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

FORM 10-Q

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

For the quarterly period ended June 30, 2026

or

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

For the transition period from to

Commission File Number: 001-36694

Protara Therapeutics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**20-4580525**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

345 Park Avenue South
3rd Floor
New York, NY
(Address of principal executive offices)

10010
(Zip Code)

(646) 844-0337
(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

As of August 7, 2026 there were 59,095,488 shares of the registrant's common stock, par value $0.001 per share, outstanding.

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CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and are subject to the safe harbor created thereby under the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect our current views with respect to, among other things, our operations and financial performance. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q are forward-looking statements. You can generally identify these forward-looking statements by terminology such as "believes," "expects," "potential," "continues," "may," "will," "should," "seek," "approximately," "predict," "intend," "plans," "estimates," "anticipates" or the negative version of these terms or other comparable terminology. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ from those expressed in forward-looking statements. Forward-looking statements are based on management's current plans and expectations, expressed in good faith and believed to have a reasonable basis. However, we can give no assurance that any expectation or belief will result or will be achieved or accomplished. Investors therefore should not place undue reliance on forward-looking statements.

These forward-looking statements include, but are not limited to, statements about:

- estimates regarding our financial performance, including future revenue, expenses and capital requirements;
- our expected cash position and ability to obtain financing in the future on satisfactory terms or at all;
- expectations regarding our plans to research, develop and commercialize our current and future product candidates, including TARA-002, and Intravenous, or IV, Choline Chloride;
- expectations regarding the safety and efficacy of our product candidates;
- expectations regarding the timing, costs and outcomes of our clinical trials;
- expectations regarding potential market size;
- expectations regarding the timing of the availability of data from our clinical trials;
- expectations regarding the clinical utility, potential benefits and market acceptance of our product candidates;
- expectations regarding our commercialization, marketing and manufacturing capabilities and strategy;
- the implementation of our business model, strategic plans for our business, product candidates and technology;
- expectations regarding our ability to identify additional products or product candidates with significant commercial potential;

- developments and projections relating to our competitors and industry;
- our ability to acquire, license and invest in businesses, technologies, product candidates and products;
- our ability to remain listed on the Nasdaq Global Market, or Nasdaq;
- the impact of and changes or developments in government laws and regulations, including any executive orders or tariffs;
- costs and outcomes relating to any disputes, governmental inquiries or investigations, regulatory proceedings, legal proceedings or litigation;
- our ability to attract and retain key personnel to manage our business effectively;
- our ability to prevent system failures, data breaches or violations of data protection laws;
- the timing or likelihood of regulatory filings and approvals;
- our ability to protect our intellectual property position; and
- the impact of general U.S., foreign and global economic, industry, market, trade, regulatory, political or public health conditions.

More information on factors that could cause our actual results to differ from those expressed in forward-looking statements is included from time to time in our reports filed with the Securities and Exchange Commission, including in our Annual Report on Form 10-K for the year ended December 31, 2025, particularly under Part I, Item 1A, "Risk Factors." Investors should understand that it is not possible to predict or identify all such factors and should not consider the risks described above and under Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K to be a complete statement of all potential risks and uncertainties. All forward-looking statements in this Quarterly Report on Form 10-Q speak only as of the date of this Quarterly Report on Form 10-Q and are expressly qualified in their entirety by the cautionary statements included in or incorporated by reference into this Quarterly Report on Form 10-Q. Except as required by law, we expressly disclaim any obligation to publicly release any revisions to forward-looking statements to reflect events after the date of this Quarterly Report on Form 10-Q.

This Quarterly Report on Form 10-Q also contains estimates, projections and other information concerning our industry, our business, and the markets for certain medical conditions, including data regarding the estimated size of those markets, and the incidence and prevalence of certain medical conditions. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

PROTARA THERAPEUTICS, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (Unaudited)
(in thousands, except share and per share data)

	As of	
	June 30, 2026	**December 31, 2025**
Assets		
Current assets:		
Cash and cash equivalents	$ 17,076	$ 49,657
Marketable debt securities	125,418	105,897
Prepaid expenses and other current assets	3,658	3,950
Total current assets	146,152	159,504
Restricted cash, non-current	745	745
Marketable debt securities, non-current	19,356	42,336
Property and equipment, net	1,318	759
Operating lease right-of-use asset	2,602	3,174
Other assets	5,920	2,950
Total assets	$ 176,093	$ 209,468
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 4,663	$ 3,468
Accrued expenses and other current liabilities	7,370	6,229
Operating lease liability	1,286	1,242
Total current liabilities	13,319	10,939
Operating lease liability, non-current	1,463	2,117
Total liabilities	14,782	13,056
Commitments and contingencies (Note 9)		
Stockholders' Equity:		
Preferred stock, $0.001 par value, authorized 10,000,000 shares:		
Series 1 Convertible Preferred Stock, 8,028 shares authorized at June 30, 2026 and December 31, 2025, 872 and 5,615 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	-	-
Common stock, $0.001 par value, 200,000,000 and 100,000,000 shares authorized at June 30, 2026 and December 31, 2025, respectively:		
Common stock, 59,083,935 and 53,587,260 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	59	54
Additional paid-in capital	503,484	498,687
Accumulated deficit	(341,869)	(302,419)
Accumulated other comprehensive income (loss)	(363)	90
Total stockholders' equity	161,311	196,412
Total liabilities and stockholders' equity	$ 176,093	$ 209,468

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

PROTARA THERAPEUTICS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)
(in thousands, except share and per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Operating expenses:				
Research and development	$ 16,955	$ 10,770	$ 30,517	$ 19,918
General and administrative	6,369	5,816	12,436	10,792
Total operating expenses	23,324	16,586	42,953	30,710
Income (Loss) from operations	(23,324)	(16,586)	(42,953)	(30,710)
Other income (expense), net:				
Interest and investment income (expense)	1,656	1,626	3,503	3,355
Other income (expense)	-	-	-	481
Other income (expense), net	1,656	1,626	3,503	3,836
Net income (loss)	$ (21,668)	$ (14,960)	$ (39,450)	$ (26,874)
Other comprehensive income (loss):				
Net unrealized gain (loss) on marketable debt securities	1	(12)	(453)	75
Other comprehensive income (loss)	1	(12)	(453)	75
Comprehensive income (loss)	$ (21,667)	$ (14,972)	$ (39,903)	$ (26,799)
Net income (loss) per share attributable to common stockholders, basic and diluted	$ (0.36)	$ (0.35)	$ (0.67)	$ (0.65)
Weighted-average shares outstanding, basic and diluted	61,006,766	42,270,855	59,282,380	41,493,714

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

PROTARA THERAPEUTICS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)
(in thousands, except share and per share data)

	Series 1 Convertible Preferred Stock		Common Stock		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Income (Loss)	Equity
Balance at December 31, 2024	7,991	$ -	35,044,772	$ 35	$ 412,077	$ (244,980)	$ 2	$ 167,134
Issuance of common stock upon conversion of Series 1 Preferred Stock	(2,376)	-	2,376,244	2	(2)	-	-	-
Issuance of common stock upon exercise of pre-funded warrants	-	-	625,100	1	-	-	-	1
Issuance of common stock from December 2024 Public Offering, net of offering costs of $214	-	-	438,738	1	2,527	-	-	2,528
Issuance of common stock upon settlement of restricted stock units	-	-	92,959	-	(185)	-	-	(185)
Stock-based compensation - restricted stock units	-	-	-	-	121	-	-	121
Stock-based compensation - stock options	-	-	-	-	712	-	-	712
Unrealized gain (loss) on marketable debt securities	-	-	-	-	-	-	87	87
Net income (loss)	-	-	-	-	-	(11,914)	-	(11,914)
Balance at March 31, 2025	5,615	$ -	38,577,813	$ 39	$ 415,250	$ (256,894)	$ 89	$ 158,484
Issuance of common stock upon exercise of stock options	-	-	2,842	-	8	-	-	8
Issuance of common stock upon settlement of restricted stock units	-	-	1,208	-	-	-	-	-
Stock-based compensation - restricted stock units	-	-	-	-	167	-	-	167
Stock-based compensation - stock options	-	-	-	-	736	-	-	736
Unrealized gain (loss) on marketable debt securities	-	-	-	-	-	-	(12)	(12)
Net income (loss)	-	-	-	-	-	(14,960)	-	(14,960)
Balance at June 30, 2025	5,615	$ -	38,581,863	$ 39	$ 416,161	$ (271,854)	$ 77	$ 144,423
Balance at December 31, 2025	5,615	$ -	53,587,260	$ 54	$ 498,687	$ (302,419)	$ 90	$ 196,412
Issuance of common stock upon conversion of Series 1 Preferred Stock	(971)	-	971,204	1	(1)	-	-	-
Issuance of common stock upon exercise of common warrants	-	-	370,000	-	1,942	-	-	1,942
Issuance of common stock upon settlement of restricted stock units	-	-	127,118	-	(272)	-	-	(272)
Stock-based compensation - restricted stock units	-	-	-	-	317	-	-	317
Stock-based compensation - stock options	-	-	-	-	1,045	-	-	1,045
Unrealized gain (loss) on marketable debt securities	-	-	-	-	-	-	(454)	(454)
Net income (loss)	-	-	-	-	-	(17,782)	-	(17,782)
Balance at March 31, 2026	4,644	$ -	55,055,582	$ 55	$ 501,718	$ (320,201)	$ (364)	$ 181,208
Issuance of common stock upon conversion of Series 1 Preferred Stock	(3,772)	-	3,773,586	4	(4)	-	-	-
Issuance of common stock upon exercise of stock options	-	-	215,687	-	412	-	-	412
Issuance of common stock upon settlement of restricted stock units	-	-	39,080	-	(26)	-	-	(26)
Stock-based compensation - restricted stock units	-	-	-	-	294	-	-	294
Stock-based compensation - stock options	-	-	-	-	1,090	-	-	1,090
Unrealized gain (loss) on marketable debt securities	-	-	-	-	-	-	1	1
Net income (loss)	-	-	-	-	-	(21,668)	-	(21,668)
Balance at June 30, 2026	872	$ -	59,083,935	$ 59	$ 503,484	$ (341,869)	$ (363)	$ 161,311

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

PROTARA THERAPEUTICS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	For the Six Months Ended June 30,	
	2026	**2025**
Cash flows from operating activities:		
Net income (loss)	$ (39,450)	$ (26,874)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Stock-based compensation	2,746	1,736
Operating lease right-of-use asset	572	530
Depreciation	162	181
Amortization of premium (Accretion of discount) on marketable debt securities	(359)	(532)
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	704	(1,012)
Other assets	(2,970)	204
Accounts payable	1,332	1,484
Accrued expenses and other current liabilities	1,141	(2,145)
Operating lease liabilities	(610)	(535)
Net cash provided by (used in) operating activities	(36,732)	(26,963)
Cash flows from investing activities:		
Purchase of marketable debt securities	(63,090)	(117,511)
Proceeds from maturity and redemption of marketable debt securities	66,455	11,500
Purchase of property and equipment	(332)	(66)
Net cash provided by (used in) investing activities	3,033	(106,077)
Cash flows from financing activities:		
Proceeds from exercise of Underwriters' Option in December 2024 Public Offering, net of offering costs of $214	-	2,528
Offering costs paid in connection with public offerings	(526)	(614)
Proceeds from exercise of pre-funded warrants	-	1
Proceeds from exercise of common warrants	1,942	-
Taxes paid related to net share settlement of restricted stock units	(298)	(185)
Proceeds from exercise of stock options	-	8
Net cash provided by (used in) financing activities	1,118	1,738
Net increase (decrease) in cash and cash equivalents and restricted cash	(32,581)	(131,302)
Cash and cash equivalents and restricted cash - beginning of period	50,402	163,543
Cash and cash equivalents and restricted cash - end of period	$ 17,821	$ 32,241
Supplemental disclosure of non-cash investing and financing activities:		
Proceeds from exercise of stock options included in other current assets and additional paid-in-capital	$ 412	$ -
Purchase of property and equipment included in accounts payable and property and equipment	$ 389	$ -
Reconciliation of cash and cash equivalents and restricted cash to the condensed consolidated balance sheets:		
Cash and cash equivalents	$ 17,076	$ 31,496
Restricted cash, non-current	745	745
Cash and cash equivalents and restricted cash	$ 17,821	$ 32,241

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

1. Organization and Nature of the Business

Overview

Protara Therapeutics, Inc., and its consolidated subsidiaries, or Protara or the Company, is a clinical-stage biopharmaceutical company committed to advancing transformative therapies for the treatment of cancer and rare diseases. Protara's portfolio includes two development programs utilizing TARA-002, an investigational cell therapy in development for the treatment of non-muscle invasive bladder cancer, or NMIBC, and lymphatic malformations, or LMs. Additionally, the Company's portfolio includes Intravenous, or IV, Choline Chloride, an investigational phospholipid substrate replacement therapy in development for patients receiving parenteral support, or PS.

