

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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, 2025**

**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: 001-33185**

**MEDICINOVA, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**4275 Executive Square, Suite 300**  
**La Jolla, CA**  
(Address of Principal Executive Offices)

**33-0927979**  
(I.R.S. Employer  
Identification No.)

**92037**  
(Zip Code)

**(858) 373-1500**

(Registrant's Telephone Number, Including Area Code)

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

<b>Common Stock, \$0.001 par value</b>	<b>MNOV</b>	<b>The Nasdaq Stock Market LLC</b>
(Title of each class)	(Trading symbol(s))	(Name of each exchange on which registered)

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 "accelerated filer", "large 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 11, 2025, the registrant had 49,046,246 shares of Common Stock (\$0.001 par value) outstanding.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, in particular "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations," and the information incorporated by reference herein contains "forward-looking statements". The forward-looking statements are contained principally in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," but are also contained elsewhere in this report. Forward-looking statements include all statements that are not historical facts and, in some cases, can be identified by terms such as "believe," "may," "will," "estimate," "continue," "anticipate," "design," "intend," "expect," "could," "plan," "potential," "predict," "seek," "should," "would" or the negative version of these words and similar expressions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including those described in "Risk Factors" and elsewhere in this report. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our beliefs and assumptions only as of the date of this report. Considering the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. You should read this report completely and with the understanding that our actual future results may be materially different from what we expect.

The following factors are among those that may cause actual results to differ materially from our forward-looking statements:

- Inability to raise additional capital if needed;
- Inability to generate revenues from product sales to continue business operations;
- Inability to develop and commercialize our product candidates;
- Failure or delay in completing clinical trials or obtaining Food and Drug Administration or foreign regulatory approval for our product candidates in a timely manner;
- Unsuccessful clinical trials stemming from clinical trial designs, failure to enroll a sufficient number of patients, undesirable side effects and other safety concerns;
- Inability to demonstrate sufficient efficacy of product candidates;
- Reliance on the success of our MN-166 (ibudilast) and MN-001 (tipelukast) product candidates;
- Delays in commencement or completion of clinical trials or suspension or termination of clinical trials;
- Loss of our licensed rights to develop and commercialize a product candidate as a result of the termination of the underlying licensing agreement;
- Competitors may develop products rendering our product candidates obsolete and noncompetitive;
- Inability to successfully attract partners and enter into collaborations on acceptable terms;
- Dependence on third parties to conduct clinical trials and to manufacture product candidates;
- Dependence on third parties to market and distribute products;
- Our product candidates, if approved, may not gain market acceptance or obtain adequate coverage for third party reimbursement;
- Disputes or other developments concerning our intellectual property rights;
- Actual and anticipated fluctuations in our quarterly or annual operating results;
- Price and volume fluctuations in the overall stock markets;
- The impact of health epidemics on our business and operations;
- Litigation or public concern about the safety of our potential products;
- International trade or foreign exchange restrictions, increased tariffs, foreign currency exchange;
- High quality material for our products may become difficult to obtain or expensive;
- Strict government regulations on our business;
- Regulations governing the production or marketing of our product candidates;

- Loss of, or inability to attract, key personnel; and
- Economic, political, foreign exchange and other risks associated with international operations.

Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to “MediciNova,” “we,” “us” and “our” refer to MediciNova, Inc.

**MEDICINOVA, INC.**

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.**

**MEDICINOVA, INC.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

	June 30, 2025	December 31, 2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 34,259,637	\$ 40,359,738
Accounts receivable	134,599	—
Prepaid expenses and other current assets	729,598	714,541
Total current assets	35,123,834	41,074,279
Goodwill	9,600,240	9,600,240
In-process research and development	4,800,000	4,800,000
Property and equipment, net	15,361	25,507
Right-of-use asset	265,444	356,904
Other non-current assets	18,996	18,996
Total assets	\$ 49,823,875	\$ 55,875,926
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 569,445	\$ 1,102,494
Accrued liabilities and other current liabilities	1,893,889	1,662,860
Operating lease liability	184,842	193,769
Total current liabilities	2,648,176	2,959,123
Deferred tax liability	201,792	201,792
Other non-current liabilities	117,038	211,460
Total liabilities	2,967,006	3,372,375
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Common stock, \$0.001 par value; 100,000,000 shares authorized at June 30, 2025 and December 31, 2024; 49,046,246 and 49,046,246 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	49,046	49,046
Additional paid-in capital	479,831,741	479,340,901
Accumulated other comprehensive loss	(127,371)	(135,154)
Accumulated deficit	(432,896,547)	(426,751,242)
Total stockholders' equity	46,856,869	52,503,551
Total liabilities and stockholders' equity	\$ 49,823,875	\$ 55,875,926

See accompanying notes.

**MEDICINOVA, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**(Unaudited)**

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenues	\$ 134,599	\$ —	\$ 134,599	\$ —
Operating expenses:				
Costs of services	116,349	—	116,349	—
Research, development and patents	2,188,652	1,646,049	4,028,454	3,427,918
General and administrative	1,436,690	1,400,447	2,799,398	2,754,571
Total operating expenses	3,741,691	3,046,496	6,944,201	6,182,489
Operating loss	(3,607,092)	(3,046,496)	(6,809,602)	(6,182,489)
Interest income	324,955	435,351	661,066	832,861
Other income (expense), net	952	(17,055)	3,231	(33,090)
Net loss	\$ (3,281,185)	\$ (2,628,200)	\$ (6,145,305)	\$ (5,382,718)
Basic and diluted net loss per common share	\$ (0.07)	\$ (0.05)	\$ (0.13)	\$ (0.11)
Shares used to compute basic and diluted net loss per common share	49,046,246	49,046,246	49,046,246	49,046,246
Net loss	\$ (3,281,185)	\$ (2,628,200)	\$ (6,145,305)	\$ (5,382,718)
Other comprehensive loss, net of tax:				
Foreign currency translation adjustments	2,681	(4,545)	7,783	(13,437)
Comprehensive loss	\$ (3,278,504)	\$ (2,632,745)	\$ (6,137,522)	\$ (5,396,155)

See accompanying notes.

