsidiaries, Exicure Operating Company, GPCR USA, and KC Creation. All intercompany transactions and accounts are eliminated in consolidation.

Unaudited Interim Financial Information

The financial statements provided herewith are unaudited. Such statements include interim condensed consolidated balance sheet as of September 30, 2025, the interim condensed consolidated statements of operations for the three and nine months ended September 30, 2025 and 2024, the interim condensed consolidated statements of changes in stockholders’ equity for the three and nine months ended September 30, 2025 and 2024, and the interim condensed consolidated statements of cash flows for the nine months ended September 30, 2025 and 2024. In the opinion of management, the interim unaudited condensed consolidated financial statements have been prepared on the same basis as the annual audited financial statements and with instructions to Form 10-Q and Article 10 of Regulation S-X under the Exchange Act; and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the Company’s financial position as of September 30, 2025, the results of its operations for the three and nine months ended September 30, 2025 and 2024, and the results of its cash flows for the three and nine months ended September 30, 2025 and 2024. The financial data and other information disclosed in these notes related to the nine months ended September 30, 2025 and 2024 are unaudited. The results for the nine months ended September 30, 2025 are not necessarily indicative of results to be expected for the year ending December 31, 2025, or any other interim periods, or any future year or period. These interim unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2024, included in the Company’s corresponding Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on March 18, 2025 (the “Annual Report”).

Going Concern

At each reporting period, the Company evaluates whether there are conditions or events that raise substantial doubt about the Company’s ability to continue as a going concern for a period of one year after the date that the financial statements are issued. The Company is required to make certain additional disclosures if it concludes substantial doubt exists that is not alleviated by the Company’s plans or when its plans alleviate substantial doubt about the Company’s ability to continue as a going concern.

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern for a period of one year after the date that the financial statements are issued. As of September 30, 2025, the Company expects to incur significant expenses and negative cash flows for the foreseeable future. As of September 30, 2025, the Company’s cash and cash equivalents were \$4,438. Management believes that the Company’s existing cash and cash equivalents are insufficient to continue to fund its operating expenses, and additional funding is needed. There can be no assurance that such additional financing will be available and, if available, can be obtained on acceptable terms.

Management believes that, given the Company’s current cash position, operating plans and forecasted negative cash flows from operating activities over the next twelve months, there is substantial doubt about the Company’s ability to continue as a going concern within one year after the date these financial statements are issued. Additional

EXICURE, INC.**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
(in thousands, except share and per share data)

financing will be needed to fund its ongoing operations, support of GPCR USA's operations, and exploration of strategic alternatives and pursuing any alternatives that management identifies.

The accompanying unaudited condensed consolidated financial statements have been prepared as though the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

The Company's significant accounting policies are disclosed in the audited consolidated financial statements and the notes thereto, which are included in the Annual Report on Form 10-K (the "Annual Report") for the year ended December 31, 2024 filed with the SEC on March 18, 2025. Since the date of those audited consolidated financial statements, there have been no material changes to the Company's significant accounting policies.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management bases its estimates on certain assumptions which it believes are reasonable in the circumstances and while actual results could differ from those estimates, management does not believe that any change in those assumptions in the near term would have a significant effect on the Company's financial position, results of operations or cash flows. Actual results in future periods could differ from those estimates.

Acquisition Accounting

The fair value of the consideration exchanged in a business combination is allocated to tangible assets and identifiable intangible assets acquired and liabilities assumed at acquisition date fair value. Goodwill is measured as the excess of the consideration transferred over the net fair value of identifiable assets acquired and liabilities assumed. The accounting for an acquisition involves a considerable amount of judgment and estimation. Cost, income, market or a combination of approaches may be used to establish the fair value of consideration exchanged, assets acquired, and liabilities assumed, depending on the nature of those items. The valuation approach is determined in accordance with generally accepted valuation methods. Key areas of estimation and judgment may include the selection of valuation approaches, cost of capital, market characteristics, cost structure, impacts of synergies, and estimates of terminal value, among other factors.

While the Company uses estimates and assumptions as part of the purchase price allocation process to estimate the fair value of assets acquired and liabilities assumed, estimates are inherently uncertain and subject to refinement.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill represents the excess of the purchase price of an acquired business over the amount assigned to the assets acquired and liabilities assumed. The Company's indefinite-lived intangible assets, which consist of in-process research and development ("IPR&D"), acquired in the GPCR USA acquisition were recorded at fair value on their acquisition date. Goodwill is required to be evaluated for impairment on an annual basis or whenever events or changes in circumstances indicate the asset may be impaired. An entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. These qualitative factors include: macroeconomic and industry conditions, cost factors, overall financial performance and other relevant entity-specific events. If the entity determines that this threshold is met, then the company may apply a one-step quantitative test and record the amount of goodwill impairment as the excess of a reporting unit's carrying amount over its fair value, not to exceed the total amount of goodwill allocated to the reporting unit. The Company

EXICURE, INC.**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
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determines fair value through multiple valuation techniques and weights the results accordingly. The Company is required to make certain subjective and complex judgments in assessing whether an event of impairment of goodwill has occurred, including assumptions and estimates used to determine the fair value of its reporting units. The company has elected to perform its annual goodwill impairment review on December 31 of each year.

Contingent consideration

Contingent consideration relates to the potential payment for an acquisition that is contingent upon the achievement by the acquired business of revenue targets. The acquisition of GPCR USA included a contingent consideration arrangement that requires additional consideration to be paid by the Company to GPCR based on the License and Collaboration Agreement. The Company recorded contingent consideration at fair value based on the consideration expected to be transferred. For potential payments related to target achievements, the Company estimated the fair value based on the probability of achievement of such milestones. The assumptions utilized in the calculation of the fair value include the probability assessments of the completion of specific milestones and annual net sales of GPC-100 products in the future and the volatility of these milestones, appropriately discounted considering the uncertainties associated with the obligation. The contingent consideration was recorded as a long-term liability and is remeasured each reporting period, and subsequent changes in fair value are recognized within other income (expense) in the Company's Statement of Operations.

Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." The standard requires that public business entities disclose additional information about specific expense categories in the notes to financial statements for interim and annual reporting periods. The standard will become effective for the Company for the fiscal year 2027 annual financial statements and interim financial statements thereafter and may be applied prospectively to periods after the adoption date or retrospectively for all prior periods presented in the financial statements, with early adoption permitted. The Company plans to adopt the standard when it becomes effective in the fiscal year 2027 annual financial statements, and the Company is currently evaluating the impact this guidance will have on the disclosures included in the Notes to the Unaudited Condensed Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. Update No. 2023-09 aims to enhance the transparency and decision usefulness of income tax disclosures. Update No. 2023-09 modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state, and foreign). Update 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. Update No. 2023-09 is effective for fiscal years beginning after December 15, 2024. The Company has not yet adopted this standard for its fiscal year 2024 annual financial statements and is currently evaluating the impact this guidance will have on the disclosures included in the Notes to the Unaudited Condensed Consolidated Financial Statements. See Note 10 – Income Taxes for further information.