Liquidity and Capital Resources

The Company is in the business of developing biopharmaceuticals and has no current or near-term revenues. The Company has incurred substantial clinical and other costs in its drug development efforts. The Company will need to raise additional capital in order to fully realize management's plans.

The Company believes that its current financial resources are sufficient to satisfy the Company's estimated liquidity needs for at least 12 months from the date of issuance of these unaudited condensed consolidated financial statements.

2. Summary of Significant Accounting Policies

The Company's significant accounting policies are disclosed in the audited consolidated financial statements and the notes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, filed with the United States Securities and Exchange Commission, or SEC, on March 10, 2026, or the Annual Report on Form 10-K. There were no changes to the Company's significant accounting policies as described in the Annual Report on Form 10-K.

Basis of Presentation

The accompanying condensed consolidated financial statements and the related disclosures as of June 30, 2026 and for the three and six months ended June 30, 2026 and 2025 are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, and the rules and regulations of the SEC, for interim financial statements. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These interim condensed consolidated financial statements should be read in conjunction with the 2025 audited consolidated financial statements and notes included in the Annual Report on Form 10-K. The December 31, 2025 consolidated balance sheet included herein was derived from the audited financial statements as of that date but does not include all disclosures including notes required by GAAP for complete financial statements. In the opinion of management, the condensed consolidated financial statements reflect all adjustments, consisting of normal and recurring adjustments, necessary for the fair presentation of the Company's financial position and results of operations for the three and six months ended June 30, 2026 and 2025. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the year ending December 31, 2026 or any other interim period or future year or period.

(amounts in thousands, except share and per share data)

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in the accompanying condensed consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the Financial Accounting Standards Board, or the FASB, issued ASU 2024-03 – *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures*, which enhances the disclosures for various types of expenses. The standard is effective for public companies for annual periods beginning after December 15, 2026. Early adoption is available. The Company is still evaluating the full extent of the potential impact of the adoption of ASU 2024-03.

Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were available to be issued. The Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

3. Fair Value of Financial Instruments

The following tables present the Company's financial assets and liabilities that are measured and carried at fair value and indicate the level within the fair value hierarchy of valuation techniques it utilizes to determine such fair value. The accounting policies of fair value measurements are the same as those described in Part II, Item 8, "Financial Statements and Supplementary Data—Summary of Significant Accounting Policies" in the Company's Annual Report on Form 10-K:

	As of June 30, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents:				
Money market funds[(a)]	$ 16,565	$ -	$ -	$ 16,565
Restricted cash, non-current:				
Money market funds[(b)]	745	-	-	745
Marketable debt securities:				
Corporate bonds[(c)]	-	128,810	-	128,810
Commercial paper[(c)]	-	10,962	-	10,962
U.S. Treasury securities[(c)]	5,002	-	-	5,002
Total	$ 22,312	$ 139,772	$ -	$ 162,084

(amounts in thousands, except share and per share data)

	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:				
Money market funds[(a)]	$ 45,355	$ -	$ -	$ 45,355
Corporate bonds[(a)]	-	3,704	-	3,704
Restricted cash, non-current:				
Money market funds[(b)]	745	-	-	745
Marketable debt securities:				
Corporate bonds[(c)]	-	125,682	-	125,682
U.S. Treasury securities[(c)]	22,551	-	-	22,551
Total	$ 68,651	$ 129,386	$ -	$ 198,037

(a) Money market funds and corporate bonds with original maturities of 90 days or less are included within cash and cash equivalents in the condensed consolidated balance sheets.

(b) Restricted money market funds are included within restricted cash, non-current in the condensed consolidated balance sheets.

(c) Corporate bonds, commercial paper and U.S. Treasury securities with original maturities greater than 90 days are included within marketable debt securities in the condensed consolidated balance sheets and classified as current or non-current based upon whether the maturity of the financial asset is less than or greater than 12 months.

Money market funds and U.S. Treasury securities are classified as Level 1 within the fair value hierarchy, because they are valued using quoted prices in active markets. Corporate bonds classified as Level 2 within the fair value hierarchy are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. Prices of these securities are obtained through independent, third-party pricing services and include market quotations that may include both observable and unobservable inputs. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments and various relationships between investments. There were no transfers of financial instruments among Level 1, Level 2, and Level 3 during the period presented.

Cash and cash equivalents, prepaid expenses and other current assets, accounts payable and accrued expenses and other current liabilities at June 30, 2026 and December 31, 2025 are carried at amounts that approximate fair value due to their short-term maturities.

4. Marketable Debt Securities

Marketable debt securities, all of which were classified as available-for-sale, consist of the following:

	As of June 30, 2026			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Marketable debt securities:				
Corporate bonds	$ 109,672	$ 6	$ (224)	$ 109,454
Commercial paper	10,965	-	(3)	10,962
U.S. Treasury securities	5,000	2	-	5,002
Marketable debt securities, non-current:				
Corporate bonds	19,500	-	(144)	19,356
Total	$ 145,137	$ 8	$ (371)	$ 144,774

(amounts in thousands, except share and per share data)

	As of December 31, 2025			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Marketable debt securities:				
Corporate bonds	$ 83,291	$ 77	$ (22)	$ 83,346
U.S. Treasury securities	22,493	58	-	22,551
Marketable debt securities, non-current:				
Corporate bonds	42,359	11	(34)	42,336
Total	$ 148,143	$ 146	$ (56)	$ 148,233

The Company has recorded the securities at fair value in its condensed consolidated balance sheets and unrealized gains and losses are reported as a component of accumulated other comprehensive income (loss). For the three and six months ended June 30, 2026 and 2025 there were no realized gains or losses. Gains, if any, would be included in investment income within the condensed consolidated statements of operations and comprehensive loss.

The remaining maturities of all debt securities held at June 30, 2026 was less than five years. There were no sales of securities in the periods presented.

Credit Losses

Securities with an amortized cost basis in excess of estimated fair value are assessed to determine what amount of the excess, if any, is caused by expected credit losses.

Marketable debt securities in a loss position consist of the following:

	As of June 30, 2026					
	In Continuous Loss Position Less Than 12 Months		In Continuous Loss Position Greater Than 12 Months		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
Marketable debt securities:						
Corporate bonds	$ 95,855	$ (224)	$ -	$ -	$ 95,855	$ (224)
Commercial paper	10,962	(3)	-	-	10,962	(3)
Marketable debt securities, non-current:						
Corporate bonds	19,356	(144)	-	-	19,356	(144)
Total	$ 126,173	$ (371)	$ -	$ -	$ 126,173	$ (371)

(amounts in thousands, except share and per share data)

	As of December 31, 2025					
	In Continuous Loss Position Less Than 12 Months		In Continuous Loss Position Greater Than 12 Months		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
Marketable debt securities:						
Corporate bonds	$ 24,034	$ (22)	$ -	$ -	$ 24,034	$ (22)
Marketable debt securities, non-current:						
Corporate bonds	29,824	(34)	-	-	29,824	(34)
Total	$ 53,858	$ (56)	$ -	$ -	$ 53,858	$ (56)

As of June 30, 2026 and December 31, 2025, it was determined that there were no expected credit losses.

Interest and Investment Income (Expense)

Interest and investment income (expense) consist of the following:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Interest income	$ 1,480	$ 1,223	$ 3,136	$ 2,778
Accretion of discount (Amortization of premium), net	170	389	353	555
Dividend income	6	14	14	22
Total	$ 1,656	$ 1,626	$ 3,503	$ 3,355

5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

	As of	
	June 30, 2026	December 31, 2025
Prepaid research and development	$ 1,079	$ 1,926
Accrued interest on marketable debt securities	1,277	1,257
Proceeds in transit in connection with stock option exercise	412	-
Prepaid insurance	166	355
Prepaid software	253	115
Other prepaid expenses	241	232
Other current assets	230	65
Total	$ 3,658	$ 3,950

(amounts in thousands, except share and per share data)

6. Other Assets

Other assets consist of the following:

	As of	
	June 30, 2026	December 31, 2025
Prepaid research and development, non-current	$ 5,846	$ 2,930
Other non-current assets	74	20
Total	$ 5,920	$ 2,950

7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

	As of	
	June 30, 2026	December 31, 2025
Research and development	$ 4,149	$ 2,683
Employee costs	2,690	3,267
Other expenses	531	279
Total	$ 7,370	$ 6,229

8. Leases

Operating leases

Leases classified as operating leases are included in operating lease right-of-use, or ROU, assets, operating lease liabilities and operating lease liabilities, non-current, in the Company's condensed consolidated balance sheets. Cash paid for operating lease liabilities during the six months ended June 30, 2026 and 2025 was $715 and $681, respectively.

Lease expense consists of the following:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease expense	$ 338	$ 338	$ 676	$ 676
Total	$ 338	$ 338	$ 676	$ 676

Variable lease expense for the three months ended June 30, 2026 and 2025 was $34 and $31, respectively. Variable lease expenses for the six months ended June 30, 2026 and 2025 were $66 and $62, respectively.

The weighted average discount rate and weighted-average remaining lease term for operating leases were:

	As of June 30, 2026
Weighted-average discount rate	7.0%
Weighted-average remaining lease term – operating lease (in months)	25

(amounts in thousands, except share and per share data)

As of June 30, 2026, the expected annual minimum lease payments of the Company's operating lease liabilities were as follows:

For the year ending December 31:	Operating Lease Payments
2026 (excluding the six months ended June 30, 2026)	$ 715
2027	1,429
2028	718
2029	87
Thereafter	-
Total future operating lease payments	2,949
Less: imputed interest	200
Present value of future minimum lease payments	$ 2,749

9. Commitments and Contingencies

Commitments

The Company has commitments under certain license and collaboration agreements, lease agreements and employment agreements. Commitments under certain license agreements primarily include annual payments, payments upon the achievement of certain milestones and royalty payments based on net sales of licensed products. Commitments under lease agreements consist of future minimum lease payments for operating leases which are further described in Note 8 of this Quarterly Report on Form 10-Q.

Contingencies

From time to time, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of its business activities. Management is of the opinion that the ultimate outcome of these matters would not have a material adverse impact on the financial position of the Company or the results of its operations.

In the normal course of business, the Company enters into contracts in which it makes representations and warranties regarding the performance of its services and that its services will not infringe on third-party intellectual rights. There have been no significant events related to such representations and warranties in which the Company believes the outcome could result in losses or penalties in the future.

10. **Stockholders' Equity**

Common Stock

As of June 30, 2026 and December 31, 2025, the Company had 200,000,000 and 100,000,000 shares of common stock authorized for issuance, respectively, $0.001 par value per share, of which 59,083,935 and 53,587,260 shares were issued and outstanding, respectively.

On June 12, 2026, the stockholders approved an amendment to the Company's sixth amended and restated certificate of incorporation to increase the number of authorized shares of common stock to 200,000,000 from 100,000,000.

The holders of the Company's common stock are entitled to one vote per share.

On May 13, 2026, the Company entered into a sales agreement with TD Securities (USA) LLC, as sales agent, pursuant to which the Company may offer and sell, from time to time, shares of the Company's common stock having an aggregate offering price of up to $100,000, or the ATM Program. During the three and six months ended June 30, 2026, the Company did not sell any shares under the ATM Program.

(amounts in thousands, except share and per share data)

Preferred Stock

As of June 30, 2026 and December 31, 2025, the Company had 10,000,000 shares of preferred stock authorized for issuance, $0.001 par value per share, of which 8,028 shares of Series 1 Convertible Preferred Stock were authorized for issuance and 872 and 5,615 shares were issued and outstanding as of June 30, 2026 and December 31, 2025, respectively. Each share of Series 1 Convertible Preferred Stock is convertible into approximately 1,000 shares of common stock, at a conversion price initially equal to approximately $7.01 per common share, subject to certain adjustments as described in the certificate of designation of preferences, rights and limitations of Series 1 Convertible Preferred Stock.

During the three and six months ended June 30, 2026, approximately 3,772 and 4,743 shares of Series 1 Convertible Preferred Stock, respectively, were converted into 3,773,586 and 4,744,790 shares of common stock, respectively.

The holders of Series 1 Convertible Preferred Stock are not entitled to vote.