**MEDICINOVA, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**(Unaudited)**

	<b>Six Months Ended June 30, 2025</b>					
	<b>Common stock</b>		<b>Additional paid-in capital</b>	<b>Accumulated other comprehensive loss</b>	<b>Accumulated deficit</b>	<b>Total stockholders' equity</b>
	<b>Shares</b>	<b>Amount</b>				
Balance at December 31, 2024	49,046,246	\$ 49,046	\$ 479,340,901	\$ (135,154)	\$ (426,751,242)	\$ 52,503,551
Share-based compensation	—	—	285,943	—	—	285,943
Net loss	—	—	—	—	(2,864,120)	(2,864,120)
Foreign currency translation adjustments	—	—	—	5,102	—	5,102
Balance at March 31, 2025	49,046,246	49,046	479,626,844	(130,052)	(429,615,362)	49,930,476
Share-based compensation	—	—	204,897	—	—	204,897
Net loss	—	—	—	—	(3,281,185)	(3,281,185)
Foreign currency translation adjustments	—	—	—	2,681	—	2,681
Balance at June 30, 2025	49,046,246	\$ 49,046	\$ 479,831,741	\$ (127,371)	\$ (432,896,547)	\$ 46,856,869

	<b>Six Months Ended June 30, 2024</b>					
	<b>Common stock</b>		<b>Additional paid-in capital</b>	<b>Accumulated other comprehensive loss</b>	<b>Accumulated deficit</b>	<b>Total stockholders' equity</b>
	<b>Shares</b>	<b>Amount</b>				
Balance at December 31, 2023	49,046,246	\$ 49,046	\$ 478,149,161	\$ (118,090)	\$ (415,701,693)	\$ 62,378,424
Share-based compensation	—	—	215,430	—	—	215,430
Net loss	—	—	—	—	(2,754,518)	(2,754,518)
Foreign currency translation adjustments	—	—	—	(8,892)	—	(8,892)
Balance at March 31, 2024	49,046,246	49,046	478,364,591	(126,982)	(418,456,211)	59,830,444
Share-based compensation	—	—	207,455	—	—	207,455
Net loss	—	—	—	—	(2,628,200)	(2,628,200)
Foreign currency translation adjustments	—	—	—	(4,545)	—	(4,545)
Balance at June 30, 2024	49,046,246	\$ 49,046	\$ 478,572,046	\$ (131,527)	\$ (421,084,411)	\$ 57,405,154

See accompanying notes.

**MEDICINOVA, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	Six months ended June 30,	
	2025	2024
Operating activities:		
Net loss	\$ (6,145,305)	\$ (5,382,718)
Adjustments to reconcile net loss to net cash used in operating activities:		
Non-cash stock-based compensation	490,840	422,885
Depreciation and amortization	10,241	10,720
Change in carrying amount of right-of-use asset	92,732	85,595
Changes in assets and liabilities:		
Accounts receivable	(134,599)	—
Prepaid expenses and other assets	(13,208)	(947,502)
Accounts payable, accrued liabilities and other liabilities	(285,850)	(780,838)
Operating lease liability	(104,918)	(87,320)
Net cash used in operating activities	<u>(6,090,067)</u>	<u>(6,679,178)</u>
Investing activities:		
Acquisitions of property and equipment	—	(891)
Net cash used in investing activities	<u>—</u>	<u>(891)</u>
Effect of exchange rate changes on cash and cash equivalents	(10,034)	18,451
Net change in cash and cash equivalents	(6,100,101)	(6,661,618)
Cash and cash equivalents, beginning of period	40,359,738	50,999,442
Cash and cash equivalents, end of period	<u>\$ 34,259,637</u>	<u>\$ 44,337,824</u>
Supplemental disclosure of non-cash investing activities:		
Right-of-use asset obtained in exchange for operating lease liability	<u>\$ —</u>	<u>\$ 42,281</u>
Change in carrying amount of right-of-use asset due to termination of lease	<u>\$ —</u>	<u>\$ 79,229</u>

See accompanying notes.

**MEDICINOVA, INC.**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**1. Interim Financial Information**

***Organization and Business***

MediciNova, Inc. (the Company or MediciNova) was incorporated in the state of Delaware in September 2000 and is a public company. The Company's common stock is listed in both the United States and Japan and trades on the Nasdaq Global Market and the Standard Market of the Tokyo Stock Exchange. The Company is a biopharmaceutical company focused on developing novel therapeutics for the treatment of serious diseases with unmet medical needs with a commercial focus on the United States market. The Company's current strategy is to focus its development activities on MN-166 (ibudilast) for neurological and other disorders such as progressive multiple sclerosis (MS), amyotrophic lateral sclerosis (ALS), chemotherapy-induced peripheral neuropathy, degenerative cervical myelopathy, glioblastoma, substance dependence and addiction (e.g., methamphetamine dependence) and prevention of acute respiratory distress syndrome (ARDS), and MN-001 (tipelukast) for fibrotic and other metabolic disorders such as nonalcoholic fatty liver disease (NAFLD) and hypertriglyceridemia.

***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) for interim financial information and with the instructions of the Securities and Exchange Commission (SEC) on Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, they do not include all the information and disclosures required by GAAP for complete financial statements. In the opinion of management, the condensed consolidated financial statements include all adjustments necessary, which are of a normal and recurring nature, for the fair presentation of the Company's financial position and of the results of operations and cash flows for the periods presented. The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries.

These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2024 included in the Company's Annual Report on Form 10-K filed with the SEC. The results of operations for the interim period shown in this report are not necessarily indicative of the results that may be expected for any other interim period or for the full year. The balance sheet at December 31, 2024 has been derived from the audited financial statements at that date but does not include all the information and footnotes required by GAAP for complete financial statements.

***Liquidity***

The Company has incurred net losses since its inception and has negative operating cash flows. As of June 30, 2025, the Company had \$34.3 million in cash and cash equivalents and believes it has sufficient cash to meet its funding requirements for at least the next 12 months following the issuance date of these consolidated financial statements. For the foreseeable future, the Company expects to continue to incur losses and require additional capital to further advance its clinical trial programs and support its other operations. The Company cannot be certain that additional funding will be available on acceptable terms, or at all.