3. Business Acquisition

On January 19, 2025, the Company acquired 100% of GPCR USA pursuant to the Share Purchase Agreement (the "Acquisition"). This Acquisition was accounted for under the acquisition method of accounting under Accounting Standards Codification ("ASC") 805. Under the acquisition method, the total purchase price of the acquisition is allocated to the net tangible and identifiable intangible assets acquired and liabilities assumed based on the fair values as of the date of the acquisition. Consideration transferred is the sum of the acquisition date fair values of the assets transferred, the liabilities incurred by the acquirer to the former owners of the acquiree, and the equity interests issued by the acquirer to the former owners of the acquiree. The Company issued \$500 of its equity

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to GPCR per the License and Collaboration Agreement during the third quarter. The total purchase price consideration consisted of the following:

Cash per Share Purchase Agreement	\$	1,635
Cash per License and Collaboration Agreement		500
Equity Consideration per License and Collaboration Agreement		500
Fair Value of Contingent Consideration		5,246
Total purchase price consideration	\$	<u>7,881</u>

The Company recorded the assets acquired and liabilities assumed as of the date of the Acquisition based on the information available at that date. The following table presents the allocation of the purchase price to the estimated fair values of the assets acquired and liabilities assumed as of the Acquisition date:

<u>Assets acquired:</u>		
Cash and cash equivalents	\$	45
Prepaid expenses and other current assets		1,013
Other noncurrent asset		198
Property and equipment		626
Right-of-use asset		285
Intangible assets		3,784
Goodwill		3,340
Total assets acquired		<u>9,291</u>
<u>Liabilities assumed:</u>		
Accounts payable		606
Accrued expenses and other current liabilities		92
Operating lease liabilities, current and noncurrent		712
Total liabilities acquired		<u>1,410</u>
Net assets acquired	\$	<u>7,881</u>

4. Supplemental Balance Sheet Information

Prepaid expenses and other current assets

	September 30, 2025	December 31, 2024
Prepaid insurance	\$ 466	\$ 444
Lease costs	—	37
Prepaid professional fees	70	70
Prepaid software	35	61
Other	375	32
Prepaid expenses and other current assets	<u>\$ 946</u>	<u>\$ 644</u>

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	September 30, 2025	December 31, 2024
Scientific equipment	\$ 405	\$ 246
Computers and software	6	3
Furniture and fixtures	25	30
Leasehold Improvements	253	—
Auto	26	—
Property and equipment, gross	715	279
Less: accumulated depreciation and amortization	(188)	(253)
Property and equipment, net	\$ 527	\$ 26

Depreciation and amortization expense was \$214 and \$21 for the nine months ended September 30, 2025 and 2024, respectively. During the period ended September 30, 2025, the Company recognized a loss of \$90 from the sale of fixed assets. This loss is reflected in the accompanying statement of operations.

Other noncurrent assets

	September 30, 2025	December 31, 2024
Prepaid insurance	\$ 1,035	\$ 1,357
Security deposits	853	—
Other noncurrent assets	\$ 1,888	\$ 1,357

Accrued expenses and other current liabilities

	September 30, 2025	December 31, 2024
Current lease liability	\$ 340	\$ 722
Accrued payroll-related expenses	80	—
Accrued litigation legal fee	—	1,138
Accrued registration delay payments	484	—
Accrued contingent consideration, current portion	242	—
Accrued other expenses	316	180
Accrued expenses and other current liabilities	\$ 1,462	\$ 2,040

5. Leases*Redwood City Lease*

The Company's lease arrangements at September 30, 2025 consist of a sublease for office space at its headquarters in Redwood City, California that commenced in July 2022 (the "Redwood Sublease"). The Redwood Sublease is classified as an operating lease.

GPCR USA is subleasing approximately 8,392 square feet of office space in Redwood City, California for its operations that began on July 15, 2022. This 45-month sublease is an operating lease agreement that ends on April 14, 2026. The monthly base rent during the remaining term is approximately \$50 for the first six months. Base rent thereafter is subject to an increase of 3% over the remaining nine months.

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Because the rate implicit in this lease was not readily determinable, the Company used a third party to calculate its incremental borrowing rate of 6.3% on the commencement date to determine the fair value of the lease payments over the remaining term. The incremental borrowing rate represents an estimate of the interest rate the Company would incur at commencement to borrow an amount equal to the lease payments on a collateralized basis over the term of a lease. The Company recognized the right of use (“ROU”) asset at its fair value of \$285 and a related lease liability of \$712 on the date of the Acquisition.

Korea Lease

On May 22, 2025, KC Creation executed a lease agreement with YOOSOO Co., Ltd, a related party of Exicure HiTron Inc. This is a 24 month lease for a space in Gangnam-gu, Korea. This lease required a security deposit, that will be refunded at the end of the lease, and has no lease payments or obligations. The security deposit is excluded from lease payments. The difference between the nominal amount and the present value of the security deposit is treated as an ROU asset. This ROU asset is amortized evenly over the 24 month lease term, with a corresponding entry to rent expense. This Jeonse type lease is common in Korea and only requires a monthly maintenance fee that is less than \$1 per month.

Chicago Lease

On February 13, 2025, the Company executed a Lease Termination Agreement with its landlord related to the Chicago, Illinois lease effective as of January 31, 2025 (the “Chicago Lease”). As a result of this early termination for the Chicago Lease that commenced on July 1, 2020 and would have ended on June 30, 2030, the Company vacated the Chicago office (the “Premises”) and stopped paying any further amounts owed to its landlord. There were no additional fees or costs related to the early termination. The Company recognized a \$6,000 gain in the first quarter of 2025 related to this early termination.

Vehicle Lease

On May 27, 2025, KC Creation executed a finance lease agreement over 27 months for a vehicle used in its business operations. This lease has a purchase option that is reasonably certain to be exercised at the end of the lease. Therefore, this lease is classified as a finance lease in accordance with ASC 842, resulting in recognition of a right-of-use asset and a corresponding lease liability.

The following table summarizes lease costs in the Company’s unaudited condensed consolidated statement of operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating lease costs	\$ 57	\$ 143	\$ 252	\$ 428
Variable lease costs	—	119	87	122
Short term lease costs	—	8	—	28
Total lease costs	\$ 57	\$ 270	\$ 339	\$ 578

The Company made cash payments for operating leases of \$109 and \$716 during the nine months ended September 30, 2025 and 2024, respectively, for the Chicago Lease. The Company made cash payments for operating leases of \$0 during the nine months ended September 30, 2025 for the Redwood Sublease. Amounts owed related to the Redwood Sublease are included in accounts payable as of September 30, 2025.

Sublease of the Chicago Premises

The Company entered into a sublease agreement with Cyclopure, Inc. (the “Subtenant”) to sublease approximately 57% of the Premises related to the Chicago Lease pursuant to that certain sublease agreement dated as of May 4, 2023 (the “Sublease Agreement”). The term of this Sublease Agreement began on May 15, 2023 and

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would have ended on June 30, 2030, the expiration date of the Chicago Lease. The first three months under the Sublease Agreement were rent free. Beginning August 15, 2023, the Company began charging the Subtenant for 57% of the base rent under the Chicago Lease, and the subtenant was responsible for its pro rata share of operating expenses and taxes payable. In 2024, the Company did not receive payment from the Subtenant as the Subtenant paid the Company's landlord directly. The Company received sublease receipts of \$524 during the nine months ended September 30, 2024 that was recorded in the Company's condensed consolidated statement of operations.

On April 8, 2025, the Company and the Subtenant entered into a Sublease Termination Agreement in which the parties agreed to terminate the Sublease Agreement effective as of November 30, 2024 and release each other from any liabilities, obligations or responsibilities arising under or in connection with the Sublease Agreement or the subleased Premises upon the Subtenant's payment of \$121, which was received on April 14, 2025.