Warrants

In connection with the April 2024 private placement, or the April 2024 Private Placement, the Company issued common warrants, or the April 2024 Common Warrants, to purchase an aggregate of up to 10,843,380 shares of the Company's common stock. Pursuant to the terms of issuance, the April 2024 Common Warrants were exercisable on or prior to the earlier of: (i) April 10, 2027 or (ii) 90 days after the public announcement that the Company has demonstrated a six-month complete response rate of minimum 42% from at least 25 BCG-Unresponsive (where BCG is defined as Bacillus Calmette-Guérin) patients in the ADVANCED-2 (Cohort B) clinical trial, at an exercise price of $5.25 per share. On March 30, 2026, the Company publicly announced that it had satisfied the condition set forth for fixing the termination date for exercise of the April 2024 Common Warrants, and as such, the unexercised April 2024 Common Warrants expired on June 29, 2026.

In connection with the April 2024 Private Placement, for certain purchasers, the Company issued pre-funded warrants, or the April 2024 Pre-Funded Warrants, to purchase an aggregate of up to 1,700,000 shares of the Company's common stock. The April 2024 Pre-Funded Warrants are exercisable at any time.

In connection with the December 2024 public offering, or the December 2024 Public Offering, for certain purchasers, the Company issued pre-funded warrants, or the December 2024 Pre-Funded Warrants, to purchase an aggregate of up to 2,325,372 shares of the Company's common stock. The December 2024 Pre-Funded Warrants are exercisable at any time.

The following is a summary of the activity of the Company's warrants to acquire shares of common stock for the six months ended June 30, 2026:

Equity Instrument	Outstanding, December 31, 2025	Granted	Exercised	Expired	Outstanding, June 30, 2026	Exercise Price per Share
April 2024 Common Warrants	10,118,380	-	370,000	9,748,380	-	$ 5.250
April 2024 Pre-Funded Warrants	1,700,000	-	-	-	1,700,000	$ 0.001
December 2024 Pre-Funded Warrants	1,700,272	-	-	-	1,700,272	$ 0.001
Total	13,518,652	-	370,000	9,748,380	3,400,272	

11. **Stock-Based Compensation**

2014 Equity Incentive Plan

On October 3, 2014, the stockholders approved the 2014 Equity Incentive Plan. On June 20, 2017, the Company's Board of Directors amended the 2014 Equity Incentive Plan, or the Amended and Restated 2014 Plan.

The Amended and Restated 2014 Plan, as amended, provides for the grant of incentive and non-statutory stock options, stock appreciation rights, restricted stock and stock unit awards, performance units, stock grants and qualified performance-based awards. The total number of shares authorized was 4,474,683 shares. As of June 7, 2024, in connection with the creation of the 2024 Equity Incentive Plan, or the 2024 Plan, no additional awards will be made under the Amended and Restated 2014 Plan, as amended.

As of June 30, 2026, there were 3,221,520 shares of common stock subject to outstanding awards under the Amended and Restated 2014 Plan, as amended.

2017 Equity Incentive Plan

On August 10, 2017, ArTara Subsidiary, Inc. (a predecessor of the Company), or Private ArTara, along with its Board of Directors and its stockholders approved the ArTara Therapeutics, Inc. 2017 Equity Incentive Plan, or the 2017 Plan, to enable Private ArTara and its affiliates to recruit and retain highly qualified personnel and to incentivize personnel for productivity and growth.

The total number of shares authorized under the 2017 Plan was 2,000,000 for the issuance of stock options, stock appreciation rights, restricted stock and restricted stock units, or RSUs, to among others, members of the Board of Directors, employees, consultants and service providers to the Company and its affiliates. As of January 9, 2020 no additional awards will be made under the 2017 Plan.

As of June 30, 2026, there were 134,328 shares of common stock subject to outstanding awards under the 2017 Plan.

2020 Inducement Plan

On March 26, 2020, the Compensation Committee of the Board of Directors, or the Compensation Committee, approved the 2020 Inducement Plan, or the 2020 Plan, in order to award non-statutory stock options, restricted stock awards, restricted stock unit awards and other stock-based awards to persons not previously an employee or director of the Company, or following a bona fide period of non-employment, as an inducement material to such persons entering into employment with the Company. The Compensation Committee also adopted a form of stock option grant notice and stock option agreement and forms of restricted stock unit grant notice and restricted stock unit agreement for use with the 2020 Plan.

The 2020 Plan provided for a total of 600,000 shares for the issuance of the Company's common stock. On March 3, 2025, the Compensation Committee approved a Certificate of First Amendment to the 2020 Plan, or the Amended 2020 Plan, to increase the number of shares provided for under the Amended 2020 Plan by 600,000 shares to 1,200,000 shares.

As of June 30, 2026, there were 980,098 shares of common stock subject to outstanding awards and 185,740 shares of common stock available for future issuance under the Amended 2020 Plan.

2024 Equity Incentive Plan

On June 7, 2024, the stockholders approved the 2024 Plan. The 2024 Plan provided for the grant of 1,500,000 shares of common stock for stock options, stock appreciation rights, restricted stock, RSUs, performance units, performance shares and other stock and cash awards. On June 11, 2025, the stockholders approved an amendment to the 2024 Plan increasing the number of shares available for grant under the 2024 Plan by 2,800,000 shares to 4,300,000 shares. On June 12, 2026, the stockholders approved an amendment to the 2024 Plan, or the Amended 2024 Plan, increasing the number of shares available for grant under the Amended 2024 Plan by 5,000,000 shares to 9,300,000 shares.

Terms of the stock awards, including vesting requirements, are determined by the Board of Directors, or the Compensation Committee thereof, subject to the provisions of the Amended 2024 Plan.

(amounts in thousands, except share and per share data)

As of June 30, 2026, there were 4,129,936 shares of common stock subject to outstanding awards and 5,093,541 shares of common stock available for future issuance under the Amended 2024 Plan.

2024 Employee Stock Purchase Plan

On June 7, 2024, the stockholders of the Company approved the 2024 Employee Stock Purchase Plan, or the 2024 ESPP. The number of shares authorized under the 2024 ESPP is 1,000,000.

As of June 30, 2026, the number of shares available for issuance under the 2024 ESPP was 1,000,000. During the three and six months ended June 30, 2026, no shares were issued under the 2024 ESPP.

Restricted Stock Units

The following table summarizes restricted stock unit activity for the six months ended June 30, 2026:

	Restricted Stock Units	Weighted Average Grant Date Fair Value
Non-vested as of December 31, 2025	571,145	$ 3.57
Granted	427,180	5.02
Forfeited	(81,082)	4.38
Vested	(217,475)	3.38
Non-vested as of June 30, 2026	699,768	$ 4.42

The fair value of RSUs is amortized on a straight-line basis over the requisite service period of the respective awards. As of June 30, 2026, the unamortized value of RSUs was $2,549. As of June 30, 2026, the weighted average remaining amortization period was 2.09 years. As of June 30, 2026 and December 31, 2025, 289,500 RSUs have vested but have not yet been settled into shares of the Company's common stock.

During the six months ended June 30, 2026, the Company issued 166,198 shares of the Company's common stock from the net settlement of 217,475 RSUs. The Company paid $298 in connection with the net share settlement of these RSUs.

Stock Options

The following table summarizes stock option activity for the six months ended June 30, 2026:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value[(1)]
Outstanding as of December 31, 2025	5,693,891	$ 6.30	7.51	$ 8,982
Granted	2,307,560	4.89		
Exercised	(215,687)	1.91		
Forfeited	(309,150)	4.57		
Expired	-	-	-	-
Outstanding as of June 30, 2026	7,476,614	$ 6.06	7.66	$ 2,987
Vested and expected to vest at June 30, 2026	7,476,614	$ 6.06	7.66	$ 2,987
Exercisable as of June 30, 2026	3,668,578	7.90	6.27	1,858

(1) Aggregate intrinsic value represents the difference between the exercise price of the option and the closing market price of our common stock on December 31, 2025 and June 30, 2026, respectively. The intrinsic value of options exercised during the six months ended June 30, 2026 was $485.

(amounts in thousands, except share and per share data)

The weighted average grant date fair value per share of the options granted during the six months ended June 30, 2026 and 2025 was $3.46 and $3.02, respectively. As of June 30, 2026, there was approximately $10,873 of unrecognized stock-based compensation for unvested stock option grants, which is expected to be recognized over a weighted average period of 2.72 years. The total unrecognized stock-based compensation cost will be adjusted for actual forfeitures as they occur.

Summary of Stock-Based Compensation Expense

The following tables summarize total stock-based compensation costs recognized:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Stock options	$ 1,090	$ 736	$ 2,135	$ 1,448
Restricted stock units	294	167	611	288
Total	$ 1,384	$ 903	$ 2,746	$ 1,736

Stock-based compensation expense was reflected within the condensed consolidated statements of operations and comprehensive loss as:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
General and administrative	$ 1,020	$ 677	$ 1,970	$ 1,318
Research and development	364	226	776	418
Total	$ 1,384	$ 903	$ 2,746	$ 1,736

12. Net Income (Loss) per Common Share

The following table sets forth the computation of the net income (loss) per share attributable to common stockholders, basic and diluted:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator				
Net income (loss) attributable to common stockholders	$ (21,668)	$ (14,960)	$ (39,450)	$ (26,874)
Denominator				
Weighted-average shares of common stock outstanding, basic and diluted	61,006,766	42,270,855	59,282,380	41,493,714
Net income (loss) per share attributable to common stockholders, basic and diluted	$ (0.36)	$ (0.35)	$ (0.67)	$ (0.65)

The weighted-average number of shares of common stock outstanding during the period includes any contingently issuable shares for which there is no circumstance under which those shares would not be issued and shares issuable upon the exercise of warrants to purchase common stock for no or nominal consideration. This includes 289,500 RSUs that have vested but that have not yet been settled into shares of the Company's common stock, 1,700,000 April 2024 Pre-Funded Warrants and 1,700,272 December 2024 Pre-Funded Warrants.

(amounts in thousands, except share and per share data)

Since the Company was in a net loss position for all periods presented, net income (loss) per share attributable to common stockholders was the same, on a basic and diluted basis, as the inclusion of all potential common equivalent shares outstanding would have been anti-dilutive. The Company excluded the following potential shares of common stock, presented based on amounts outstanding at each period end, from the computation of diluted net income (loss) per share attributable to common stockholders for the periods indicated because including them would have had an anti-dilutive effect:

	As of June 30,	
	2026	**2025**
Potentially dilutive shares:		
Stock options	7,476,614	5,563,027
Series 1 Convertible Preferred Stock	872,183	5,616,973
Restricted stock units	699,768	510,945
April 2024 Common Warrants	-	10,118,380
Total	9,048,565	21,809,325

13. Segment Information

The Company's Chief Executive Officer is the chief operating decision maker, or CODM. The CODM allocates resources and assesses performance of the Company's single reportable segment by regularly reviewing the segment net income (loss) that also is reported on the condensed consolidated statements of operations and comprehensive loss as consolidated net income (loss). The measure of segment assets is reported on the balance sheet as total consolidated assets.

The following table sets forth information about the Company's single reportable segment and the significant expenses reviewed by the CODM, including a reconciliation to consolidated net income (loss):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Research and development expenses:				
TARA-002 in NMIBC	$ 6,848	$ 4,898	$ 12,686	$ 8,455
TARA-002 in LMs	852	477	1,660	1,027
IV Choline Chloride	2,726	1,852	4,946	4,367
Other research and development	6,165	3,317	10,449	5,651
General and administrative expenses	5,349	5,139	10,466	9,474
Stock-based compensation expense	1,384	903	2,746	1,736
Income (loss) from operations	(23,324)	(16,586)	(42,953)	(30,710)
Other income (expense), net	1,656	1,626	3,503	3,836
Segment net income (loss)	(21,668)	(14,960)	(39,450)	(26,874)
Adjustments and reconciling items	-	-	-	-
Net income (loss)	$ (21,668)	$ (14,960)	$ (39,450)	$ (26,874)

Other research and development expenses consist of personnel-related expenses as well as other external research and development expenses that are not directly attributable to a specific program.

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

You should read the following discussion and analysis of our financial condition and results of operations together with the unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K, our actual results could differ materially from the results described in, or implied by, the forward-looking statements contained in the following discussion and analysis.

Overview

We are a New York City based clinical-stage biopharmaceutical company committed to advancing transformative therapies for the treatment of cancer and rare diseases. We were founded on the principle of applying modern scientific, regulatory or manufacturing advancements to established mechanisms in order to create new development opportunities. We prioritize creativity, integrity and tenacity to expedite our goal of bringing life-changing therapies to people with limited treatment options.