***Principles of Consolidation***

The consolidated financial statements include the accounts of MediciNova, Inc. and its wholly owned subsidiaries, MediciNova Japan, Inc., MediciNova (Europe) Limited, MediciNova Europe GmbH, MediciNova Canada, Inc. and Avigen Inc. The financial statements of the Company's foreign subsidiaries are measured using their local currency as the functional currency. The resulting translation adjustments are recorded as a component of other comprehensive income or loss. Intercompany transaction gains or losses at each period end are included as translation adjustments and recorded within other comprehensive income or loss. All intercompany transactions and balances are eliminated in consolidation.

## Segment Reporting

An operating segment is identified as a component of an enterprise that engages in business activities about which separate discrete financial information and operating results is regularly reviewed by the chief operating decision-maker (CODM) in making decisions regarding resource allocation and assessing performance. The Company's CODM is the senior executive committee which is comprised of the Chief Executive Officer, Chief Medical Officer, and the Chief Financial Officer. The Company operates in a single operating segment – the acquisition and development of small molecule therapeutics for the treatment of serious diseases with unmet medical needs. The CODM assesses performance for the segment and decides how to allocate resources based on consolidated net loss as reported on the statement of operations, after taking into account the Company's strategic priorities, its cash balance, and its expected use of cash. Further, the CODM reviews and utilizes functional expenses (i.e., research, development, and patent expense, and general and administrative) at the consolidated level to manage the Company's operations. Other segment items included in consolidated net loss are revenues, cost of services, stock-based compensation, depreciation and amortization, interest income, other expense, net, and income tax expense, which are reflected in the consolidated statements of operations and comprehensive loss. The measure of segment assets is reported on the consolidated balance sheet as total consolidated assets.

The following table presents financial information, including significant segment expenses, which are regularly provided to the CODM and included within segment and consolidated net loss:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenues	\$ 134,599	\$ —	\$ 134,599	\$ —
Operating expenses, excluding stock-based compensation				
Costs of services	116,349	—	116,349	—
Research, development and patents	2,116,570	1,567,500	3,832,181	3,267,700
General and administrative	1,303,875	1,271,541	2,504,831	2,491,904
Total operating expenses, excluding stock-based compensation	3,536,794	2,839,041	6,453,361	5,759,604
Stock-based compensation				
Research, development and patents	72,082	78,549	196,273	160,218
General and administrative	132,815	128,906	294,567	262,667
Total stock-based compensation	204,897	207,455	490,840	422,885
Total operating expenses	3,741,691	3,046,496	6,944,201	6,182,489
Operating loss	(3,607,092)	(3,046,496)	(6,809,602)	(6,182,489)
Interest income	324,955	435,351	661,066	832,861
Other income (expense), net	952	(17,055)	3,231	(33,090)
Segment and consolidated net loss	\$ (3,281,185)	\$ (2,628,200)	\$ (6,145,305)	\$ (5,382,718)

## Cash and Cash Equivalents

Cash and cash equivalents consist of cash and other highly liquid investments including money market and mutual fund accounts, with original maturities of three months or less from the date of purchase.

## Accounts Receivable

Accounts receivable is recorded net of allowance for credit losses. There was no allowance for credit losses required as of June 30, 2025. Accounts receivable balance as of December 31, 2024 was \$0.

## Research, Development and Patents

Research and development costs are expensed in the period incurred. Research and development costs primarily consist of salaries and related expenses for personnel, facilities and depreciation, research and development supplies, licenses and outside services. Such research and development costs totaled \$2.0 million and \$1.5 million for the three months ended June 30, 2025 and 2024, respectively, and \$3.7 million and \$3.2 million for the six months ended June 30, 2025 and 2024, respectively.

Costs related to filing and pursuing patent applications are expensed as incurred, as recoverability of such expenditures is uncertain. The Company includes all external costs related to the filing of patents in Research, Development and Patents expenses. Such patent-related expenses totaled \$0.2 million and \$0.1 million for the three months ended June 30, 2025 and 2024, respectively, and \$0.3 million and \$0.2 million for the six months ended June 30, 2025 and 2024, respectively.

#### ***Clinical Trial Accruals and Prepaid Expenses***

Costs for preclinical studies, clinical studies and manufacturing activities are recognized as research and development expenses based on an evaluation of the progress by Company vendors towards completion of specific tasks, using data such as patient enrollment, clinical site activations or information provided to the Company by such vendors regarding their actual costs incurred. Payments for these activities are based on the terms of individual contracts and payment timing may differ significantly from the period in which the services are performed. The Company determines accrual estimates through reports from and discussions with applicable personnel and outside service providers as to the progress or state of completion of studies, or the services completed. The Company's estimates of accrued expenses as of each balance sheet date are based on the facts and circumstances known at the time. Costs that are paid in advance of performance are deferred as a prepaid expense and amortized over the service period as the services are provided.

#### ***Leases***

The Company determines if an arrangement is a lease at inception and if so, determines whether the lease qualifies as an operating or finance lease. The Company does not recognize right-of-use assets and lease liabilities for leases with a term of 12 months or less and does not separate non-lease components from lease components. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term and is included in general and administrative expenses. As most of the Company's operating leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The incremental borrowing rate is the rate that the Company would expect to pay to borrow on a collateralized and fully amortizing basis over a similar term an amount equal to the lease payments in a similar economic environment.

#### ***Use of Estimates***

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and the accompanying notes. Actual results could differ from those estimates.

#### ***Recently Issued Accounting Pronouncements***

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (ASU 2023-09). ASU 2023-09 enhances the transparency and decision usefulness of income tax disclosures. Specifically, it requires that a public business entity: 1) disclose, on an annual basis, an income tax rate reconciliation in a tabular form, disclosing specific categories and providing additional information for reconciling items that meet a quantitative threshold, 2) disclose on an annual basis the following information about income taxes paid: i) the amount of income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign taxes, ii) the amount of income taxes paid (net of refunds received) disaggregated by individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than 5 percent of total income taxes paid (net of refunds received), 3) all entities are required to disclose: i) income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign, and ii) income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. For public business entities, the amendments are effective for annual periods beginning after December 15, 2024. For all other entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments in this ASU should be applied on a prospective basis. Retrospective application is permitted. The Company is currently evaluating the potential impact that this standard will have on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU 2024-03 requires additional disclosure of the nature of expenses included in the financial statements. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the potential impact that this standard will have on its consolidated financial statements and related disclosures.