6. Debt

On May 3, 2024, the Company executed a promissory note (the "Note") and subsequently received a loan in the amount of \$300 from an individual investor. All principal and accrued interest were due and payable on the earlier of (i) May 3, 2025 or (ii) upon an event of default, and at such time, such amounts declared by the investor would become due and payable by Company. Interest accrued on this Note at 6.0% per annum and was payable at maturity. The Note was converted into stock in connection with the September 12, 2024 exchange described below.

On June 3, 2024, the Company executed another promissory note ("DGP Note") and subsequently received a loan in the amount of \$700 from DGP Co., Ltd. ("DGP"), a related party. All principal and accrued interest were due and payable on the earlier of (i) March 25, 2025 or (ii) upon an event of default, and at such time, such amounts declared by the investor would become due and payable by Company. Interest accrued on this DGP Note at 6.0% per annum and was payable at maturity. The DGP Note was converted into stock in connection with the September 12, 2024 exchange described below.

On September 12, 2024, the Company executed two Debt for Equity Exchange Agreements converting the existing debt and related interest described above into shares of its Common Stock. The Company exchanged in full satisfaction of the principal and accrued interest obligations on the Note into 101,991 of its Common Stock shares. The Company exchanged in full satisfaction of the principal and accrued interest obligations on the DGP Note into 237,223 shares of its Common Stock. As this was considered a troubled debt restructuring with a related party, the difference between fair value and book value was recognized within additional paid in capital.

7. Stockholders' Equity***Preferred Stock***

As of September 30, 2025 and December 31, 2024, the Company had authorized 10,000,000 shares of preferred stock, par value \$0.0001 and with no shares issued and outstanding.

Common Stock

As of September 30, 2025 and December 31, 2024, the Company had authorized 200,000,000 shares of Common Stock, par value \$0.0001. As of September 30, 2025 and December 31, 2024, the Company had 6,373,869 and 6,026,841 shares issued and outstanding, respectively.

The holders of Common Stock are entitled to one vote per share on all matters to be voted upon by the Company's stockholders, and there are no cumulative rights. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of Common Stock are entitled to receive ratably any dividends that may be declared from time to time by the Board out of funds legally available for that purpose. In the event of the Company's liquidation, dissolution or winding up, the holders of Common Stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock then outstanding. Common Stock has no preemptive or conversion rights or other subscription rights. There are no redemption or

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sinking fund provisions applicable to Common Stock. The outstanding shares of Common Stock are fully paid and non-assessable.

Common Stock Purchase Agreements

In an agreement dated November 6, 2024 and executed on November 12, 2024, the Company entered into a common stock purchase agreement (the “Initial Common Stock Purchase Agreement”) with Exicure HiTron Inc. (“HiTron”), pursuant to which the Company agreed to issue and sell to HiTron 433,333 shares (the “Initial Shares”) of Common Stock, at a purchase price of \$3.00 per share, or approximately \$1,300 total.

On November 13, 2024, in a subsequent agreement (the “Subsequent Common Stock Purchase Agreement”), the Company agreed to sell and issue to HiTron 2,900,000 additional shares of Common Stock for \$8,700, at a purchase price of \$3.00 per share (the “Subsequent Purchase”). The Subsequent Common Stock Purchase Agreement provided HiTron with the right to nominate additional members of the Board in proportion to its equity interest, subject to approval by the Board and compliance with SEC and Nasdaq rules.

On December 9, 2024, the Company entered into a Common Stock Purchase Agreement with SangSangIn Investment & Securities Co., Ltd. (“SangSang”), pursuant to which, on December 12, 2024, the Company issued and sold to SangSang 433,332 shares of Common Stock, at a purchase price of \$4.61 per share.

On December 10, 2024, the Company entered into a common stock purchase agreement (the “MIRTO Purchase Agreement”) with MIRTO Co., LTD. (“MIRTO”), pursuant to which the Company agreed to issue and sell to MIRTO 87,808 shares of its Common Stock, for an aggregate purchase price of approximately \$405, at a purchase price per share of \$4.61. The transactions under the MIRTO Purchase Agreement closed on December 24, 2024.

On February 14, 2025, the Company entered into a Common Stock Purchase Agreement with Shin Chang Partners and RMS0718 Co., Ltd., pursuant to which the Company agreed to issue and sell to each of these purchasers 145,454 shares of Common Stock, for an aggregate purchase price of approximately \$1,600, at a purchase price of \$5.50 per share.

Registration Rights Agreements

In connection with the Common Stock Purchase Agreements with HiTron, SangSang, MIRTO, Shin Chang Partners and RMS0718 Co., Ltd. (the “Purchasers”), the Company entered into registration rights agreements (the “Registration Rights Agreements”) with each of the Purchasers, pursuant to which the Company agreed to register the resale of the shares of Common Stock purchased by these purchasers. Under the Registration Rights Agreements, the Company has agreed to file registration statements covering the resale of the shares no later than the sixth (60th) day following the applicable closing (the “Filing Deadline”). The Company has agreed to use reasonable best efforts to cause such registration statement to become effective as promptly as practicable after the filing thereof but in any event on or prior to the Effectiveness Deadline (as defined in these Registration Rights Agreements), and to keep such registration statement continuously effective until the earlier of (i) the date the shares covered by such registration statement have been sold or may be resold pursuant to Rule 144 without restriction, or (ii) the date that is two (2) years following the applicable closing date. The Company has also agreed, among other things, to pay all reasonable fees and expenses (excluding any underwriters’ discounts and commissions and all fees and expenses of legal counsel, accountants and other advisors for the Purchasers except as specifically provided in these Registration Rights Agreements) incident to the performance of or compliance with these Registration Rights Agreements by the Company.

In the event a registration statement has not been filed within 90 days following the closing date, subject to certain limited exceptions, then the Company has agreed to make pro rata payments to the purchasers as liquidated damages in an amount equal to 0.5% of the aggregate amount invested by the respective purchasers in the shares per 30-day period or pro rata for any portion thereof for each such month during which such event continues, subject to certain caps set forth in the Registration Rights Agreements.

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The Company did not file a registration statement by the Filing Deadline, and as such, the Company paid \$27 to CBI USA and accrued \$191 to DGP pursuant to the Registration Rights Agreements as of December 31, 2024. On February 19, 2025, the Company received a waiver letter from DGP confirming they agreed to waive the outstanding \$191 penalty amount owed to DGP and was recorded in other income in the Statement of Operations. On July 11, 2025, the Company filed a registration statement on Form S-1 with the SEC to register the resale by the selling stockholders of up to 5,164,595 shares of common stock of the Company, which was declared effective by the SEC on July 22, 2025. Since the Company did not file a registration statement for any of the Purchases by the Filing Deadline, the Company accrued \$484 to pursuant to the Purchasers' Registration Rights Agreements.

Common Stock Warrants

As of September 30, 2025 and December 31, 2024, warrants to purchase 10,022 shares of Common Stock at a price of \$40.52 per share that were acquired in the December 2021 registered-direct offering transaction remain outstanding.

8. Segment Reporting

The Company manages its business activities on a consolidated basis and operates as a single operating segment: Biotechnology. The accounting policies of the Biotechnology segment are the same as those described in Note 2 – Summary of Significant Accounting Policies.

The Company's chief operating decision maker ("CODM") is its Director, President and Chief Executive Officer, Andy Yoo. The CODM uses net loss, as reported on the Company's Consolidated Statements of Comprehensive Income, in evaluating performance of the Biotechnology segment and determining how to allocate resources of the Company as a whole. The CODM does not review assets in evaluating the results of the Biotechnology segment, and therefore, such information is not presented.