Our portfolio includes two development programs utilizing TARA-002, an investigational cell therapy based on the broad immunopotentiator, OK-432, which was originally granted marketing approval by the Japanese Ministry of Health and Welfare as an immunopotentiating cancer therapeutic agent. This cell therapy is currently approved in Japan and Taiwan for lymphatic malformations, or LMs, and multiple oncologic indications. We have secured worldwide rights to the asset excluding Japan and Taiwan and are exploring its use in oncology and rare disease indications. TARA-002 was developed from the same master cell bank of genetically distinct group A Streptococcus pyogenes as OK-432 (marketed as Picibanil® in Japan by Chugai Pharmaceutical Co., Ltd., or Chugai Pharmaceutical). We are currently developing TARA-002 in non-muscle invasive bladder cancer, or NMIBC, and LMs. We are also pursuing Intravenous, or IV, Choline Chloride, an investigational phospholipid substrate replacement therapy, for patients receiving parenteral support, or PS, which includes both nutrition and fluids.

We have devoted substantial efforts to the development of our programs and do not have any approved products and, to date, have not generated any revenues from product sales. Neither TARA-002 nor IV Choline Chloride have been approved by the U.S. Food and Drug Administration, or FDA, or other comparable regulatory authorities for use for any indications. We do not expect to generate revenues in the near-term, and it is possible we may never generate revenues in the future. To finance our current strategic plans, including the conduct of ongoing and future clinical trials and further research and development costs, we will need to raise additional capital. See "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for additional information about our liquidity and capital resource needs.

Since inception, we have incurred significant operating losses. As of June 30, 2026, we had an accumulated deficit of approximately $341.9 million. We expect to continue to incur significant expenses and increasing operating losses for at least the next few years as we continue our development of, and seek marketing approvals for, our product candidates, prepare for and begin the commercialization of any approved products, and add infrastructure and personnel to support our product development efforts and operations as a public company in the United States.

As a clinical-stage company, our expenses and results of operations are likely to fluctuate significantly from quarter-to-quarter and year-to-year. We believe that our period-to-period comparisons of our results of operations should not be relied upon as indicative of our future performance.

As of June 30, 2026, we had approximately $161.9 million in unrestricted cash and cash equivalents and marketable debt securities.

TARA-002 in NMIBC

Our lead oncology program is TARA-002 in NMIBC, which is cancer found in the tissue that lines the inner surface of the bladder that has not spread into the bladder muscle. Bladder cancer is the sixth most common cancer in the U.S., with NMIBC representing approximately 80% of bladder cancer diagnoses. Approximately 65,000 patients are diagnosed with NMIBC in the U.S. each year. Very few new therapeutics have been approved for NMIBC since the 1990s and the current standard of care for NMIBC includes intravesical Bacillus Calmette-Guérin, or BCG.

Following the completion of our Phase 1a ADVANCED-1 and Phase 1b ADVANCED-1EXP trials in October 2024 and September 2024, respectively, to evaluate safety, preliminary efficacy and the dosing of TARA-002, at the 40KE (Klinische Einheit, or KE, is a German term indicating a specified weight of dried cells in vial) dose level, we initiated and are currently conducting our ADVANCED-2 clinical trial. ADVANCED-2 is a Phase 2 open-label clinical trial evaluating intravesical TARA-002 in patients with high-grade carcinoma in situ, or CIS. Cohort A of the Phase 2 trial has completed enrollment and enrolled 31 patients with CIS (± Ta/T1, with Ta defined as non-invasive papillary carcinoma and T1 defined as carcinoma invading the lamina propria) who are either BCG-Naïve or BCG-Exposed and who have not received intravesical BCG for at least 24 months prior to CIS diagnosis. Cohort B of the Phase 2 trial is expected to enroll 75 to 100 patients with BCG-Unresponsive CIS (± Ta/T1) and is designed to be registrational based on the FDA's August 2024 Draft Guidance for Industry on BCG-Unresponsive Nonmuscle Invasive Bladder Cancer: Developing Drugs and Biological Products for Treatment. Trial subjects in ADVANCED-2 receive an induction course, with or without a reinduction, of six weekly intravesical instillations of TARA-002, followed by a maintenance course of three weekly instillations every three months.

In February 2026, we presented updated interim data from our ongoing Phase 2 open-label ADVANCED-2 trial reporting results that continue to support TARA-002's potential as a new therapy in the NMIBC treatment landscape and demonstrating meaningful and durable activity in BCG-Unresponsive and BCG-Naïve NMIBC patients.

The dataset includes 43 BCG-Unresponsive patients and 31 BCG-Naïve patients who received at least one dose of TARA-002; 35 BCG-Unresponsive patients and 29 BCG-Naïve patients completed at least one response assessment and were evaluable for efficacy as of a January 28, 2026 data cutoff. Complete response, or CR, rates at the six months and 12 months landmark time points include all participants who were either evaluable at that time point or had experienced disease progression or treatment failure prior to the scheduled visit.

For the BCG-Unresponsive cohort, the CR rate at any time was 65.7% (23/35). The CR rate was 68.2% (15/22) at six months and 33.3% (5/15) at 12 months. Among responders, the Kaplan-Meier, or KM, estimated probability of maintaining a CR for six months was 71.1% (95% confidence interval, or CI: 46.7, 95.5), and 100% (5/5) maintained their CR from nine to 12 months. Re-induction therapy successfully converted 61.5% (8/13) non-responders to a CR at six months.

For the BCG-Naïve cohort, the CR rate at any time was 72.4% (21/29). The CR rate was 66.7% (18/27) at six months and 57.9% (11/19) at 12 months. Among responders, the KM estimated probability of maintaining a CR for six months was 73.1% (95% CI: 52.9, 93.4), and 100% (11/11) maintained their CR from nine to 12 months. Re-induction therapy successfully converted 66.7% (4/6) non-responders to a CR at six months.

The majority of treatment-related adverse events, or TRAEs, were Grade 1 and transient with no Grade 3 or greater TRAEs and no related serious adverse events, or SAEs, as assessed by study investigators. No patients discontinued treatment due to TRAEs. The most commonly occurring TRAEs were dysuria (14%), bladder spasm (9%), fatigue (7%) and micturition urgency (5%).

In March 2026, we announced that we have received confirmation on the six-month CR rate of the 25th BCG-Unresponsive patient in our ongoing Phase 2 open-label ADVANCED-2 trial of TARA-002 in patients with CIS (± Ta/T1) NMIBC. The average six-month CR rate in the 25 BCG-Unresponsive patients was 68.0%, which was consistent with the 68.2% CR rate at six months that was announced by us in February 2026, and was meaningfully above 41.9%.

In May 2026, we presented additional updated interim data from our ongoing Phase 2 open-label ADVANCED-2 trial demonstrating meaningful and durable activity in BCG-Naïve NMIBC patients. The dataset included a total of 31 patients of whom 29 were evaluable for efficacy, with 27 patients evaluable at six months and 20 patients evaluable at 12 months, as of an April 5, 2026 data cutoff. The CR rate at any time was 72.4% (21/29). The CR rate was 66.7% (18/27) at six months and 55.0% (11/20) at 12 months. Among responders, the KM estimated probability of maintaining a CR for six months was 73.1% (95% CI: 52.9, 93.4). 91.7% (11/12) maintained their CR from nine to 12 months and 66.7% (4/6) of re-induced patients converted to a CR at six months.

The majority of TRAEs were Grade 1 and transient, with no Grade 3 or greater TRAEs reported, as assessed by study investigators. No patients discontinued treatment due to TRAEs. The most commonly reported TRAEs were dysuria, fatigue, and hematuria.

We expect to complete enrollment of the BCG-Unresponsive registrational cohort of the ADVANCED-2 trial in the fourth quarter of 2026. Enrollment is complete in the BCG-Naïve cohort of the ADVANCED-2 trial with 31 patients. Although we initiated our ADVANCED-3 trial in June 2026, we have made the strategic decision to redesign the ADVANCED-3 trial to be a multi-cohort, open-label, exploratory trial to evaluate the efficacy and safety of intravesical TARA-002 in high-grade, high-risk BCG-Naïve and BCG-Exposed CIS (± Ta/T1) patients and papillary (Ta/T1) patients across BCG exposures, in order to accelerate and expand the breadth of data available at or around the time of the potential launch of TARA-002 in BCG-Unresponsive CIS patients.

In addition to our existing clinical trials in NMIBC, we plan to continue to explore the anti-tumor activity related to the administration of TARA-002 via systemic administration. We continue to believe that combination therapy may play a meaningful role in the NMIBC treatment paradigm and intend to evaluate TARA-002 in combination with other therapies. Given what we have observed to date of TARA-002's mechanism of action and safety profile, we believe it has strong potential as a combination agent, and we continue to evaluate potential combination therapy options for our clinical program. We also continue to conduct non-clinical studies on TARA-002 to better characterize the mechanism of action to help us understand how TARA-002 may perform in potential combinations with other agents used to treat NMIBC, and to help us define other cancer targets for TARA-002, both within urothelial cancer and other types of cancer affecting different parts of the body.

IV Choline Chloride for Patients on PS

We are also pursuing IV Choline Chloride, an investigational phospholipid substrate replacement therapy, for patients receiving PS which includes both nutrition and fluids. Choline is a known important substrate for phospholipids that are critical for healthy liver function and also plays an important role in modulating gene expression, cell membrane signaling, brain development, neurotransmission, muscle function and bone health. PS patients are unable to synthesize choline from enteral nutrition sources, and there are currently no available PS formulations containing choline. Every year in the U.S. there are approximately 90,000 people who require PS at home and of those approximately 30,000 are on long-term PS. IV Choline Chloride has the potential to become the first FDA-approved IV choline formulation for PS patients.

An IV formulation of choline is recommended for patients on parenteral nutrition, or PN, by the American Society for Parenteral and Enteral Nutrition, or ASPEN, in their Recommendations for Changes in Commercially Available Parenteral Multivitamin and Multi–Trace Element Products, as well as by the European Society for Clinical Nutrition and Metabolism, or ESPEN, in their Guideline on Home Parenteral Nutrition. IV Choline Chloride has been granted Orphan Drug Designation, or ODD, by the FDA for the prevention and/or treatment of choline deficiency in patients on long-term PN. The FDA has also granted IV Choline Chloride Fast Track Designation, or FTD, as a source of choline when oral or enteral nutrition is not possible, insufficient, or contraindicated. The U.S. Patent and Trademark Office, or USPTO, has issued us a U.S. patent claiming a choline composition and a U.S. patent claiming a method of treating choline deficiency with a choline composition, each with a term expiring in 2041.

In April 2024, we announced alignment with the FDA on a registrational path forward for IV Choline Chloride. Previously, we had been pursuing an indication in intestinal failure-associated liver disease, or IFALD, and following feedback from the FDA, are pursuing a broader indication as a source of choline when oral or enteral nutrition is not possible, insufficient, or contraindicated. Feedback from the FDA on our IV Choline Chloride program indicated that a single study with an endpoint of restoring choline levels in PS patients could serve as the basis for a regulatory submission for IV Choline Chloride.

In January 2026, we initiated THRIVE-3, a registrational Phase 3 clinical trial. THRIVE-3 is a seamless Phase 2b/3 trial with a dose confirmation portion (n=24) followed by a double-blinded, randomized, placebo-controlled portion to assess the efficacy and safety of IV Choline Chloride over 24 weeks in adolescents and adults on long-term PS when oral or enteral nutrition is not possible, insufficient, or contraindicated (n=100). The primary endpoint of the clinical trial is a pharmacokinetic, or PK, endpoint measuring the change from baseline in plasma choline concentration. We also plan to include a number of secondary endpoints related to liver, bone and memory. We anticipate reporting interim results from the dose-confirmation portion of the trial in the fourth quarter of 2026.

TARA-002 in LMs

We are also pursuing TARA-002 in macrocystic and mixed-cystic LMs, which are rare, non-malignant cysts of the lymphatic vascular system that primarily form in the head and neck region of children before the age of two. In addition to the clinical experience in Japan, we have secured the rights to a dataset from one of the largest ever conducted Phase 2 trials in LMs, in which OK-432 was administered via a compassionate use program led by the University of Iowa to over 500 pediatric and adult patients. In July 2020, the FDA granted Rare Pediatric Disease Designation, or RPDD, for TARA-002 for the treatment of LMs and in May 2022 the European Commission granted Orphan Medicinal Product Designation to TARA-002 for the treatment of LMs. In December 2025, the FDA granted both FDA Breakthrough Therapy Designation, or BTD, and FTD for TARA-002 for the treatment of macrocystic and mixed cystic LMs in pediatric patients. In April 2026, the FDA granted ODD to TARA-002 for the treatment of macrocystic LMs and mixed cystic LMs. We have an open investigational new drug application, or IND, for TARA-002 in LMs and the review of TARA-002 has been moved from the Office of Vaccines Research and Review to the Office of Therapeutic Products, or OTP, which has significant experience in pediatric rare disease and is the review division for TARA-002 in NMIBC.