## 2. Revenue Recognition

### *Revenue Recognition Policy*

Revenues historically have consisted mainly of research and development services performed under contracts with customers. The Company evaluates the separate performance obligation(s) under each contract, allocates the transaction price to each performance obligation considering the estimated stand-alone selling prices of the services and recognizes revenue upon the satisfaction of such obligations at a point in time or over time dependent on the satisfaction of one of the following criteria: 1) the customer simultaneously receives and consumes the economic benefits provided by the vendor's performance; 2) the vendor creates or enhances an asset controlled by the customer; 3) the vendor's performance does not create an asset for which the vendor has an alternative use; and 4) the vendor has an enforceable right to payment for performance completed to date.

### *Mayo Foundation for Medical Education and Research*

In December 2024, the Company entered into an agreement with Mayo Foundation for Medical Education and Research (Mayo), to support clinical research services to evaluate the efficacy of MN-166 (ibudilast) in ALS. The agreement has an initial one year term, with automatic successive one year terms unless either party gives written notice of non-renewal to the other party not less than 90 days prior to the end of the then-current term, with payment for services due within 60 days from invoice. The agreement can be terminated by either party upon the occurrence of certain events, including by either party, without cause, upon not less than 30 days prior written notice. The Company assessed the services in accordance with the authoritative guidance and concluded that it met the definition of a contract per ASC 606 with one performance obligation. The performance obligation identified was for pharmacovigilance and clinical research support services satisfied over time using the cost-to-cost method. In March 2025, the first study site enrolled the first patients into the study and principal services under the agreement began in April 2025. Accordingly, the Company recognized accounts receivable of \$0.1 million as of June 30, 2025, which the Company had the contractual right to bill, as well as revenue of \$0.1 million for the three and six months ended June 30, 2025.

## 3. Fair Value Measurements

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, a three-tier fair value hierarchy has been established, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs are quoted prices for similar items in active markets or quoted prices for identical or similar items in markets that are not active near the measurement date; and
- Level 3: Unobservable inputs due to little or no market data, which require the reporting entity to develop its own assumptions.

The carrying amount and approximate fair value of financial instruments as of June 30, 2025 and December 31, 2024, were as follows:

	June 30, 2025		December 31, 2024		Valuation Inputs
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
Cash and cash equivalents:					
Mutual funds	\$ 31,972,516	\$ 31,972,516	\$ 21,501,081	\$ 21,501,081	Level 1

#### 4. Commitments and Contingencies

##### Lease Commitments

The Company has operating leases primarily for real estate in the United States and Japan. The United States lease is for the Company's headquarters in San Diego and has a term of five years ending January 31, 2027, with annual escalations. In April 2024, the Company provided notice to terminate its previous lease agreement for its Tokyo office, effective October 2024, and in May 2024, the Company entered into a new lease agreement, effective June 2024, for a different office space for its Tokyo location. The new lease had an initial lease term of 12 months ending May 2025, following which the Company exercised its option to extend for an additional two months. Thereafter, there will be automatic two-month renewals until the lease is terminated. In measuring the lease liability, the Company determined that it was reasonably certain that it would exercise one renewal option. Accordingly, the Company used a lease term of 14 months in measuring the lease liability. The Company measured the lease liability based on the present value of the future lease payments, including the one extension option that is reasonably certain to be exercised, discounted using the estimated incremental borrowing rate of 6.51%, which is the interest rate that the Company would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments at initial commencement. The real estate operating leases are included in "Right-of-use asset" on the Company's consolidated balance sheets and represents the Company's right to use the underlying assets for the lease term. The Company's obligation to make lease payments are included in "Operating lease liability" and "Other non-current liabilities" on the Company's balance sheets.

Information related to the Company's right-of-use assets and related lease liabilities are as follows:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Cash paid for operating lease liabilities	\$ 61,136	\$ 64,239	\$ 121,759	\$ 128,833
Operating lease costs	55,402	62,122	110,803	125,301
			June 30, 2025	December 31, 2024
Current operating lease liabilities			\$ 184,842	\$ 193,769
Non-current operating lease liabilities			117,038	211,460
Total operating lease liabilities			\$ 301,880	\$ 405,229
Weighted-average remaining lease term (in years)			1.57	1.98
Weighted-average discount rate			9.6%	9.6%

Maturities of operating lease liabilities as of June 30, 2025 were as follows:

2025 (remaining six months)	\$ 103,257
2026	206,483
2027	17,269
2028	—
2029	—
Thereafter	—
Total minimum payments	327,009
Less imputed interest	(25,129)
Total lease liabilities	\$ 301,880

##### License and Research Agreements

The Company has entered into in-licensing agreements with various pharmaceutical companies. Under the terms of these agreements, the Company has received licenses to research, know-how and technology claimed in specified patents or patent applications. Under these license agreements, the Company is generally required to make upfront payments and additional payments upon the achievement of milestones and/or royalties on future sales of products until the later of the expiration of the applicable patent or the applicable last date of market exclusivity after the first commercial sale, on a country-by-country basis.

No milestone payments have been made under these agreements during the six months ended June 30, 2025 and 2024. For products currently in development, future potential milestone payments based on product development of MN-166 (ibudilast) and MN-001 (tipelukast) are \$10 million as of June 30, 2025. For all other products, future potential milestone payments related to development milestones and commercialization milestones totaled \$16.5 million as of June 30, 2025. There are no minimum royalties required under any of the license agreements. The Company is unable to estimate with certainty the timing on when these milestone payments will occur as these payments are dependent upon the progress of the Company's product development programs.

### ***Legal Proceedings***

From time to time, the Company may be subject to legal proceedings and claims in the ordinary course of business. The Company is not aware of any such proceedings or claims that it believes will have, individually or in aggregate, a material adverse effect on its business, financial condition or results of operations.