The following table provides the operating financial results of the Biotechnology segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Total revenues	\$ —	\$ —	\$ —	\$ 500
Significant segment expenses:				
Research and development expense	888	—	2,631	—
General and administrative expense	1,499	1,434	5,230	4,005
Litigation legal expense	—	1,138	—	1,138
Loss from sale or disposal of property and equipment	4	—	90	—
Gain on early lease termination	—	—	(5,974)	—
Total operating expenses	2,391	2,572	1,977	5,143
Interest and dividend income	56	1	144	12
Change in fair value of contingent liability	(246)	—	(541)	—
Other income (expense)	144	1,488	326	2,119
Total other income (expense)	(46)	1,489	(71)	2,131
Segment net loss	\$ (2,437)	\$ (1,083)	\$ (2,048)	\$ (2,512)

9. Income Taxes

The Company incurred pretax income in the nine months ended September 30, 2025, but doesn't expect to end the fiscal year with pretax income. The Company incurred pretax loss for the nine months ended September 30,

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2024, which consists entirely of loss in the United States and resulted in no provision for income tax expense during the periods then ended. The effective tax rate is 0% in each of the nine months ended September 30, 2025 and 2024 because the Company will and has generated tax losses and has provided a full valuation allowance against its deferred tax assets.

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was enacted, introducing significant changes to U.S. tax law, including provisions related to bonus depreciation, interest expense limitations, and the treatment of domestic research and development expenditures.

The Company is currently assessing the potential impact of these changes on its financial statements, including income tax provisions, deferred tax assets and liabilities, and related disclosures under ASC 740. Due to the complexity and scope of the legislation, management has not yet completed its evaluation and is unable to reasonably estimate the financial effects as of the reporting date. The Company will update its disclosures in future reporting periods as the analysis progresses and additional guidance becomes available.

10. Loss Per Common Share

Basic loss per common share is calculated by dividing net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted loss per common share is calculated using the treasury share method by giving effect to all potentially dilutive securities that were outstanding. Potentially dilutive options, restricted stock units and warrants to purchase common stock that were outstanding during the periods presented were excluded from the diluted loss per share calculation for the periods presented because such shares had an antidilutive effect due to the net loss reported in those periods. Therefore, basic and diluted loss per common share is the same for each of the nine months ended September 30, 2025 and 2024.

The following is the computation of net loss per common share for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss	\$ (2,437)	\$ (1,091)	\$ (2,048)	\$ (2,520)
Weighted-average basic and diluted common shares outstanding	6,322,078	1,899,412	6,271,229	1,855,286
Loss per share - basic and diluted	\$ (0.39)	\$ (0.57)	\$ (0.33)	\$ (1.36)

The outstanding securities presented below were excluded from the calculation of loss per common share, for the periods presented, because such securities would have been anti-dilutive due to the Company's loss per share during that period:

	As of September 30,	
	2025	2024
Options to purchase common stock	131	2,343
Restricted stock units	98	348
Warrants to purchase common stock	10,022	10,022

11. Fair Value Measurements

ASC Topic 820, *Fair Value Measurement*, establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value, as follows: Level 1 Inputs - unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date; Level 2 Inputs - other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for

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substantially the full term of the asset or liability; and Level 3 Inputs - unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Liabilities measured at fair value on a recurring basis as of September 30, 2025 are as follows:

	Total	Level 1	Level 2	Level 3
Liabilities				
Contingent consideration	\$ 5,787	\$ —	\$ —	\$ 5,787
Total financial liabilities	\$ 5,787	\$ —	\$ —	\$ 5,787

Assumptions utilized in the valuation of Level 3 liabilities are described as follows:

As of January 19, 2025 and September 30, 2025			
Milestone	Probability Of Success	Payment Date	Discount Rate
1	24.6%	11/30/2025	9.50%
2	11.7%	12/31/2026	9.50%
3	10.8%	6/30/2028	9.50%
4	10.8%	6/30/2028	9.50%
5	10.8%	12/31/2030	14.50%
6	10.8%	12/31/2031	14.50%
7	10.8%	12/31/2032	14.50%

Note that \$242 of the contingent consideration balance is current as the related milestone is expected to be completed by the end of the year. The following table sets forth a summary of the changes in the fair value of Level 3 contingent consideration that are measured at fair value on a recurring basis:

	2025
Contingent consideration	
Beginning balance, as of January 1, 2025	—
Contingent consideration assumed in the GPCR USA acquisition	5,246
Change in fair value of contingent consideration	541
Ending balance, as of September 30, 2025	\$ 5,787

Cash and cash equivalents were measured using level 1 inputs as of September 30, 2025. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the hierarchy during the year ended December 31, 2024 and year ended December 31, 2023. The carrying amount of the Company's receivables and payables approximate their fair value due to their maturity.

The Company uses the market approach and Level 1 and Level 2 inputs to value its cash equivalents and Level 2 inputs to value its short-term investments. The Company uses the market approach and Level 3 inputs to value its liabilities. There were no liabilities measured at fair value on a recurring basis as of December 31, 2024.

EXICURE, INC.**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
(in thousands, except share and per share data)**12. Commitments and Contingencies*****Legal Proceedings***

The Company and certain of its current and former officers and directors were defendants in *Colwell v. Exicure, Inc. et al.*, a securities class action in the United States District Court for the Northern District of Illinois (Case No. 1:21-cv-06637) (the “Securities Class Action”). On May 26, 2023, plaintiffs filed a second amended complaint generally alleging that the defendants made false statements about the results of experiments concerning the drug XCUR-FXN and asserting claims for violations of federal securities laws under Section 10(b) and Section 20(a) of the Exchange Act and Rule 10b-5 thereunder. On October 8, 2024, the court granted preliminary approval of the settlement in the Securities Class Action and set a schedule for final approval proceedings, including a final approval hearing on January 13, 2025. On January 13, 2025, the court entered final judgment approving a settlement of this litigation, which settlement included a \$5,625 payment.

The settlement described above will be fully covered by insurance. However, the settlement includes a reservation of rights by the insurers against the Company for the unsatisfied portion of its self-insured retainer. As a result, the Company recorded an accrual as of September 30, 2024 for the amount of the unsatisfied retainer of approximately \$1,100 needed to bridge the \$2,500 retainer that the Company is liable for under its self-insured retention. On July 29, 2025, the Company entered into an agreement with the insurer to remit \$1,000 in order to satisfy the remaining balance of its self-insured retention obligation and paid this on August 13, 2025.

Three related stockholder derivative lawsuits were filed against certain of the Company’s current and former officers and directors and against the Company as a nominal defendant between March and April 2022 in the United States District Court for the Northern District of Illinois (*Puri v. Giljohann, et al.* (Case No. 1:22-cv-01083), *Sim v. Giljohann, et al.* (Case No. 1:22-cv-01217)), and the United States District Court for the District of Delaware (*Stourbridge Investments LLC v. Exicure, Inc. et al.* (Case No. 1:22-cv-00526)) (collectively, the “Derivative Complaints”).

On March 18, 2022, James McNabb, through counsel, sent a written demand to the Company (the “Demand Letter”) demanding that the Board investigate certain allegations and commence proceedings on the Company’s behalf against certain of the Company’s officers and directors for alleged breaches of fiduciary duties and corporate waste. The Derivative Complaints and the Demand Letter are currently stayed. On or around July 22, 2025, the parties informed the courts in which the Derivative Complaints are pending that they have reached an agreement in principle for global resolutions of the Derivative Complaints and Demand Letter. The agreement in principle remains subject to being memorialized in a formal agreement and subject to court approval.