In October 2023, we initiated STARBORN-1, which is a Phase 2 single-arm, open-label, prospective clinical trial to evaluate the safety and efficacy of intracystic injection of TARA-002 for the treatment of macrocystic and mixed-cystic LMs (≥ 50% macrocystic disease) in participants six months to less than 18 years of age in the U.S. Including an age de-escalation safety lead-in, the clinical trial will enroll approximately 30 patients who will receive up to four injections of TARA-002 spaced approximately six weeks apart. The primary endpoint of the clinical trial is the proportion of participants with macrocystic LMs and mixed-cystic LMs who demonstrated clinical success, defined as having either a CR (90% to 100% reduction from baseline in total LM volume) or substantial response (60% to less than 90% reduction in total LM volume) as measured by axial imaging.

In November 2025, we announced interim results from our ongoing Phase 2 STARBORN-1 trial evaluating TARA-002 in pediatric patients with macrocystic and mixed cystic LMs. As of the data cutoff date of November 12, 2025, 12 patients had received at least one dose of TARA-002. Of the eight patients who were evaluable at the eight-week post-treatment assessment, 100% achieved clinical success. 88% of patients achieved clinical success with just one or two doses of TARA-002. Among macrocystic patients, 83% (5/6) achieved a CR, and the only mixed cystic patient treated also achieved a CR. Two patients who reached the 32-week post-treatment assessment remain disease-free.

The safety profile of TARA-002 in this trial has been favorable, with the majority of adverse events, or AEs, being mild to moderate in severity. No SAEs were reported. The most common AEs were swelling and fatigue, and only one patient discontinued treatment due to a Grade 2 AE of fatigue.

These results underscore the potential of TARA-002 to address an unmet need for pediatric patients with LMs, for whom there are currently no approved therapies. Many patients currently rely on invasive surgical procedures or off-label use of chemotherapies and chemicals, which can be associated with high complication rates and challenging side effects, particularly in pediatric populations.

In May 2026, we presented updated interim safety and durability data from STARBORN-1 at the International Society for the Study of Vascular Anomalies World Congress in Philadelphia, Pennsylvania. As of an April 10, 2026 data cutoff, TARA-002 demonstrated clinical success in 83% (10/12) of participants that completed treatment and in 100% (10/10) of evaluable patients. All seven participants that reached the 32-week post-treatment assessment remained disease free as of the data cutoff. The majority of AEs were mild to moderate, with no serious AEs reported. The most common AEs were swelling and fatigue, and most were transient and resolved within a few days.

We intend to provide an update on STARBORN-1 and complete enrollment of STARBORN-1 in the fourth quarter of 2026. Based on engagement with the FDA, we intend to submit a Biologics License Application, or BLA, for TARA-002 in LMs based on the results of the pivotal STARBORN-1 trial in the second half of 2027 and will continue to submit safety and efficacy data from the trial on an ongoing basis to support the FDA's evaluation of the risks and benefits of TARA-002 in LMs.

Other Potential Opportunities

We believe TARA-002 may also have the potential to be used to treat other maxillofacial cysts based on the historical literature from the TARA-002 predecessor, OK-432, as well as recent data from the STARBORN-1 trial in which the one pediatric patient with a ranula achieved a CR after a single 1KE injection of TARA-002. While completing STARBORN-1 in LMs is our priority, we believe there may be an opportunity in the future to explore the potential of TARA-002 to treat different types of maxillofacial cysts.

Financial Overview

Research and Development

Research and development expenses consist primarily of costs incurred for the development of our current and potential future product candidates, which include personnel-related expenses, including salaries, benefits, travel and stock-based compensation expense, external expenses incurred under agreements with contract research organizations, or CROs, contract development and manufacturing organizations, or CDMOs, the cost of acquiring, developing and manufacturing clinical trial materials, clinical and non-clinical related costs and costs associated with regulatory operations and facilities, which includes depreciation and other expenses such as rent, maintenance and other supplies.

General and Administrative

General and administrative expenses consist primarily of personnel-related costs, including salaries, benefits, travel expenses and stock-based compensation, for executive management and other administrative personnel. General and administrative expenses also include professional fees for legal, investor relations, consulting, auditing and accounting services, business and market development activities, as well as costs related to human resources, information technology and facilities. In addition, these expenses include costs associated with operating as a public company, such as expenses related to our Nasdaq Global Market, or Nasdaq, listing and the United States Securities and Exchange Commission, or SEC, compliance and director and officer liability insurance premiums.

Other Income (Expense), net

Other income (expense), net consists of interest and investment income (expense) and other income (expense). Interest and investment income (expense) consists of interest and dividend income on our cash and cash equivalents and marketable debt securities and amortization of premiums and/or accretion of discounts. Other income (expense) may also include non-operating items, such as refundable tax credits and other miscellaneous income not related to our core operating activities.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. The preparation of our condensed consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. We base our estimates on historical experience and other market-specific or other relevant assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from those estimates or assumptions.

Our critical accounting policy is the accounting for accrued research and development expenses. We record accruals for estimated costs of research, preclinical, non-clinical, clinical and manufacturing development within accrued expenses which are significant components of research and development expenses. A substantial portion of our ongoing research and development activities are conducted by third-party service providers. We accrue costs incurred under these third-party arrangements based on estimates of actual work completed in accordance with the respective agreements. We determine the estimated costs to accrue through discussions with internal personnel and our external service providers as to the percentage of completion of the services and the agreed-upon fees to be paid for such services. Payments made to third parties under these arrangements in advance of performance of the related services are recorded as prepaid expenses until the services are rendered.

It is important that the discussion of our operating results that follow be read in conjunction with our accounting policies which have been disclosed in our Annual Report on Form 10-K filed with the SEC on March 10, 2026.

Results of Operations

Comparison of the Three Months Ended June 30, 2026 and 2025

The following table summarizes our results of operations (in thousands):

	For the Three Months Ended June 30,		Period-to-Period
	2026	**2025**	**Change**
Operating expenses:			
Research and development	$ 16,955	$ 10,770	$ 6,185
General and administrative	6,369	5,816	553
Total operating expenses	23,324	16,586	6,738
Income (Loss) from operations	(23,324)	(16,586)	(6,738)
Other income (expense), net:			
Interest and investment income (expense)	1,656	1,626	30
Other income (expense), net	1,656	1,626	30
Net income (loss)	$ (21,668)	$ (14,960)	$ (6,708)

Research and development expenses

The following table summarizes our research and development expenses (in thousands):

	For the Three Months Ended June 30,		Period-to-Period
	2026	**2025**	**Change**
Direct expenses by product candidate:			
TARA-002 in NMIBC	$ 6,848	$ 4,898	$ 1,950
TARA-002 in LMs	852	477	375
IV Choline Chloride	2,726	1,852	874
Total direct expenses by product candidate	10,426	7,227	3,199
Indirect research and development expenses	6,529	3,543	2,986
Total	$ 16,955	$ 10,770	$ 6,185

Research and development expenses were $17.0 million for the three months ended June 30, 2026, which represented an increase of approximately $6.2 million as compared to the three months ended June 30, 2025. This increase was primarily due to a $3.2 million increase in direct expenses for our product candidates and a $3.0 million increase in indirect expenses. The increase in direct expenses was primarily due to higher ongoing costs associated with all of our ongoing clinical trials. The increase in indirect expenses was primarily due to a $1.8 million increase in personnel-related expenses and a $1.2 million increase in research and development expenses not directly attributable to one specific product candidate, which were primarily attributable to chemistry, manufacturing and controls, or CMC, related activities.

General and administrative expenses

The following table summarizes our general and administrative expenses (in thousands):

	For the Three Months Ended June 30,		Period-to-Period
	2026	2025	Change
Personnel-related expenses, including stock-based compensation	$ 3,351	$ 2,666	$ 685
Other general and administrative expenses	3,018	3,150	(132)
Total	$ 6,369	$ 5,816	$ 553

General and administrative expenses were $6.4 million for the three months ended June 30, 2026, which represented an increase of approximately $0.6 million as compared to the three months ended June 30, 2025. This increase was primarily due to an increase of $0.7 million in personnel-related expenses, offset by a decrease of $0.1 million in other general and administrative expenses.

Other income (expense), net

Other income (expense), net was $1.7 million for the three months ended June 30, 2026, which represented an increase of approximately $0.1 million as compared to the three months ended June 30, 2025. The increase was driven by higher interest and investment income in the three months ended June 30, 2026.

Comparison of the Six Months Ended June 30, 2026 and 2025

The following table summarizes our results of operations (in thousands):

	For the Six Months Ended June 30,		Period-to-Period
	2026	2025	Change
Operating expenses:			
Research and development	$ 30,517	$ 19,918	$ 10,599
General and administrative	12,436	10,792	1,644
Total operating expenses	42,953	30,710	12,243
Income (Loss) from operations	(42,953)	(30,710)	(12,243)
Other income (expense), net:			
Interest and investment income (expense)	3,503	3,355	148
Other income (expense)	-	481	(481)
Other income (expense), net	3,503	3,836	(333)
Net income (loss)	$ (39,450)	$ (26,874)	$ (12,576)

Research and development expenses

The following table summarizes our research and development expenses (in thousands):

	For the Six Months Ended June 30,		Period-to-Period
	2026	2025	Change
Direct expenses by product candidate:			
TARA-002 in NMIBC	$ 12,686	$ 8,455	$ 4,231
TARA-002 in LMs	1,660	1,027	633
IV Choline Chloride	4,946	4,367	579
Total direct expenses by product candidate	19,292	13,849	5,443
Indirect research and development expenses	11,225	6,069	5,156
Total	$ 30,517	$ 19,918	$ 10,599

Research and development expenses were $30.5 million for the six months ended June 30, 2026, which represented an increase of approximately $10.6 million as compared to the six months ended June 30, 2025. This increase was primarily due to a $5.4 million increase in direct expenses for our product candidates and a $5.2 million increase in indirect expenses. The increase in direct expenses was primarily due to higher ongoing costs associated with all of our ongoing clinical trials. The increase in indirect expenses was primarily due to a $3.3 million increase in personnel-related expenses and a $1.8 million increase in research and development expenses not directly attributable to one specific product candidate, which were primarily attributable to CMC related activities.

General and administrative expenses

The following table summarizes our general and administrative expenses (in thousands):

	For the Six Months Ended June 30,		Period-to-Period
	2026	2025	Change
Personnel-related expenses, including stock-based compensation	$ 6,818	$ 5,250	$ 1,568
Other general and administrative expenses	5,618	5,542	76
Total	$ 12,436	$ 10,792	$ 1,644

General and administrative expenses were $12.4 million for the six months ended June 30, 2026, which represented an increase of approximately $1.6 million as compared to the six months ended June 30, 2025. This increase was primarily due to an increase of $1.6 million in personnel-related expenses, as well as an increase of $0.1 million in other general and administrative expenses.

Other income (expense), net

Other income (expense), net was $3.5 million for the six months ended June 30, 2026, which represented a decrease of approximately $0.3 million as compared to the six months ended June 30, 2025. The decrease was driven by a $0.5 million decrease in other income (expense) due to nonrecurring refundable tax credits received in the six months ended June 30, 2025, offset by a $0.2 million increase in interest and investment income in the six months ended June 30, 2026.

Liquidity and Capital Resources

Overview

As of June 30, 2026 and December 31, 2025, our unrestricted cash and cash equivalents, and marketable debt securities were $161.9 million and $197.9 million, respectively. We have not generated revenues since our inception and have incurred net losses of $39.5 million and $26.9 million for the six months ended June 30, 2026 and 2025, respectively and $21.7 million and $15.0 million for the three months ended June 30, 2026 and 2025, respectively. As of June 30, 2026, we had working capital of $132.8 million and stockholder's equity of $161.3 million. During the six months ended June 30, 2026, net cash flows used in operating activities were $36.7 million, consisting primarily of a net loss of $39.5 million and cash used for changes in operating assets and liabilities of $0.4 million. These uses of cash were offset by non-cash expenses of approximately $3.1 million. Since inception, we have met our liquidity requirements principally through the sale of our common stock, preferred stock and pre-funded warrants in private placements and public offerings.