## **5. Stock-based Compensation**

### ***Stock Incentive Plans***

In June 2013, the Company adopted the 2013 Equity Incentive Plan (2013 Plan) under which the Company granted equity-based awards, including stock options, stock appreciation rights, restricted stock, and restricted stock units to individuals who were then employees, officers, non-employee directors or consultants of the Company or its subsidiaries. A total of 8,700,000 shares of common stock were reserved for issuance under the 2013 Plan. In addition, "returning shares" that may become available from time to time were added back to the 2013 Plan. "Returning shares" included shares that were subject to outstanding awards granted under the Company's prior 2004 Equity Incentive Plan that expired or terminated prior to exercise or settlement, were forfeited because of the failure to vest, were repurchased, or were withheld to satisfy tax withholding or purchase price obligations in connection with such awards. Although the Company no longer grants equity awards under the 2013 Plan, all outstanding stock awards granted under the 2013 Plan will continue to be subject to the terms and conditions as set forth in the agreements evidencing such stock awards and the terms of the 2013 Plan.

In June 2023, the Company adopted the 2023 Equity Incentive Plan (2023 Plan) under which the Company may grant stock options, stock appreciation rights, restricted stock, restricted stock units and other awards to individuals who are then employees, officers, non-employee directors or consultants of the Company or its subsidiaries. The 2023 Plan is the successor to the 2013 Plan. The number of shares of common stock that may be issued under the 2023 Plan is equal to the sum of (a) shares subject to awards granted under the 2013 Plan that were outstanding upon expiration of the 2013 Plan and are subsequently forfeited, expire or lapse unexercised or unsettled and shares issued pursuant to awards granted under the 2013 Plan that were outstanding upon expiration of the 2013 Plan and are subsequently forfeited to or reacquired by the Company and (b) shares reserved under the 2013 Plan that were not issued or subject to outstanding awards under the 2013 Plan upon expiration of the 2013 Plan. While a maximum of 9,934,567 shares may become available for issuance under the 2023 Plan from the 2013 Plan, since this figure assumes that all awards outstanding under the 2013 Plan upon expiration of the 2013 Plan will be forfeited, the Company expects the actual number of shares added to the 2023 Plan to be less. In general, to the extent that awards under the 2023 Plan are forfeited, cancelled or expire for any reason before being exercised or settled in full, the shares subject to such awards will again become available for issuance under the 2023 Plan. If stock appreciation rights are exercised or restricted stock units are settled, then only the number of shares (if any) actually issued to the participant will reduce the number of shares available under the 2023 Plan. If restricted shares or shares issued upon exercise of options are reacquired by the Company pursuant to a forfeiture provision, repurchase right or for any other reason, then such shares shall again become available for issuance under the 2023 Plan. Shares withheld to pay the exercise price of options or satisfy tax withholding obligations related to an award shall again become available for issuance under the 2023 Plan. Further, to the extent an award is settled in cash rather than shares, the cash settlement shall not reduce the number of shares available for issuance under the 2023 Plan.

As of June 30, 2025, 2,025,173 shares remain available for future grants under the 2023 Plan.

Certain of the employee stock options granted contain performance conditions, the vesting of which is based on a determination made by the compensation committee followed by an approval of the board of directors as to the achievement of certain corporate objectives at the end of the performance period. The grant date of such awards is the date on which the board of directors makes its determination. For periods preceding the grant date, the expense related to these awards is measured based on their fair value at each reporting date. The estimated fair value of the performance awards granted and the resulting expense is based upon a certain level of achievement of the corporate objectives and other assumptions in determining fair value. The amount of expense ultimately recognized upon the grant date at completion of the performance period could change from the estimate as a result of various factors, including the level of achievement of the corporate objectives, changes in the assumptions used in the Black-Scholes model in determining fair value or fluctuations in the Company's stock price during the performance period. As of June 30, 2025, there were a total of 970,000 shares underlying performance options that were subject to vesting based on achievement of corporate objectives and employee performance for 2025.

### Stock Options

Options granted under the 2023 Plan and the 2013 Plan have terms of ten years from the date of grant unless earlier terminated and generally vest over a one or four year period. The exercise price of all options granted through June 30, 2025 and 2024, was equal to the fair market value of the Company's common stock on the date of grant.

A summary of stock option activity and related information as of June 30, 2025 is as follows:

	Number of Option Shares	Weighted Average Exercise Price
Outstanding at December 31, 2024	7,040,894	\$ 5.12
Granted	1,380,500	2.00
Exercised	—	—
Cancelled	(512,000)	2.84
Outstanding at June 30, 2025	7,909,394	\$ 4.73
Exercisable at June 30, 2025	6,678,933	\$ 5.22

### Compensation Expense

Stock-based compensation expense for stock option awards are reflected in total operating expenses for each respective period. The following table summarizes stock-based compensation expense for the three and six months ended June 30, 2025 and 2024, respectively:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Research, development and patents	\$ 72,082	\$ 78,549	\$ 196,273	\$ 160,218
General and administrative	132,815	128,906	294,567	262,667
Total stock-based compensation expense	\$ 204,897	\$ 207,455	\$ 490,840	\$ 422,885

The Company uses the Black-Scholes valuation model for determining the estimated fair value for stock-based awards granted to employees and considers management's current expectations of the achievement of the performance objectives for the year. The following table provides the assumptions used in the Black-Scholes valuation model used to estimate the fair value of options granted during the six months ended June 30, 2025 and 2024, and to estimate the fair value of performance-based stock options as of June 30, 2025 and 2024.

	Six months ended June 30,	
	2025	2024
<b>Stock Options</b>		
Risk-free interest rate	3.79 - 4.48%	4.21 - 4.41%
Expected volatility of common stock	69.75 - 75.66%	72.60 - 74.05%
Dividend yield	0.00%	0.00%
Expected term (in years)	4.53 - 5.31	5.30 - 5.77

As of June 30, 2025, there was \$0.6 million of unamortized compensation cost related to unvested stock option awards which is expected to be recognized over a remaining weighted-average vesting period of 0.57 years, on a straight-line basis. Such compensation cost will ultimately be adjusted based upon actual performance compared to the corporate objectives as described above.