On October 3, 2023, a former employee filed a complaint against the Company and various of its former executives in the United States District Court for the District of New Jersey. The complaint is primarily a breach of contract claim relating to the former employee’s separation from the Company. The matter remains pending and settlement efforts have proven unsuccessful. The parties are, therefore, in the process of completing discovery with depositions scheduled for November and December 2025. Once discovery is closed, the Court will likely schedule a settlement conference and, if the matter still cannot be resolved, we intend to then prepare a motion for summary judgment seeking the dismissal of all claims via motion practice.

We may also be a party to litigation and subject to claims incident to the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Leases

Refer to Note 5, *Leases*, for a discussion of the commitments associated with the Company’s lease agreements.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

13. Related-Party Transactions

On February 1, 2025, the Company and Paul Kang came to an understanding that they would execute an agreement by which Mr. Kang would provide transitional consulting services to the Company for the next 12 months. This Consulting Agreement between the Company and Alta Companies LTD (“Alta”) was executed on February 27, 2025. The Company paid Alta \$99 after execution the agreement and began paying him \$12.5 monthly in February 2025. Mr. Kang is the President of Alta and was a director and officer of the Company through early 2025. He was a director from February 2023 to March 2025, and he was the CEO of the Company from August 2023 to January 2025.

Also, refer to the Korea Lease in Note 5.

Also, refer to the Note and the DGP Note in Note 6.

14. License and Purchase Agreements

License Agreement

On February 5, 2024, the Company entered into a patent license agreement to develop cavrotolimod for potential treatment for hepatitis with a private clinical stage biopharmaceutical company. Under the terms of the agreement, this private biopharmaceutical company will receive an exclusive license in the field of hepatitis to all of the Company’s relevant patents. \$500 was paid to the Company after the execution of this agreement. This payment was recognized as revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. The Company will also be entitled to modest royalties on future net sales on all licensed technology during the term of the licensed patents. The Company determined that the amount of variable consideration would be constrained until the period the uncertainty related to the consideration is relieved. This patent license agreement was assigned to, and assumed by, the purchaser pursuant to this purchase agreement, but any royalties would be passed through to the Company.

Purchase Agreement

On September 27, 2024, the Company entered into and closed the sale of certain assets pursuant to an Asset Purchase Agreement (the “Purchase Agreement”). The assets sold to the purchaser consist of the Company’s historical biotechnology intellectual property and other assets and include the Company’s spherical nucleic acid-related technology, research and development programs, and clinical assets (the “Sold Assets”). The Company will receive gross proceeds of \$1,500 from the sale of the Sold Assets. The gross proceeds were recognized as other income. The Company will be entitled to royalties and license fees in connection with future sales or licenses derived from the Sold Assets for a period of 10 years as set out in further detail in the purchase agreement. The Company determined that the amount of variable consideration would be constrained until the period the uncertainty related to the consideration is relieved. We received \$150 in September 2024 and \$550 in October 2024. The remaining \$800 was received in 2025.

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

The following information should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto included in this Quarterly Report on Form 10-Q and the audited financial information and the notes thereto included in our Annual Report on Form 10-K (the "Annual Report") for the year ended December 31, 2024, which was filed with the Securities and Exchange Commission, or SEC, on March 18, 2025. This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Exchange Act, that involve significant risks and uncertainties. Our actual results, performance or experience could differ materially from what is indicated by any forward-looking statement due to various important factors, risks, uncertainties, assumptions and other factors including, but not limited to, those identified in this Quarterly Report on Form 10-Q and those set forth under the section titled "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q and in our other SEC filings.

Overview

Historically, we have been an early-stage biotechnology company focused on developing nucleic acid therapies targeting ribonucleic acid against validated targets. In September 2022, we announced a significant reduction in force, suspension of preclinical activities and halting of all research and development, and that we were exploring strategic alternatives to maximize stockholder value. In 2024, we entered into a licensing agreement for patents related to one of our historical drug candidates, and received a small, one-time payment and an entitlement to only modest royalties on future sales of the licensed technology that was not material. We then sold some of its samples related to the licensed product. Also in 2024, we entered into an asset purchase agreement with Flashpoint Therapeutics, Inc. to sell our historical biotechnology intellectual property and other assets to the purchaser. Any value we may generate from the Purchase Agreement will be primarily through royalties and license fees that we may receive in the future under the Purchase Agreement. However, whether we receive any royalties or license fees, and the amounts and timing thereof, are uncertain and out of our control.

We continue to engage in a broader exploration of strategic alternatives, including but not limited to private company acquisitions, raising additional capital, strategic partnerships, some combination of these, and other arrangements that are in management's view worth exploring. We obtained significant financing late in 2024 in order to continue operations and our exploration of strategic alternatives and consummate any transactions that we may identify.

On January 19, 2025, we entered into a Share Purchase Agreement with GPCR pursuant to which we acquired from GPCR all of the issued and outstanding equity securities of GPCR USA. In connection with the closing of the Share Purchase Agreement, the Company and GPCR entered into a License and Collaboration Agreement to further develop and commercialize GPCR's technologies related to certain intellectual property and patents. This License and Collaboration Agreement requires us to make milestone payments to GPCR upon the achievement of specific milestone events relating to clinical trials, marketing authorizations, and net sales, as well as for us to pay a recurring royalty payments, as set forth in the agreement.

GPCR USA has an ongoing Phase 2 clinical trial focused on blood cancer patients, particularly those eligible for hematopoietic stem cell transplantation, commonly referred to as bone marrow transplant. Its current clinical trial involves the combined administration of GPC-100 (a small molecule antagonist with a high binding affinity to a chemokine receptor) and propranolol (a beta-blocker drug that affects the heart and circulation) for mobilization of stem cells in Multiple Myeloma patients. GPCR USA completed the administration of GPC-100 to 19 patients in the second quarter of 2025 and aims to announce the clinical trial results during the fourth quarter of 2025.

On March 26, 2025, the Company formed KC Creation, a wholly-owned South Korean subsidiary. It was established based on the future growth strategies, such as a collaboration with GPCR USA and Korean bio-platform companies, response to sustainability trends by development of infrastructure based on eco-friendly renewable energy, and diversification of business and utilization of global growth potential of Korean entertainment content. These business lines are designed to enhance the Company's mid- and long-term value through investment recovery potential and brand synergy.

Operating, financing, and cash flow considerations

Since our inception in 2011, we have primarily funded our operations through sales of our securities, loans and collaborations. Effective as of November 12, 2024, we entered into the Initial Common Stock Purchase Agreement with HiTron, pursuant to which we agreed to issue and sell to HiTron 433,333 shares of our Common Stock, for an aggregate purchase price of \$1.3 million, at a purchase price per share of \$3.00. On November 13, 2024, we entered into the Subsequent Common Stock Purchase Agreement, pursuant to which we agreed to sell and issue to HiTron 2,900,000 additional shares of Common Stock for an aggregate purchase price of \$8.7 million, at a purchase price per share of \$3.00. The issuance of such shares under the Subsequent Common Stock Purchase Agreement closed on December 24, 2024.

On December 9, 2024, we entered into a common stock purchase agreement (the “SangSang Purchase Agreement”) with SangSang, pursuant to which we agreed to issue and sell to SangSang 433,332 shares of our Common Stock, for an aggregate purchase price of approximately \$2.0 million, at a purchase price per share of \$4.61. The transactions under the SangSang Purchase Agreement closed on December 24, 2024.