On November 3, 2023, we filed a shelf registration statement on Form S-3, or the Shelf Registration Statement, which became effective in November 2023. The Shelf Registration Statement permits the offering, issuance and sale by us of up to a maximum aggregate offering price of $300.0 million of common stock, preferred stock, debt securities and warrants in one or more offerings and in any combination. In December 2024, we sold and issued approximately $102.8 million in gross proceeds of common stock and pre-funded warrants in a public offering under the Shelf Registration Statement. The net proceeds were approximately $95.9 million. In December 2025, we sold and issued approximately $86.3 million in gross proceeds of common stock in a public offering under the Shelf Registration Statement. The net proceeds were approximately $80.4 million. The remaining unsold securities under this shelf were rolled into a new shelf filed in May 2026 as described below.

On May 14, 2026, we filed a shelf registration statement on Form S-3, or the 2026 Shelf Registration Statement, which became effective in May 2026. The 2026 Shelf Registration Statement permits the offering, issuance and sale by us of up to a maximum aggregate offering price of $300.0 million in common stock, preferred stock, debt securities and warrants in one or more offerings and in any combination. In May 2026, we entered into a sales agreement with TD Securities (USA) LLC, as sales agent, pursuant to which we may offer and sell, from time to time, shares of the Company's common stock having an aggregate offering price of up to $100.0 million, or the ATM Program. As of June 30, 2026, no shares have been sold under the ATM Program.

As part of the April 2024 Private Placement, purchasers were offered common warrants. Through June 29, 2026, common warrants exercised resulted in $5.7 million in proceeds. The remaining unexercised common warrants expired on June 29, 2026.

We are in the business of developing biopharmaceuticals and have no current or near-term revenues. We have incurred substantial clinical and other costs in our drug development efforts. We will need to raise additional capital in order to fully realize management's plans.

We believe that our current financial resources are sufficient to satisfy our estimated liquidity needs for at least 12 months from the date of issuance of our condensed consolidated financial statements included elsewhere in this Quarterly Report on this Form 10-Q.

As a result of volatility in the capital markets, economic conditions, general global economic uncertainty, political and regulatory change, global pandemics and other factors, we do not know whether additional capital will be available when needed, or that, if available, we will be able to obtain additional capital on reasonable terms. If we are unable to raise additional capital due to volatile global financial markets, general economic uncertainty or other factors, we may need to curtail planned development activities. Despite recent moderation, the sustained elevated interest rates in recent years have had, and may continue to have, a negative effect on market prices for common stock of public companies, especially those in the biotech industry and those that have no current or near-term revenue. Further, a recession or market correction, supply chain disruptions and/or inflation could materially affect our business and the value of our common stock.

Cash Flows

The following table summarizes our sources and uses of cash (in thousands):

	For the Six Months Ended June 30,		Period-to-Period
	2026	**2025**	**Change**
Net cash provided by (used in) operating activities	$ (36,732)	$ (26,963)	$ (9,769)
Net cash provided by (used in) investing activities	3,033	(106,077)	109,110
Net cash provided by (used in) financing activities	1,118	1,738	(620)
Net increase (decrease) in cash and cash equivalents, and restricted cash	$ (32,581)	$ (131,302)	$ 98,721

Comparison of the Six Months Ended June 30, 2026 and 2025

Net cash provided by (used in) operating activities was approximately $(36.7) million for the six months ended June 30, 2026 compared to approximately $(27.0) million for the six months ended June 30, 2025. The increase of approximately $9.8 million in cash used in operating activities was primarily driven by an increase in net loss of $12.6 million, offset by a decrease in cash used for operating assets and liabilities, primarily related to changes in other assets, accrued expenses, other current liabilities, and accounts payable, resulting principally from the timing of payments to our service providers of $(1.6) million and, an increase in non-cash items, consisting principally of accretion of discount on marketable debt securities and stock-based compensation expense of $1.2 million.

Net cash provided by (used in) investing activities was approximately $3.0 million for the six months ended June 30, 2026 compared to approximately $(106.1) million for the six months ended June 30, 2025. The decrease in cash used of $109.1 million resulted primarily from a decrease in purchases of marketable debt securities of $54.4 million as well as an increase in proceeds from marketable debt securities matured and redeemed of $55.0 million.

Net cash provided by (used in) financing activities was $1.1 million for the six months ended June 30, 2026 compared to $1.7 million for the six months ended June 30, 2025. The $0.6 million decrease was primarily driven by proceeds received in the prior-year period of $1.9 million from the net proceeds of the December 2024 Public Offering, as compared to $1.9 million in proceeds from the exercise of common warrants offset against offering costs paid during the current period of $0.5 million in connection with public offerings.

Contractual and Other Obligations

Operating lease obligations

Our operating lease obligations primarily consist of lease payments on our corporate headquarters in New York, New York, as well as lease payments for our development laboratory, a manufacturing facility and an additional manufacturing space, all located in North America which are described in further detail in Note 8 of our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Other obligations

From time to time, we enter into certain types of contracts that contingently require us to indemnify parties against third-party claims, supply agreements and agreements with directors and officers. The terms of such obligations vary by contract and in most instances a maximum dollar amount is not explicitly stated therein. Generally, amounts under these contracts cannot be reasonably estimated until a specific claim is asserted, thus no liabilities have been recorded for these obligations on our condensed consolidated balance sheet for the periods presented.

We enter into contracts in the normal course of business with CROs, CDMOs and clinical sites for the conduct of clinical trials, non-clinical research studies, professional consultants for expert advice and other vendors for clinical supply manufacturing or other services. These contracts generally provide for termination on notice, and therefore are cancelable contracts.

Certain of these agreements require us to pay milestones to such third parties upon achievement of certain development, regulatory or commercial milestones as further described in Note 9 of our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. Amounts related to contingent milestone payments are not considered contractual obligations as they are contingent on the successful achievement of certain development, regulatory approval and commercial milestones, which may not be achieved.

We also have obligations to make future payments to third parties that become due and payable on the achievement of certain milestones, including future payments to third parties with whom we have entered into research, development and commercialization agreements. We have not included these commitments on our condensed consolidated balance sheet for the periods presented because the achievement and timing of these milestones is not fixed and determinable.

Off-Balance Sheet Arrangements

We did not have, during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under the applicable regulations of the SEC.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Management's Evaluation of our Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act) that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As of June 30, 2026, our management, with the participation of our principal executive and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Our 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 principal executive and principal financial officer have concluded based upon the evaluation described above that, as of June 30, 2026, our disclosure controls and procedures were effective at the reasonable assurance level.

We continue to review and document our disclosure controls and procedures, including our internal controls and procedures for financial reporting, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that our systems evolve with our business.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2026, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Exchange Act, 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

From time to time, we may be subject to various legal proceedings and claims that arise in the ordinary course of our business activities. We are not currently a party to any legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

There were no material changes to the risk factors previously disclosed in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 10, 2026.

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

During the three months ended June 30, 2026, approximately 2,652 shares of previously issued Series 1 Convertible Preferred Stock were converted in accordance with their terms into 2,653,351 shares of common stock at the election of their holder.

As previously reported in the Company's Current Report on Form 8-K filed with the SEC on January 10, 2020, on January 9, 2020, the Company issued and sold to certain institutional investors 3,879.356 shares of Series 1 Convertible Preferred Stock at a purchase price of $7,011.47 per share, for an aggregate purchase price of approximately $27.2 million, in reliance on an exemption under Section 4(a)(2) of the Securities Act of 1933, as amended, from the registration requirements thereof. Each of the purchasers represented that it was acquiring the securities for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof. Each share of Series 1 Convertible Preferred Stock is convertible into approximately 1,000 shares of the Company's common stock, at a conversion price initially equal to approximately $7.01 per common share, subject to certain adjustments as described in the certificate of designation of preferences, rights and limitations of Series 1 Convertible Preferred Stock, at any time at the option of the holder, provided that any conversion of Series 1 Convertible Preferred Stock by a holder into shares of the Company's common stock would be prohibited if, as a result of such conversion, the holder, together with its affiliates and any other person or entity whose beneficial ownership of the Company's common stock would be aggregated with such holder's for purposes of Section 13(d) of the Exchange Act would beneficially own more than 9.99% of the total number of shares of the Company's common stock issued and outstanding after giving effect to such conversion. Upon written notice to the Company, the holder may from time to time increase or decrease such limitation to any other percentage not in excess of 19.99% specified in such notice.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

The following table provides information concerning Rule 10b5-1 trading arrangements (as defined in Item 408 of Regulation S-K under the Exchange Act) adopted, modified, or terminated in the three months ended June 30, 2026 by any director or any executive officer who is subject to the filing requirements of Section 16 of the Exchange Act. These trading arrangements are intended to satisfy the affirmative defense of Rule 10b5-1(c). These trading arrangements permit transactions through and including the earlier to occur of (a) the completion of all purchases or sales or (b) the date listed in the table below. These trading arrangements, identified as "Rule 10b5-1 Trading Arrangements", only permit transactions upon expiration of the applicable mandatory cooling-off period under Rule 10b5-1.

Name (Title)	Action Taken (Date of Action)	Nature of Trading Arrangement	Type of Trading Arrangement	Duration of Trading Arrangement	Aggregate Number of Securities
Jesse Shefferman *(President, Chief Executive Officer and Director)*	Terminated[(a)] (June 26, 2026)	Sale	Rule 10b5-1 trading arrangement	June 16, 2026 – April 28, 2028	754,054
Jesse Shefferman *(President, Chief Executive Officer and Director)*	Adopted[(a)] (June 26, 2026)	Sale	Rule 10b5-1 trading arrangement	September 25, 2026 – April 28, 2028	540,364
Jacqueline Zummo (*Chief R&D Officer)*	Adopted (June 25, 2026)	Sale	Rule 10b5-1 trading arrangement	September 24, 2026 – June 30, 2028	372,893

(a) On June 26, 2026, Jesse Shefferman modified a Rule 10b5-1 trading arrangement originally adopted on March 17, 2026. Pursuant to Rule 10b5-1, the modification was deemed a termination of the prior arrangement and the adoption of a new Rule 10b5-1 trading arrangement.

No other director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K, during the three months ended June 30, 2026.

Item 6. Exhibits

The exhibits filed as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index, which Exhibit Index is incorporated herein by reference.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Sixth Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on October 27, 2014).
3.2	Certificate of Amendment to the Sixth Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on January 10, 2020).
3.3	Second Certificate of Amendment to the Sixth Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.3 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 13, 2020).
3.4*	Third Certificate of Amendment to the Sixth Amended and Restated Certificate of Incorporation.
3.5	Certificate of Designation of Preferences, Rights and Limitations of Series 1 Convertible Preferred Stock (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on January 10, 2020).
3.6	Certificate of Amendment to the Certificate of Designation of Preferences, Rights and Limitations of Series 1 Convertible Non-Voting Preferred Stock (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on September 23, 2020).
3.7*	Composite Amended and Restated Certificate of Incorporation of the Company.
3.8	Second Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on August 3, 2017).
10.1*†	Amendment No. 1 to the Company's 2024 Equity Incentive Plan, as Amended.
31.1*	Certification of Principal Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Principal Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.
32.1**	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline Extensible Business Reporting Language ("Inline XBRL")
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 in Inline XBRL and contained in Exhibit 101)

* Exhibits filed herewith.

** Exhibits furnished herewith.

† Indicates management contract or compensatory plan or arrangement.

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.

PROTARA THERAPEUTICS, INC.

Date: August 11, 2026

By: /s/ Jesse Shefferman
Jesse Shefferman
Chief Executive Officer
(Principal Executive Officer)

Date: August 11, 2026

By: /s/ Patrick Fabbio
Patrick Fabbio
Chief Financial Officer
(Principal Financial Officer)

THIRD CERTIFICATE OF AMENDMENT TO
SIXTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF
PROTARA THERAPEUTICS, INC.

PROTARA THERAPEUTICS, INC. (the "***Corporation***"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "***DGCL***"), does hereby certify that:

FIRST: The name of the Corporation is Protara Therapeutics, Inc.

SECOND: The date on which the Certificate of Incorporation of the Corporation was originally filed with the Secretary of State of Delaware is March 24, 2006, under the name "Proteon Therapeutics, Inc."