The weighted-average fair value of each stock option granted during the six months ended June 30, 2025 and 2024, estimated as of the grant date using the Black-Scholes option valuation model, was \$1.34 and \$0.99 per option, respectively.

## 6. Stockholders' Equity

### *At-The-Market Issuance Sales Agreements and Private Placement Transactions*

On August 23, 2019, the Company entered into an at the market issuance sales agreement, which was amended on August 26, 2022 (as amended, the ATM Agreement) with B. Riley FBR, Inc. (B. Riley FBR) pursuant to which the Company may sell common stock through B. Riley FBR from time to time up to an aggregate offering price of \$75.0 million. Sales of the Company's common stock through B. Riley FBR, if any, will be made by any method that is deemed to be an "at-the-market" equity offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, including sales made directly on Nasdaq, on any other existing trading market for the common stock or through a market maker. B. Riley FBR may also sell the common stock in privately negotiated transactions, subject to the Company's prior approval. The Company agreed to pay B. Riley FBR an aggregate commission rate of up to 3.5% of the gross proceeds of any common stock sold under this agreement. Proceeds from sales of common stock will depend on the number of shares of common stock sold to B. Riley FBR and the per share purchase price of each transaction.

No shares of common stock were sold under the ATM Agreement in the six months ended June 30, 2025 and 2024, respectively.

## 7. Net Loss Per Share

The Company computes basic net loss per share using the weighted average number of common shares outstanding during the period. Diluted net loss per share is based upon the weighted average number of common shares and potentially dilutive securities (common share equivalents) outstanding during the period. Common share equivalents outstanding, determined using the treasury stock method, are comprised of shares that may be issued under the Company's stock option agreements. Common share equivalents are excluded from the diluted net loss per share calculation if their effect is anti-dilutive.

Potentially dilutive outstanding stock options excluded from diluted net loss per common share due to their anti-dilutive effect totaled 7,909,394 shares for the three and six months ended June 30, 2025 and 8,431,644 shares for the three and six months ended June 30, 2024.

## 8. Subsequent Events

### *Standby Equity Purchase Agreement*

On July 30, 2025, the Company entered into a Standby Equity Purchase Agreement, or the SEPA with YA II PN, LTD., a Cayman Islands exempt limited company, or Yorkville. Pursuant to the SEPA, the Company has the right, but not the obligation, to sell to Yorkville from time to time up to \$30.0 million of its common stock, during the 36 months following the execution of the SEPA, subject to the restrictions and satisfaction of the conditions in the SEPA. At the Company's option, the shares of common stock would be purchased by Yorkville from time to time at a price equal to 97% of the lowest of the three daily volume weighted average prices (VTAPs), during a three consecutive trading day period commencing on the date that the Company, subject to certain limitations, delivers to Yorkville a notice that the Company is committing Yorkville to purchase such shares of common stock. The Company may also specify a certain minimum acceptable price per share for a drawdown under the SEPA. As consideration for Yorkville's irrevocable commitment to purchase common stock, the Company agreed to pay to Yorkville a \$25,000 structuring fee along with a commitment fee of \$375,000. Under the applicable rules of Nasdaq and pursuant to the SEPA, in no event may the Company issue or sell to Yorkville more than 9,804,345 shares of common stock, or the Exchange Cap, which is 19.99% of the shares of common stock outstanding immediately prior to the execution of the SEPA, unless (i) the Company obtains stockholder approval to issue shares of common stock in excess of the Exchange Cap or (ii) the average price of all applicable shares of common stock under the SEPA equals or exceeds \$1.33 per share (which represents the lower of (i) the Nasdaq Official Closing Price (as reflected on Nasdaq.com) on the trading day immediately preceding July 30, 2025 or (ii) the average Nasdaq Official Closing Price of the common stock (as reflected on Nasdaq.com) for the five trading days immediately preceding July 30, 2025).

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and notes thereto included in this Quarterly Report on Form 10-Q and the audited financial statements and notes thereto as of and for the year ended December 31, 2024 included in our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission (SEC) on February 19, 2025 (Annual Report on Form 10-K). Past operating results are not necessarily indicative of results that may occur in future periods.*

*This Quarterly Report on Form 10-Q contains forward-looking statements that are subject to risks and uncertainties, many of which are beyond our control. Our actual results may differ from those anticipated in these forward-looking statements as a result of various factors, including those set forth in Part II of this Quarterly Report on Form 10-Q under the caption "Item 1A. Risk Factors" and under the caption "Item 1A. Risk Factors" in our Annual Report on Form 10-K. The differences may be material. Forward-looking statements discuss matters that are not historical facts. Forward-looking statements include, but are not limited to, statements regarding our plans, strategies, objectives, product development programs, clinical trials, industry, financial condition, liquidity and capital resources, future performance and other statements that are not historical facts. Such forward-looking statements include statements preceded by, followed by or that otherwise include the words "may," "might," "will," "intend," "should," "could," "can," "would," "expect," "believe," "estimate," "anticipate," "predict," "potential," "plan" or similar words. For such statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You should not rely unduly on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.*

### Overview

We are a biopharmaceutical company focused on developing novel therapeutics for the treatment of serious diseases with unmet medical needs and a commercial focus on the United States (U.S.) market. Our current strategy is to focus our development activities on MN-166 (ibudilast) for neurological and other disorders such as progressive multiple sclerosis (MS), amyotrophic lateral sclerosis (ALS), chemotherapy-induced peripheral neuropathy, degenerative cervical myelopathy, glioblastoma, substance dependence and addiction (e.g., methamphetamine dependence) and prevention of acute respiratory distress syndrome (ARDS), and MN-001 (tipelukast) for fibrotic and other metabolic disorders such as nonalcoholic fatty liver disease (NAFLD) and hypertriglyceridemia. We were incorporated in Delaware in September 2000.

We have incurred significant net losses since our inception. As of June 30, 2025, from inception, our accumulated deficit was \$432.9 million. We expect to incur substantial net losses for the next several years as we continue to develop certain of our existing product development programs, and over the long-term if we expand our research and development programs and acquire or in-license products, technologies or businesses that are complementary to our own.