On December 10, 2024, the Company entered into a common stock purchase agreement MIRTO, pursuant to which the Company agreed to issue and sell to MIRTO 87,808 shares of its Common Stock, for an aggregate purchase price of approximately \$0.41 million, at a purchase price per share of \$4.61, which closed on December 24, 2024.

On February 14, 2025, the Company entered into a Common Stock Purchase Agreement with Shin Chang Partners and RMS0718 Co., Ltd., pursuant to which the Company agreed to issue and sell to each of the Purchasers 145,454 shares at a purchase price of \$5.50 per share. The Company received aggregate gross process of approximately \$1.6 million.

As of September 30, 2025, our cash and cash equivalents were \$4.4 million. Our current liquidity may not be sufficient to continue to fund operations for the next 12 months. As a result, there is substantial doubt about our ability to continue as a going concern. Additional financing will be needed to fund our ongoing operations and exploration of strategic alternatives and pursue any alternatives that we identify. If we are unable to raise capital, the Company may seek bankruptcy protection and/or cease operations in the near term, which may result in the Company’s stockholders receiving no or very little value in respect of their shares of the Company’s common stock.

We expect to seek financing through equity offerings. However, it may be difficult to obtain financing given the Company’s current condition and uncertainty over its future direction. Therefore, we may be unable to raise capital at all or on favorable terms. Our failure to raise capital or enter into such other arrangements as and when needed would have a negative impact on our financial condition and our ability to continue operations.

Critical Accounting Estimates

We prepare our condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, which require our management to make estimates that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet dates, as well as the reported amounts of revenues and expenses during the reporting periods. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on our own historical experience and other assumptions that we believe are reasonable after taking account of our circumstances and expectations for the future based on available information. We evaluate these estimates on an ongoing basis.

We consider an accounting estimate to be critical if: (1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (2) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

Management has discussed the development and selection of these critical accounting estimates with the Audit Committee of our Board of Directors. Changes in estimates used in these and other items could have a material impact on our financial statements. This includes estimates where the nature of the estimate is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and the impact of the estimate on financial condition or operating performance is material.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the acquired asset and its eventual disposition are less than its carrying amount.

When conducting the impairment analysis for these long-lived assets, with the primary technique being a discounted cash flow analysis. A discounted cash flow analysis requires us to make various assumptions, estimates and judgements including projected revenue, gross margins, operating costs, growth rates, and discount rates. We believe our assumptions, estimates, and judgements to be reasonable, but are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates.

Business Combinations

We follow the acquisition method of accounting to record identifiable assets acquired and liabilities assumed in connection with acquired businesses at their estimated fair value as of the date of acquisition. Identifiable intangible assets from business combinations are recognized at their estimated fair values as of the date of acquisition and consist of in-process research and development ("IPR&D"). Determination of the estimated fair value of identifiable intangible assets requires judgment. The fair value of intangible assets is estimated using the Multi-Period Excess Earnings Method (MPEEM) for the acquired IPR&D. The fair value methods are income-based valuation approaches, which require judgment to estimate appropriate discount rates, probability of success rates related to the drug under development, projected revenue, gross margins, operating costs, and growth rates.

The contingent consideration liability, associated with our business combination, is estimated based on the discounted cash flow method to determine the probability of achieving certain milestones. In order to perform the fair value calculations, the following estimates are considered: probability of achieving certain milestones, discount period, and discount rates.

We believe our assumptions, estimates, and judgements to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Estimates associated with the accounting for acquisitions may change as additional information becomes available regarding the assets acquired and liabilities assumed.

Results of Operations

Comparison of the Three Months Ended September 30, 2025 and 2024

The following table summarizes the results of our operations for the three months ended September 30, 2025 and 2024:

(dollars in thousands)	Three Months Ended September 30,		Change	
	2025	2024		
Revenue:				
Revenue	\$ —	\$ —	—	— %
Total Revenue	—	—	—	— %
Operating expenses:				
Research and development expense	888	—	888	100 %
General and administrative expense	1,499	1,434	65	5 %
Litigation legal expense	—	1,138	(1,138)	(100)%
Loss from sale or disposal of property and equipment	4	—	4	100 %
Total operating expenses	2,391	2,572	(181)	(7)%
Operating loss	(2,391)	(2,572)	181	(7)%
Other income, net:				
Dividend income	27	—	27	100 %
Interest income	29	1	28	2,800 %
Interest expense	—	(12)	12	(100)%
Gain on settlement of accounts payables	155	—	155	100 %
Change in fair value of contingent liability	(246)	—	(246)	(100)%
Other (expense) income	(11)	1,500	(1,511)	(101)%
Total other (expense) income, net	(46)	1,489	(1,535)	(103)%
Net loss before provision for income taxes	(2,437)	(1,083)	(1,354)	125 %
Provision for income taxes	—	(8)	8	— %
Net loss	\$ (2,437)	\$ (1,091)	\$ (1,346)	123 %

Research and development expense

The following table summarizes our research and development expenses incurred during the periods indicated:

(dollars in thousands)	Three Months Ended September 30,		Change	
	2025	2024		
Employee-related expense	\$ 320	\$ —	\$ 320	100 %
Clinical development programs expense	568	—	568	100 %
Total research and development expense	\$ 888	\$ —	\$ 888	100 %

Research and development expense was \$0.9 million for the three months ended September 30, 2025, reflecting an increase of \$0.9 million, or 100% from research and development expense of \$0 for three months ended September 30, 2024. The Company incurred research and development expense in 2025 after the acquisition of GPCR USA. In 2022, the Company suspended its clinical, preclinical, and discovery program activities and reduced headcount as it began exploring strategic alternatives in April 2023 and stopped recording any research and development expenses until the Acquisition in the first quarter of 2025.

General and administrative expense

<i>(dollars in thousands)</i>	Three Months Ended September 30,		Change	
	2025	2024		
General and administrative expense	\$ 1,499	\$ 1,434	65	5 %

General and administrative expense was \$1.5 million for the three months ended September 30, 2025, representing an increase of \$0.1 million or 5%, from \$1.4 million for the three months ended September 30, 2024. The increase for the three months ended September 30, 2025 was due to the additional expenses incurred from the acquisition of GPCR USA.

Litigation legal expense

The decrease of \$1.1 million for the three months ended September 30, 2025 was due to accruals recorded in the third quarter of 2024 for the amount of the unsatisfied self-insured retainer and legal defense costs related to the securities litigation lawsuit.

Loss from sale or disposal of property and equipment

The Company recognized a \$4,000 loss from GPCR USA's sale of fixed assets for the three months ended September 30, 2025 .

Other income and expense

The Company recognized a loss of \$246,000 related to the change in the fair value of its contingent liability. The Company satisfied its self-insured retainer with the insurer during the third quarter of 2025 resulting in a gain of \$155,000. During the third quarter of 2024, the Company sold of certain assets pursuant to a purchase agreement for \$1,500,000 to the purchaser for the Company's historical biotechnology intellectual property and other assets and included spherical nucleic acid-related technology, research and development programs, and clinical assets.