THIRD: The amendments to the Sixth Amended and Restated Certificate of Incorporation of the Corporation, as heretofore amended (the "***Certificate of Incorporation"***), set forth in this Third Certificate of Amendment have been duly adopted in accordance with Section 242 of the General Corporation Law by the directors and the stockholders of the Corporation.

FOURTH: The Certificate of Incorporation is hereby amended by:

(i) Amending Section 1 of Article Four to read in its entirety as follows:

"Section 1. Authorized Shares. The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is Two Hundred Ten million (210,000,000) shares, consisting of:

(a) Two Hundred million (200,000,000) shares of common stock, par value $0.001 per share ("Common Stock"); and

(b) Ten million (10,000,000) shares of undesignated preferred stock, par value $0.001 per share (the "Preferred Stock").

Such stock may be issued from time to time by the Corporation for such consideration as may be fixed by the board of directors of the Corporation (the "Board of Directors"). The following is a statement of the powers, designations, preferences, privileges, and relative rights in respect of each class of capital stock of the Corporation."

(ii) Adding a new Article Thirteen to read in its entirety as follows:

"To the fullest extent permitted by the DGCL as it now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), no officer of the Corporation shall be personally liable to the Corporation or to any of its stockholders for monetary damages for breach of fiduciary duty as an officer, notwithstanding any provision of law imposing such liability; provided, however, that to the extent required from time to time by applicable law, this Article Thirteen shall not eliminate or limit the liability of an officer, to the extent such liability is provided by applicable law, (i) for any breach of the officer's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law or (iii) under for any transactions from which the officer derived an improper personal benefit.

No amendment to or repeal of this Article Thirteen shall apply to or have any effect on the liability or alleged liability of any officer for or with respect to any acts or omissions of such officer occurring prior to the effective date of such amendment or repeal."

FIFTH: This Third Certificate of Amendment shall become effective upon filing with the Secretary of State of the State of Delaware.

In Witness Whereof, this Third Certificate of Amendment has been executed by a duly authorized officer of the Corporation as of June 12, 2026.

PROTARA THERAPEUTICS, INC.

By: /s/ Jesse Shefferman
Name: Jesse Shefferman
Title: Chief Executive Officer

THIS COMPOSITE CERTIFICATE OF INCORPORATION OF PROTARA THERAPEUTICS, INC. REFLECTS THE PROVISIONS OF ITS SIXTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION AS AMENDED AND RESTATED ON OCTOBER 27, 2014, AND ALL AMENDMENTS THERETO FILED WITH THE DELAWARE SECRETARY OF STATE THEREAFTER, BUT IS NOT AN AMENDMENT AND/OR RESTATEMENT THEREOF.

COMPOSITE CERTIFICATE OF INCORPORATION OF PROTARA THERAPEUTICS, INC.

ARTICLE ONE

The name of the corporation is Protara Therapeutics, Inc. (the "Corporation").

ARTICLE TWO

The address of the Corporation's registered office is 1209 Orange Street, in the City of Wilmington, New Castle County, Delaware 19801. The name of the registered agent in charge thereof is The Corporation Trust Company.

ARTICLE THREE

The nature of the business or purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE FOUR

Section 1. Authorized Shares. The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is Two Hundred Ten million (210,000,000) shares, consisting of:

(a) Two Hundred million (200,000,000) shares of common stock, par value $0.001 per share ("Common Stock"); and

(b) Ten million (10,000,000) shares of undesignated preferred stock, par value $0.001 per share (the "Preferred Stock").

Such stock may be issued from time to time by the Corporation for such consideration as may be fixed by the board of directors of the Corporation (the "Board of Directors"). The following is a statement of the powers, designations, preferences, privileges, and relative rights in respect of each class of capital stock of the Corporation.

Section 2. Common Stock.

(a) General. The voting, dividend and liquidation rights of the holders of Common Stock are subject to and qualified by the rights of the holders of Preferred Stock.

(b) Voting. Except as otherwise provided by the DGCL or this Restated Certificate and subject to the rights of holders of any series of Preferred Stock, all of the voting power of the stockholders of the Corporation shall be vested in the holders of the Common Stock, and each holder of Common Stock shall have one vote for each share held by such holder on all matters voted upon by the stockholders of the Corporation; provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Restated Certificate (or on any amendment to a certificate of designations of any series of Preferred Stock) that alters or changes the powers, preferences, rights or other terms of one or more outstanding series of Preferred Stock if the holders of such affected series of Preferred Stock are entitled to vote, either separately or together with the holders of one or more other such series, on such amendment pursuant to this Restated Certificate (or pursuant to a certificate of designations of any series of Preferred Stock) or pursuant to the DGCL. There shall be no cumulative voting.

(c) Dividends. Except as otherwise provided by the DGCL or this Restated Certificate, dividends may be declared and paid on the Common Stock from funds lawfully available therefor if, as and when determined by the Board of Directors and subject to any preferential dividend rights of any then outstanding shares of Preferred Stock.

(d) No Preemptive Rights. The holders of the Common Stock shall have no preemptive rights to subscribe for any shares of any class of stock of the Corporation whether now or hereafter authorized.

(e) No Conversion Rights. The Common Stock shall not be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same class of the Corporation's capital stock.

(f) Liquidation. Upon the dissolution or liquidation or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Common Stock will be entitled to receive all assets of the Corporation available for distribution to its stockholders equally on a per share basis, subject to any preferential rights of any then outstanding shares of Preferred Stock and after payment or provision for payment of the Corporation's debts.

Section 3. Preferred Stock. To the fullest extent authorized by the DGCL, shares of Preferred Stock may be issued from time to time in one or more series, each of such series to have such powers, designations, preferences, and relative, participating, optional, or other special rights, if any, and such qualifications and restrictions, if any, as are stated or expressed in the resolution or resolutions of the Board of Directors providing for such series of Preferred Stock. Different series of Preferred Stock shall not be construed to constitute different classes of shares for the purposes of voting by classes unless expressly so provided in such resolution or resolutions.

Authority is hereby granted to the Board of Directors, acting by resolution or resolutions adopted at any time and from time to time, to create, provide for, designate and issue, out of the authorized but unissued shares of Preferred Stock, one or more series of Preferred Stock, and, in connection with the creation of any such series of Preferred Stock, to determine and fix the powers, designations, preferences, and relative, participating, optional, or other special rights, if any, and the qualifications and restrictions, if any, including without limitation dividend rights, conversion rights, voting rights (if any), redemption privileges, and liquidation preferences, of such series of Preferred Stock (which need not be uniform among series), all to the fullest extent now or hereafter permitted by the DGCL. Without limiting the generality of the foregoing, the resolution or resolutions providing for the creation or issuance of any series of Preferred Stock may provide that such series shall be superior to, rank equally with, or be junior to any other series of Preferred Stock, all to the fullest extent permitted by law. No resolution, vote, or consent of the holders of the capital stock of the Corporation shall be required in connection with the creation or issuance of any shares of any series of Preferred Stock authorized by and complying with the conditions of this Restated Certificate, the right to any such resolution, vote, or consent being expressly waived by all present and future holders of the capital stock of the Corporation.

Any resolution or resolutions adopted by the Board of Directors pursuant to the authority vested in them by this Section 3 of Article Four shall be set forth in a certificate of designation along with the number of shares of such series of Preferred Stock as to which the resolution or resolutions shall apply and such certificate shall be executed, acknowledged, filed, recorded, and shall become effective, in accordance with Section 103 of the DGCL. Unless otherwise provided in any such resolution or resolutions, the number of shares of any such series of Preferred Stock to which such resolution or resolutions apply may be increased (but not above the total number of authorized shares of Preferred Stock) or decreased (but not below the number of shares of such series of Preferred Stock then outstanding) by a certificate likewise executed, acknowledged, filed and recorded, setting forth a statement that a specified increase or decrease therein has been authorized and directed by a resolution or resolutions likewise adopted by the Board of Directors. In case the number of such shares shall be decreased, the number of shares so specified in the certificate shall resume the status which they had prior to the adoption of the first resolution or resolutions. When no shares of any such series of Preferred Stock are outstanding, either because none were issued or because none remain outstanding, a certificate setting forth a resolution or resolutions adopted by the Board of Directors that none of the authorized shares of such series of Preferred Stock are outstanding, and that none will be issued subject to the certificate of designations previously filed with respect to such series of Preferred Stock, may be executed, acknowledged, filed and recorded in the same manner as previously described and it shall have the effect of eliminating from this Restated Certificate all matters set forth in the certificate of designations with respect to such series of Preferred Stock. If no shares of any such series of Preferred Stock established by a resolution or resolutions adopted by the Board of Directors have been issued, the voting powers, designations, preferences and relative, participating, optional or other rights, if any, with the qualifications, limitations or restrictions thereof, may be amended by a resolution or resolutions adopted by the Board of Directors. In the event of any such amendment, a certificate which (i) states that no shares of such series of Preferred Stock have been issued, (ii) sets forth the copy of the amending resolution or resolutions and (iii) if the designation of such series of Preferred Stock is being changed, indicates the original designation and the new designation, shall be executed, acknowledged, filed, recorded, and shall become effective, in accordance with Section 103 of the DGCL.

Section 4. Reverse Stock Split. Immediately prior to the Effective Time (as defined below in this Section 4) (the "Reverse Stock Split Effective Time"), a 1-for-40 reverse stock split of the shares of the Common Stock issued and outstanding immediately prior to the Reverse Stock Split Effective Time shall become effective, whereby every forty (40) shares of Common Stock issued and outstanding immediately prior to the Reverse Stock Split Effective Time, automatically, and without any action on the part of the holder thereof, shall be reclassified and combined into one (1) share of Common Stock (the "Reverse Stock Split"). The par value of the Common Stock and the Preferred Stock following the Reverse Stock Split shall remain at $0.001 per share. The number of authorized shares of Common Stock and Preferred Stock set forth in the first paragraph of Article Four of this Restated Certificate shall not be affected by, and shall remain unchanged following, the Reverse Stock Split. No fractional shares of Common Stock shall be issued or issuable in connection with the Reverse Stock Split and, in lieu thereof, any person who would otherwise be entitled to a fractional share of Common Stock as a result of the Reverse Stock Split (determined after aggregating all of such fractional shares) shall be entitled to receive, following the Reverse Stock Split, a cash payment equal to the fraction of which such holder would otherwise be entitled multiplied by the fair value per share of Common Stock as determined by the board of directors.

Each stock certificate that represented shares of Common Stock that were issued and outstanding immediately prior to the Reverse Stock Split Effective Time shall, from and after the Reverse Stock Split Effective Time, automatically and without the necessity of presenting the same for exchange, represent that number of whole shares of Common Stock into which the shares formerly represented by such stock certificate have been reclassified and combined as a result of the Reverse Stock Split (as well as the right to receive cash in lieu of fractional shares of Common Stock after the effectiveness of the Reverse Stock Split). As soon as practicable after the effectiveness of the Reverse Stock Split and, if applicable in the case of shares of Common Stock represented by a stock certificate, the surrender of the stock certificate or stock certificates (or lost stock certificate affidavit and agreement in lieu thereof) for such shares of Common Stock, the Corporation shall (a) issue and deliver, or cause to be issued and delivered, to each holder of shares of Common Stock immediately prior to the Reverse Stock Split Effective Time, or to his, her or its nominees, either a stock certificate or stock certificates or a notice of a book-entry made by the Corporation in its stock records, as applicable, for the number of full shares of Common Stock into which the number of shares of Common Stock held by such holder immediately prior to the effectiveness of the Reverse Stock Split has been reclassified and combined upon the effectiveness of the Reverse Stock Split and (b) pay, or cause to be paid, cash in lieu of any fraction of a share of Common Stock resulting from the Reverse Stock Split.

For purposes hereof:

"Effective Time" has the meaning given to such term in the Merger Agreement.

"Merger Agreement" means the Agreement and Plan of Merger and Reorganization, dated as of September 23, 2019, among the Corporation, REM 1 Acquisition, Inc., a Delaware corporation and wholly-owned subsidiary of the Corporation, and ArTara Therapeutics, Inc., a Delaware corporation, without amendment, restatement or other modification in any material respect.

Section 5. Automatic Conversion.