Our goal is to build a sustainable biopharmaceutical business through the successful development of differentiated products for the treatment of serious diseases with unmet medical needs in high-value therapeutic areas. Key elements of our strategy are as follows:

- *Pursue the development of MN-166 (ibudilast) for multiple potential indications with the support of non-dilutive financings.*

We intend to advance our diverse MN-166 (ibudilast) program through a combination of investigator-sponsored clinical trials, trials funded through government grants or other grants, and trials funded by us. We intend to pursue additional strategic alliances to help support further clinical development of MN-166 (ibudilast).

- *Pursue the development of MN-001 (tipelukast) for fibrotic and other diseases.*

We intend to advance development of MN-001 (tipelukast) through a variety of means, which may include investigator-sponsored trials with or without grant funding as well as trials funded by us.

- *Consider strategic partnerships with one or more leading pharmaceutical companies to complete product development and successfully commercialize our products.*

We develop and maintain relationships with pharmaceutical companies that are therapeutic category leaders. We intend to discuss strategic alliances with leading pharmaceutical companies who seek product candidates, such as MN-166 (ibudilast) and MN-001 (tipelukast), which could support our clinical development and product commercialization.

### Research, Development and Patents Expenses

Our research, development and patents expenses consist primarily of license fees related to our product candidates, salaries and related employee benefits, costs associated with the preclinical and clinical development of our product development programs, costs associated with non-clinical activities, such as regulatory expenses, and pre-commercialization manufacturing development activities. We use external service providers to manufacture our compounds to be used in clinical trials and for the majority of the services performed in connection with the preclinical and clinical development of our product candidates. Research, development and patents expenses include fees paid to consultants, contract research organizations, contract manufacturers and other external service providers, including professional fees and costs associated with legal services, patents and patent applications for our intellectual property. Internal research and development expenses include costs of compensation and other expenses for research and development personnel, supplies, facility costs and depreciation. Research, development and patents costs are expensed as incurred and we expect to increase such costs through the remainder of 2025 as our development programs progress.

The following table summarizes our research, development and patents expenses for the periods indicated for each of our product development programs. To the extent that costs, including personnel costs, are not tracked to a specific product development program, such costs are included in the “Other R&D expense” category (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
External development expense:				
MN-166	\$ 1,535	\$ 947	\$ 2,618	\$ 2,011
MN-001	187	128	406	222
Other	4	3	7	7
Total external development expense	1,726	1,078	3,031	2,240
R&D personnel expense	270	416	658	847
R&D facility and depreciation expense	17	16	33	32
Patent expenses	150	107	250	247
Other R&D expense	26	29	56	62
Total research, development and patent expense	<u>\$ 2,189</u>	<u>\$ 1,646</u>	<u>\$ 4,028</u>	<u>\$ 3,428</u>

### General and Administrative Expenses

Our general and administrative costs primarily consist of salaries, stock-based compensation, benefits and consulting and professional fees related to our administrative, finance, human resources, business development, legal, information systems support functions, facilities and insurance costs. General and administrative costs are expensed as incurred.

Our general and administrative expenses may increase in future periods if we are required to expand our infrastructure based on the success of our product development programs and in raising capital to support our product development programs or otherwise in connection with increased business development activities related to partnering, out-licensing or product disposition.

### Critical Accounting Estimates

This discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which we have prepared in accordance with United States generally accepted accounting principles. The preparation of these condensed consolidated financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of expenses during the reporting periods. We base our estimates on historical experience and on various other factors and assumptions that we believe are reasonable under the circumstances at the time the estimates are made, the results of which form the basis for making judgments about the book values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We periodically evaluate our estimates and judgments in light of changes in circumstances, facts and experience.

Our critical accounting policies are those accounting principles generally accepted in the United States that require us to make subjective estimates and judgments about matters that are uncertain and are likely to have a material impact on our financial condition and results of operations, as well as the specific manner in which we apply those principles. For a description of our critical accounting estimates, please see the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates” contained in our Annual Report on Form 10-K, for the year ended December 31, 2024. There have not been any material changes to the critical accounting policies discussed therein during the six months ended June 30, 2025.

## ***IPR&D and Goodwill***

Amounts incurred related to in-process research and development (IPR&D) or asset purchases of IPR&D are expensed as incurred. Amounts allocated to IPR&D in connection with a business combination are recorded at fair value and are considered indefinite-lived intangible assets until completion or abandonment of the associated research and development efforts. During the period the assets are considered indefinite-lived, they will not be amortized but will be tested annually for impairment or more frequently if indicators of impairment exist. Goodwill is reviewed for impairment annually (as of December 31st) or more frequently if indicators of impairment exist.

As of December 31, 2024, the Company performed a qualitative impairment assessment of goodwill and indefinite-lived intangible assets which included an evaluation of changes in industry, market, and macroeconomic conditions as well as consideration of its financial performance and any significant trends. The qualitative assessment indicated that it was not more likely than not that goodwill and indefinite-lived intangible assets are impaired as of December 31, 2024. If the Company experiences a sustained decline in its stock price or other material changes in the significant assumptions that affect the determination of the fair value of the Company's single reporting unit, it may result in a goodwill and/or intangible asset impairment charge in future periods, and such charge may be material.

## **Results of Operations**

### ***Comparison of the three months ended June 30, 2025 and 2024***

#### *Revenues*

Revenues were \$0.1 million and \$0.0 million for the three months ended June 30, 2025 and 2024, respectively. The increase of \$0.1 million was due to revenue recognized under our agreement with Mayo, which was entered into in December 2024 and which began enrolling patients in March 2025 and principal services began April 2025.

#### *Cost of Services*

Cost of services were \$0.1 million and \$0.0 million for the three months ended June 30, 2025 and 2024, respectively. The increase of \$0.1 million was due to the costs incurred for services provided related to the Mayo agreement.