Comparison of the Nine Months Ended September 30, 2025 and 2024

The following table summarizes the results of our operations for the nine months ended September 30, 2025 and 2024:

(dollars in thousands)	Nine Months Ended June 30,		Change	
	2025	2024		
Revenue:				
Revenue	\$ —	\$ 500	(500)	(100)%
Total Revenue	—	500	(500)	(100)%
Operating expenses:				
Research and development expense	2,631	—	2,631	100 %
General and administrative expense	5,230	4,005	1,225	31 %
Litigation legal expense	—	1,138	(1,138)	(100)%
Loss from sale or disposal of property and equipment	90	—	90	100 %
Gain on early lease termination	(5,974)	—	(5,974)	(100)%
Total operating expenses	1,977	5,143	(3,166)	(62)%
Operating loss	(1,977)	(4,643)	2,666	(57)%
Other (expense) income, net:				
Dividend income	106	5	101	2,020 %
Interest income	38	7	31	443 %
Interest expense	—	(18)	18	(100)%
Gain on settlement of accounts payables	346	—	346	100 %
Change in fair value of contingent liability	(541)	—	(541)	(100)%
Other expense	(20)	2,137	(2,157)	(100)%
Total other (expense) income, net	(71)	2,131	(2,202)	(103)%
Net loss before provision for income taxes	(2,048)	(2,512)	464	(18)%
Provision for income taxes	—	(8)	8	— %
Net loss	<u>\$ (2,048)</u>	<u>\$ (2,520)</u>	<u>\$ 472</u>	<u>(19)%</u>

Revenue

On February 5, 2024, the Company entered into a patent license agreement to develop cavitrolimod for potential treatment for hepatitis with a private clinical stage biopharmaceutical company. Under the terms of the agreement, this biopharmaceutical company received an exclusive license in the field of hepatitis to all of the Company's relevant patents. A total of \$0.5 million was paid to the Company after the execution of this agreement.

Research and development expense

The following table summarizes our research and development expenses incurred during the periods indicated:

(dollars in thousands)	Nine Months Ended September 30,		Change	
	2025	2024		
Employee-related expense	\$ 746	\$ —	\$ 746	100 %
Clinical development programs expense	1,885	—	1,885	100 %
Total research and development expense	<u>\$ 2,631</u>	<u>\$ —</u>	<u>\$ 2,631</u>	<u>100 %</u>

Research and development expense was \$2.6 million for the nine months ended September 30, 2025, reflecting an increase of \$2.6 million, or 100% from research and development expense of \$0 for nine months ended September 30, 2024. The Company incurred research and development expense in 2025 after the acquisition of GPCR USA. In 2022, the Company suspended its clinical, preclinical, and discovery program activities and reduced headcount as it began exploring strategic alternatives in April 2023 and stopped recording any research and development expenses until the Acquisition in the first quarter of 2025.

General and administrative expense

(dollars in thousands)	Nine Months Ended September 30,		Change	
	2025	2024		
General and administrative expense	\$ 5,230	\$ 4,005	1,225	31 %

General and administrative expense was \$5.2 million for the nine months ended September 30, 2025, representing an increase of \$1.2 million or 31%, from \$4.0 million for the nine months ended September 30, 2024. The increase for the nine months ended September 30, 2025 was due to the additional expenses incurred from the acquisition of GPCR USA and increased professional services compared to the same prior year quarter.

Loss from sale or disposal of property and equipment

The Company recognized a \$90,000 loss from the sale of GPCR USA's fixed assets.

Gain on early lease termination

Due to the early termination of the Chicago Lease as of January 31, 2025, the Company recognized a \$6.0 million gain resulting from the reversal of the remaining liability related to this lease.

Other income and expense

The Company recognized a gain of \$346,000 from satisfying its self-insured retainer with the insurer and from the reversal of liability related to registration rights delay amounts owed to DGP. The Company recognized a loss of \$541,000 related to the change in the fair value of its contingent liability.

The Company sold samples of its clinical products during the second quarter of 2024 to a private clinical stage biopharmaceutical company. During the third quarter of 2024, the Company sold of certain assets pursuant to a purchase agreement for \$1,500,000 to the purchaser for the Company's historical biotechnology intellectual property and other assets and included spherical nucleic acid-related technology, research and development programs, and clinical assets.

Liquidity and Capital Resources

Since our inception, we have incurred significant operating losses. We generated limited revenue from our collaboration agreements, which have since been terminated. We have funded our operations to date with proceeds received from equity financings and payments received in connection with collaboration agreements, which have since been terminated. Currently we are exploring strategic alternatives and generating limited revenue. As of September 30, 2025, our cash and cash equivalents were \$4.4 million.

We incurred net loss of approximately \$2.0 million for the nine months ended September 30, 2025 and net loss of \$2.5 million for the nine months ended September 30, 2024. We expect to incur significant expenses and negative cash flows for the foreseeable future.

Our current liquidity is not sufficient to continue to fund existing obligations and operations. As a result, there is substantial doubt about our ability to continue as a going concern. Additional financing will be needed to fund our ongoing operations and exploration of strategic alternatives and pursue any alternatives that we identify. We may need to seek bankruptcy protection and/or cease operations in the near term, which may result in our stockholders receiving no or very little value in respect of their shares of our common stock.

See “Funding Requirements” below for additional information on our future capital needs.

Cash Flows

The following table shows a summary of our cash flows for the nine months ended September 30, 2025 and 2024:

	Nine Months Ended September 30,	
	2025	2024
(in thousands)	(unaudited)	
Net cash used in operating activities	\$ (7,408)	\$ (2,065)
Net cash used in investing activities	(2,262)	—
Net cash provided by financing activities	1,600	1,000
Net (decrease) in cash, cash equivalents, and restricted cash	<u>\$ (8,070)</u>	<u>\$ (1,065)</u>

Operating activities

Net cash used in operating activities was \$7.4 million and \$2.1 million for the nine months ended September 30, 2025 and 2024, respectively. The increase in cash used in operating activities for the nine months ended September 30, 2025 of \$5.3 million was due to the increase of operating activities and higher headcount from the GPCR USA acquisition.

Investing activities

Net cash used in investing activities was \$2.3 million and \$0.0 million for the nine months ended September 30, 2025 and 2024, respectively. The increase in cash used by investing activities of \$2.3 million was due to purchase of GPCR USA and capital expenditures by KC Creation.

Financing activities

Net cash provided by financing activities was \$1.6 million and \$1.0 million for nine months ended September 30, 2025 and 2024, respectively. The increase of \$0.6 million is due to the funds received from the common stock purchase agreements in February 2025.

Funding Requirements

Our existing cash and cash equivalents may not be sufficient to enable us to fund our existing obligations and ongoing operating expenses for the near term. Our future capital requirements are difficult to forecast and will depend on many factors, including, but not limited to:

- the results of our exploration of strategic alternatives, including any potential transactions;
- the results of any future or pending litigation against the Company;
- the extent to which we encounter increased costs as a result of global and macroeconomic conditions, including rising inflation and interest rates, supply chain disruptions, fluctuating exchange rates, and increases in commodity, energy and fuel prices, as well as political events such as the current federal government shutdown; and
- unknown legal, administrative, regulatory, accounting, and information technology costs as well as additional costs associated with operating as a public company.

Until such time, if ever, as we can generate substantial revenue, we expect to finance our cash needs primarily through equity offerings. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders may be materially diluted, and the terms of such securities could include liquidation or other preferences that adversely affect the rights of our stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specified actions, such as incurring additional debt, making capital expenditures or declaring dividends. Further, the global financial markets have experienced significant disruptions over the past couple of years due to the global health, the ongoing conflict between Russia and Ukraine, and in the Middle East, and worsening global macroeconomic conditions, including actions taken by central banks to counter inflation, volatility in the capital markets and related market uncertainty, may impact our ability to obtain additional financing when needed on favorable terms or at all. Any further disruption or slowdown in the global financial markets and economy may negatively affect our ability to raise funding through equity or debt financings on attractive terms or at all, which could in the future negatively affect our operations.