5.1 Effectiveness. Subject to, and immediately following the later of the Effective Time and the consummation of the Private Placement (as such term is defined in the Merger Agreement) (the later of the foregoing, the "Automatic Conversion Effective Time"), all outstanding shares of Series A Convertible Preferred Stock, par value $0.001 per share, of the Corporation (the "Series A Convertible Preferred Stock") shall automatically be converted into shares of Common Stock, at the then effective Conversion Rate (as defined in the Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock (the "Certificate of Designation")) applicable to Series A Convertible Preferred Stock, after giving effect to the Reverse Stock Split and as otherwise determined in accordance with the provisions of Section 7(c) of the Certificate of Designation, all pursuant to and in accordance with the terms of the Certificate of Designation, as if each Holder (as defined in the Certificate of Designation) had delivered a Conversion Notice (as defined in the Certificate of Designation) at the Automatic Conversion Effective Time but without any such Holder being required to actually deliver such Conversion Notice, but without regard to any limitation on the conversion of the Series A Convertible Preferred Stock, including, without limitation the9.985% Cap (as such term is defined in the Certificate of Designation). The automatic conversion of all outstanding shares of Series A Convertible Preferred Stock into Common Stock pursuant to this Section 5.1 is sometimes referred to herein as the "Automatic Conversion."

5.2 No Inconsistent Provisions; Termination. In the event that any provision of this Section 5 shall conflict with, or not be consistent with, any provision of the Certificate of Designation, such provision of this Section 5 shall govern and control. The provisions of this Section 5 shall automatically, without further action by any Holder or the Corporation, terminate and be of no further force or effect upon the termination of the Merger Agreement prior to the Automatic Conversion Effective Time.

ARTICLE FIVE

The Corporation is to have perpetual existence.

ARTICLE SIX

Section 1. Classification of Directors. Effective as of the closing (the "IPO Closing") of the Corporation's first public offering of shares of Common Stock registered pursuant to the Securities Act of 1933, as amended, the Board of Directors shall be divided into three classes of directors, Class I, Class II, and Class III, such classes to be as nearly equal in number of directors as possible, having staggered three-year terms of office (except to the extent otherwise provided in the next sentence with respect to the initial term of the first and second of such classes of directors). The initial term of office of the directors of Class I shall expire as of the first annual meeting of the Corporation's stockholders following the IPO Closing; the initial term of office of the directors of Class II shall expire as of the second annual meeting of the Corporation's stockholders following the IPO Closing; and the initial term of office of the directors of Class III shall expire as of the third annual meeting of the Corporation's stockholders following the IPO Closing. At each annual meeting of stockholders of the Corporation after the IPO Closing, nominees will stand for election to succeed those directors whose terms are to expire as of such annual meeting of stockholders, and such nominees elected at such annual meeting of stockholders shall be elected for a term expiring at the third annual meeting of stockholders following their election. Directors shall hold office until the annual meeting of stockholders in which their term is scheduled to expire as set forth above in this Section 1 of Article Six and until their respective successors are duly elected or qualified or until their earlier death, incapacity, resignation or removal. Those directors already in office immediately prior to the IPO Closing shall be allocated among the three classes of directors contemplated under this Section 1 of Article Six pursuant to a resolution or resolutions adopted by the Board of Directors prior to the IPO Closing.

Section 2. Removal. Subject to the special rights of the holders of any series of Preferred Stock to elect directors, the directors of the Corporation may be removed only for cause by the affirmative vote of the holders of at least seventy-five percent (75%) of the outstanding shares of capital stock of the Corporation entitled to vote in the election of directors or class of directors, voting together as a single class, at a meeting of the stockholders called for that purpose.

Section 3. Vacancies. Except as the DGCL may otherwise require, any new directorships or vacancies in the Board of Directors, including new directorships resulting from any increase in the number of directors to serve in the Board of Directors and/or any unfilled vacancies by reason of death, resignation, disqualification, removal for cause, failure to elect or otherwise with respect to any director, may be filled only by the vote of a majority of the remaining directors then in office, although less than a quorum, or by the sole remaining director.

Section 4. Number of Directors. Subject to the special rights of the holders of any series of Preferred Stock to elect directors, the number of directors which shall constitute the Board of Directors shall be fixed exclusively by the Board of Directors from time to time in accordance with the by-laws of the Corporation. No decrease in the number of directors constituting the whole board shall shorten the term of any incumbent director.

ARTICLE SEVEN

The Board of Directors shall have the power and authority: (i) to adopt, amend or repeal the Corporation's by-laws, subject to the power of the stockholders of the Corporation entitled to vote with respect thereto to make, alter, amend or repeal the bylaws; provided , that with respect to the powers of stockholders entitled to vote with respect thereto to make, alter, amend or repeal the bylaws, in addition to any other vote otherwise required by law, the affirmative vote of the holders of at least seventy-five percent (75%) of the outstanding shares of capital stock of the Corporation entitled to vote in the election of directors or class of directors, voting together as a single class, shall be required to make, alter, amend or repeal the bylaws of the Corporation; and (ii) to the full extent permitted or not prohibited by law, and without the consent of or other action by the stockholders, to authorize or create mortgages, pledges or other liens or encumbrances upon any or all of the assets, real, personal or mixed, and franchises of the Corporation, including after-acquired property, and to exercise all of the powers of the Corporation in connection therewith.

ARTICLE EIGHT

Except as otherwise provided for by any resolutions of the Board of Directors providing for the issuance of any series of Preferred Stock, effective as of the IPO Closing, any action required or permitted to be taken by the stockholders of the Corporation may be taken only at a duly called annual or special meeting of the stockholders in which such action is properly brought before such meeting, and not by written consent in lieu of such a meeting. Subject to any special rights of the holders of any series of Preferred Stock, and to the requirements of applicable law, special meetings of stockholders of the Corporation may be called only by or at the direction of the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors. Any business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

ARTICLE NINE

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate, in the manner now or hereafter prescribed by the DGCL, and all rights conferred upon stockholders herein are granted subject to this reservation. Notwithstanding anything to the contrary contained in this Restated Certificate, and notwithstanding that a lesser percentage may be permitted from time to time by applicable law, the affirmative vote of the holders of at least seventy-five percent (75%) of the outstanding shares of capital stock of the Corporation entitled to vote with in the election of directors or class of directors, voting together as a single class (in addition to any separate class vote that may in the future be required pursuant to the terms of any outstanding Preferred Stock), shall be required to amend or repeal the provisions of Articles Four (only to the extent it relates to the authority of the Board of Directors to issue shares of Preferred Stock in one or more series, the terms of which may be determined by the Board of Directors), Six, Seven, Eight, Nine, Ten or Eleven of this Restated Certificate or to reduce the numbers of authorized shares of Common Stock or Preferred Stock.

ARTICLE TEN

Section 1. Limitation of Liability. To the fullest extent permitted by the DGCL as it now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), no director of the Corporation shall be personally liable to the Corporation or to any of its stockholders for monetary damages for breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability; provided, however, that to the extent required from time to time by applicable law, this Article Ten shall not eliminate or limit the liability of a director, to the extent such liability is provided by applicable law, (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transactions from which the director derived an improper personal benefit.

Section 2. Indemnification. The Corporation shall, to the fullest extent permitted by Section 145 of the DGCL and as further provided in the Corporation's by-laws, each as amended from time to time, indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was, or has agreed to become, a director or officer of the Corporation, or is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including any employee benefit plan), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her or on his or her behalf in connection with such action, suit or proceeding and any appeal therefrom.

Indemnification may include payment by the Corporation of expenses in defending an action or proceeding in advance of the final disposition of such action or proceeding upon receipt of an undertaking by the person indemnified to repay such payment if it is ultimately determined that such person is not entitled to indemnification under this Article Ten, which undertaking may be accepted without reference to the financial ability of such person to make such repayment.

The Corporation shall not indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person unless the initiation thereof was approved by the Board of Directors or except and to the extent otherwise permitted in the Corporation's by-laws or in an agreement between the Corporation and such person.

The indemnification rights provided in this Article Ten (i) shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the Corporation's by-laws, any law, agreement or vote of stockholders or disinterested directors or otherwise, and (ii) shall inure to the benefit of the heirs, executors and administrators of such persons. The Corporation may, to the extent authorized from time to time by its Board of Directors, grant indemnification rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article Ten.

Section 3. Merger or Consolidation. For purposes of this Article Ten, references to the "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article Ten with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

Section 4. Amendment or Repeal. No amendment to or repeal of this Article Ten shall apply to or have any effect on the liability or alleged liability of any director for or with respect to any acts or omissions of such director occurring prior to the effective date of such amendment or repeal.

ARTICLE ELEVEN

Unless the Corporation, as authorized by the Board of Directors, consents in writing to the selection of one or more alternative forums, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for a stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation arising pursuant to any provision of the DGCL or this Restated Certificate or the Corporation's Bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv), any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation (including, without limitation, shares of Common Stock) shall, and shall be deemed to, have notice of and to have consented to the provisions of this Article Eleven.

ARTICLE TWELVE

If any provision or provisions of this Restated Certificate shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Restated Certificate (including, without limitation, each portion of any paragraph of this Restated Certificate containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Restated Certificate (including, without limitation, each such portion of any paragraph of this Restated Certificate containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

ARTICLE THIRTEEN

To the fullest extent permitted by the DGCL as it now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader exculpation rights than permitted prior thereto), no officer of the Corporation shall be personally liable to the Corporation or to any of its stockholders for monetary damages for breach of fiduciary duty as an officer, notwithstanding any provision of law imposing such liability; provided, however, that to the extent required from time to time by applicable law, this Article Thirteen shall not eliminate or limit the liability of an officer, to the extent such liability is provided by applicable law, (i) for any breach of the officer's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for any transactions from which the officer derived an improper personal benefit or (iv) in any action by or in the right of the Corporation. Solely for purposes of this Article Thirteen, "officer" shall have the meaning provided in Section 102(b)(7) of the DGCL.

No amendment to or repeal of this Article Thirteen shall apply to or have any effect on the liability or alleged liability of any officer for or with respect to any acts or omissions of such officer occurring prior to the effective date of such amendment or repeal.

Exhibit 10.1

AMENDMENT NO. 1
TO THE PROTARA THERAPEUTICS, INC.
2024 EQUITY INCENTIVE PLAN, AS AMENDED

THIS AMENDMENT NO. 1 to the Protara Therapeutics, Inc. 2024 Equity Incentive Plan, as Amended (the "Plan") is approved by the Board of Directors of Protara Therapeutics, Inc., a corporation organized under the laws of the State of Delaware (the "Company") as of April 8, 2026 to be effective as set forth herein.

WHEREAS, the Company previously established the Plan; and

WHEREAS, the Company now desires to amend the Plan to increase (i) the aggregate number of shares of Company common stock ("Stock") available for issuance under the Plan and (ii) the number of shares of Stock issued pursuant to incentive options under the Plan (collectively, the "Proposed Amendments").

NOW, THEREFORE, the Plan is hereby amended, as follows:

Section 4.1(a) of the Plan is hereby amended by deleting the present section in its entirety and substituting the following in lieu thereof:

> (a) *Limitation*. At no time shall the number of shares of Stock issued pursuant to or subject to outstanding Awards granted under the Plan (including pursuant to Incentive Options), nor the number of shares of Stock issued pursuant to Incentive Options, exceed 9,300,000 shares of Stock. Shares of Stock subject to awards that are assumed, converted or substituted under the Plan as a result of the Company's acquisition of another company (including by way of merger, combination or similar transaction) will not count against the number of shares that may be granted under the Plan.

This Amendment No. 1 to the Plan is subject to approval by the stockholders of the Company at a meeting duly called for such purposes. The Proposed Amendments may not occur unless and until this Amendment No. 1 is approved by the stockholders. Except as hereby modified, the Plan shall remain in full force and effect.

[*Remainder of page left intentionally blank*]

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13a-14(a) and 15d-14(a)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jesse Shefferman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2026 of Protara Therapeutics, 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 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 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: August 11, 2026

/s/ Jesse Shefferman
Jesse Shefferman
Chief Executive Officer
(*Principal Executive Officer)*

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13a-14(a) and 15d-14(a)
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Patrick Fabbio, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2026 of Protara Therapeutics, 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 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 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: August 11, 2026

/s/ Patrick Fabbio
Patrick Fabbio
Chief Financial Officer
(*Principal Financial Officer)*

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Protara Therapeutics, Inc. (the "Corporation") on Form 10-Q for the fiscal quarter ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jesse Shefferman, as Chief Executive Officer of the Corporation, and I, Patrick Fabbio, as Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: August 11, 2026

By: /s/ Jesse Shefferman
Jesse Shefferman
Chief Executive Officer
(Principal Executive Officer)

Date: August 11, 2026

By: /s/ Patrick Fabbio
Patrick Fabbio
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Corporation and will be retained by the Corporation and furnished to the Securities and Exchange Commission or its staff upon request. This certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18 of the Exchange Act. Such certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Corporation specifically incorporates it by reference.