Going Concern

In accordance with Accounting Standards Codification 205-40, *Going Concern*, we have evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the unaudited condensed consolidated financial statements are issued. In the absence of a significant source of recurring revenue, our continued viability is dependent on our ability to continue to raise additional capital to finance our operations. As discussed above, there are substantial uncertainties about our ability to raise such financing.

Contractual Obligations and Commitments

Redwood City Lease, Chicago Lease and Vehicle Lease

Refer to Note 5 - Leases to the Notes to unaudited condensed consolidated financial statements included herein.

There have been no material changes to our contractual obligations and commitments from those described in our Annual Report, other than the termination of the Chicago Lease as mentioned in Note 5.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

As a smaller reporting company, as defined by Rule 12b-2 of the Exchange Act and in Item 10(f)(1) of Regulation S-K, we are electing scaled disclosure reporting obligations and therefore are not required to provide the information requested by this Item.

Item 4. Controls and Procedures.

Limitations on Effectiveness of Controls

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

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

Our management, with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2025. Based on the evaluation of our disclosure controls and procedures as of September 30, 2025, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weakness described below.

Material Weakness in Internal Control Over Financial Reporting

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

Management identified material weaknesses in the Company’s internal control over financial reporting related to the following:

1. Management’s review of the accounting treatment of non-routine activities.
2. The Company failed to design and implement controls around all accounting and information technology processes and procedures.

These matters have been reviewed with our Audit Committee.

Remediation Plan

We are evaluating the material weakness and are developing a plan of remediation to strengthen the effectiveness of the design and operation of our internal control environment. The remediation plan will include enhancing our review procedures within our accounting department, implementing additional review procedures with respect to accumulation and evaluation of information that is known or knowable to the Company at the time, and applying that information to the applicable accounting guidance. Subject to our ability to obtain additional financing and the results of our review of strategic alternatives, we will also consider whether additional personnel are necessary.

Changes in Internal Control over Financial Reporting

Other than described above, there were no changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

The Company and certain of its current and former officers and directors were defendants in *Colwell v. Exicure, Inc. et al.*, a securities class action in the United States District Court for the Northern District of Illinois (Case No. 1:21-cv-06637) (the “Securities Class Action”). On May 26, 2023, plaintiffs filed a second amended complaint generally alleging that the defendants made false statements about the results of experiments concerning the drug XCUR-FXN and asserting claims for violations of federal securities laws under Section 10(b) and Section 20(a) of the Exchange Act and Rule 10b-5 thereunder. On October 8, 2024, the court granted preliminary approval of the settlement in the Securities Class Action and set a schedule for final approval proceedings, including a final approval hearing on January 13, 2025. On January 13, 2025, the court entered final judgment approving a settlement of this litigation, which settlement included a \$5.625 million payment.

The settlement described above will be fully covered by insurance. However, the settlement includes a reservation of rights by the insurers against the Company for the unsatisfied portion of its self-insured retainer. As a result, the Company recorded an accrual as of September 30, 2024 for the amount of the unsatisfied retainer of approximately \$1.1 million needed to bridge the \$2.5 million retainer that the Company is liable for under its self-insured retention. On July 29, 2025, the Company entered into an agreement with the insurer to remit \$1.0 million in order to satisfy the remaining balance of its self-insured retention obligation and paid this on August 13, 2025.

Three related stockholder derivative lawsuits were filed against certain of the Company’s current and former officers and directors and against the Company as a nominal defendant between March and April 2022 in the United States District Court for the Northern District of Illinois (*Puri v. Giljohann, et al.* (Case No. 1:22-cv-01083); *Sim v. Giljohann, et al.* (Case No. 1:22-cv-01217)), and the United States District Court for the District of Delaware (*Stourbridge Investments LLC v. Exicure, Inc. et al.* (Case No. 1:22-cv-00526)) (collectively, the “Derivative Complaints”).

On March 18, 2022, James McNabb, through counsel, sent a written demand to the Company (the “Demand Letter”) demanding that the Board investigate certain allegations and commence proceedings on the Company’s behalf against certain of the Company’s officers and directors for alleged breaches of fiduciary duties and corporate waste. The Derivative Complaints and the Demand Letter are currently stayed. On or around July 22, 2025, the parties informed the courts in which the Derivative Complaints are pending that they have reached an agreement in principle for global resolutions of the Derivative Complaints and Demand Letter. The agreement in principle remains subject to being memorialized in a formal agreement and subject to court approval.

On October 3, 2023, a former employee filed a complaint against the Company and various of its former executives in the United States District Court for the District of New Jersey. The complaint is primarily a breach of contract claim relating to the former employee’s separation from the Company. The matter remains pending and settlement efforts have proven unsuccessful. The parties are, therefore, in the process of completing discovery with depositions scheduled for November and December 2025. Once discovery is closed, the Court will likely schedule a settlement conference and, if the matter still cannot be resolved, we intend to then prepare a motion for summary judgment seeking the dismissal of all claims via motion practice.

General

We may also be a party to litigation and subject to claims incident to the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

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Item 1A. Risk Factors.

Not applicable to smaller reporting companies

Item 6. Exhibits

Exhibit No.	Exhibit Description	Form	Incorporated by Reference		
			Exhibit No.	Filing Date	File No.
3.1	Amended and Restated Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on November 15, 2017.	10-K	3.3	3/11/21	001-39011
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Exicure, Inc., effective June 29, 2022.	8-K	3.1	06/29/22	001-39011
3.3	Amended and Restated Bylaws, as currently in effect.	8-K	3.4	10/02/17	000-55764
3.4	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Exicure, Inc., effective August 27, 2024	8-K	3.1	8/26/24	001-39011
31.1*	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1**	Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

* Filed herewith.

** The certification attached as Exhibit 32.1 that accompanies this Quarterly Report on Form 10-Q is not deemed filed with the SEC and is not to be incorporated by reference into any filing of Exicure, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of such Form 10-Q), irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

Date: November 7, 2025

EXICURE, INC.

By: /s/ Andy Yoo
Andy Yoo
Chief Executive Officer

By: /s/ Seung Ik Baik
Seung Ik Baik
Chief Financial Officer

By: /s/ Joshua Miller
Joshua Miller
Chief Accounting Officer

CERTIFICATIONS

I, Andy Yoo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Exicure, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2025

/s/ Andy Yoo

Andy Yoo

Chief Executive Officer

(Principal Executive Officer)

CERTIFICATIONS

I, Seung Ik Baik, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Exicure, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2025

/s/ Seung Ik Baik

Seung Ik Baik
Chief Financial Officer
(Principal Financial Officer)

SECTION 1350 CERTIFICATIONS*

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. § 1350), Andy Yoo, Chief Executive Officer of Exicure, Inc. (the “Company”), and Seung Ik Baik, Chief Financial Officer of the Company, each hereby certifies that, to the best of his or her knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the period ended September 30, 2025, to which this Certification is attached as Exhibit 32.1 (the “Periodic Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 7, 2025

IN WITNESS WHEREOF, the undersigned have set their hands hereto as of the 7th day of November, 2025.

/s/ Andy Yoo
 Andy Yoo
 Chief Executive Officer
(Principal Executive Officer)

/s/ Seung Ik Baik
 Seung Ik Baik
 Chief Financial Officer
(Principal Financial Officer)

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