#### *Research, Development and Patents Expenses*

Research, development and patents expenses were \$2.2 million and \$1.6 million for the three months ended June 30, 2025 and 2024, respectively. The increase of \$0.6 million was primarily driven by an increase in MN-166 related expenses for MRC-001 Pharmacokinetic (PK) study and degenerative cervical myelopathy (DCM) study expenses, partially offset by decreased payroll costs from a reduction in headcount.

#### *General and Administrative Expenses*

General and administrative expenses were \$1.4 million for both the three months ended June 30, 2025 and 2024 as there were no significant changes in the items comprising general and administrative expense quarter over quarter.

#### *Interest Income*

Interest income was \$0.3 million and \$0.4 million for the three months ended June 30, 2025 and 2024, respectively. The decrease of \$0.1 million was primarily driven by a decrease in our cash balance generating interest. Interest income consists of interest earned on our cash and cash equivalents and investments.

### ***Comparison of the six months ended June 30, 2025 and 2024***

#### *Revenues*

Revenues were \$0.1 million and \$0.0 million for the six months ended June 30, 2025 and 2024, respectively. The increase of \$0.1 million was due to revenue recognized under our agreement with Mayo, which was entered into in December 2024 and which began enrolling patients in March 2025 and principal services began April 2025.

### *Cost of Services*

Cost of services were \$0.1 million and \$0.0 million for the six months ended June 30, 2025 and 2024, respectively. The increase of \$0.1 million was due to the costs incurred for services provided related to the Mayo agreement.

### *Research, Development and Patents Expenses*

Research, development and patents expenses were \$4.0 million and \$3.4 for the six months ended June 30, 2025 and 2024, respectively. The increase of \$0.6 million was primarily driven by an increase in MN-166 related expenses for MRC-001 PK study and DCM study expenses, and an increase in MN-001 clinical trial expenses, partially offset by decreased MN-166 manufacturing costs and decreased payroll costs from a reduction in headcount.

### *General and Administrative Expenses*

General and administrative expenses were \$2.8 million for both the six months ended June 30, 2025 and 2024 as there were no significant changes in the items comprising general and administrative expense quarter over quarter.

### *Interest Income*

Interest income was \$0.7 million and \$0.8 million for the six months ended June 30, 2025 and 2024, respectively. The decrease of \$0.1 million was primarily driven by a decrease in our cash balance generating interest. Interest income consists of interest earned on our cash and cash equivalents and investments.

### **Liquidity and Capital Resources**

Net cash used in operating activities during the six months ended June 30, 2025 was \$6.1 million compared to \$6.7 million during the same period in 2024. The \$0.6 million change is primarily related to the changes in operating assets and liabilities for those periods.

As of June 30, 2025, we had available cash and cash equivalents of \$34.3 million and working capital of \$32.5 million. As of the date of this report, we believe we have working capital sufficient to fund operations at least through August 2026. However, we cannot provide assurance that these capital resources will be sufficient to conduct all our research and development programs as planned.

### *Equity Financing*

In August 2019, we entered into an at the market issuance sales agreement, which was amended on August 26, 2022 (as amended, the ATM Agreement) with B. Riley FBR, Inc. (B. Riley FBR) pursuant to which we may sell common stock through B. Riley FBR from time to time up to an aggregate offering price of \$75.0 million. Sales of our common stock through B. Riley FBR, if any, will be made by any method that is deemed to be an “at-the-market” equity offering as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, including sales made directly on Nasdaq, on any other existing trading market for the common stock or through a market maker. B. Riley FBR may also sell the common stock in privately negotiated transactions, subject to our prior approval. We agreed to pay B. Riley FBR an aggregate commission rate of up to 3.5% of the gross proceeds of any common stock sold under this agreement. Proceeds from sales of common stock will depend on the number of shares of common stock sold to B. Riley FBR and the per share purchase price of each transaction.

No shares of common stock were sold under the ATM Agreement in the three and six months ended June 30, 2025 and 2024.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

Not applicable.

**ITEM 4. CONTROLS AND PROCEDURES.**

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that the information required to be disclosed in our filings under the Securities Exchange Act of 1934, as amended (the Exchange Act), is (1) recorded, processed, summarized and reported within the time periods specified in SEC's rules and forms, and (2) accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our procedures or our internal controls will prevent or detect all errors and all fraud. Any internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of our controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

***Evaluation of Disclosure Controls and Procedures***

As required by Rule 13a-15(b) of the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

***Changes in Internal Control over Financial Reporting***

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS.**

We are not involved in any material legal proceedings as of June 30, 2025. We may become involved in various disputes and legal proceedings which arise in the ordinary course of business or otherwise. While it is not possible to accurately predict or determine the outcome of these matters, an adverse result in any litigation matter may occur which could harm our business.

### **ITEM 1A. RISK FACTORS.**

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K, for the year ended December 31, 2024, which are incorporated herein by reference and which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. We do not believe that there have been any material changes from the risk factors previously disclosed in our Annual Report on Form 10-K, for the year ended December 31, 2024.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

None

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES.**

None

### **ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable

### **ITEM 5. OTHER INFORMATION.**

#### **Securities Trading Plans of Directors and Executive Officers**

During the quarter ended June 30, 2025, none of our officers or directors, as defined in Rule 16a-1(f), informed us of the adoption or termination of a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement, each as defined in Regulation S-K Item 408.

**ITEM 6. EXHIBITS.**

<b>Exhibit Number</b>	<b>Description</b>
3.1	<a href="#"><u>Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 9, 2012 (File No. 001-33185)).</u></a>
3.2	<a href="#"><u>Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed with the SEC on April 25, 2019 (File No. 001-33185)).</u></a>
31.1 <sup>(1)</sup>	<a href="#"><u>Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2 <sup>(1)</sup>	<a href="#"><u>Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1 <sup>(1)*</sup>	<a href="#"><u>Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).</u></a>
32.2 <sup>(1)*</sup>	<a href="#"><u>Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).</u></a>
101.INS <sup>(1)</sup>	Inline XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH <sup>(1)</sup>	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104 <sup>(1)</sup>	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

(1) Filed Herewith

\*

The certifications attached as Exhibit 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of MediciNova, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.



## MEDICINOVA, INC.

**Certification of the Principal Executive Officer 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, Yuichi Iwaki, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of MediciNova, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2025

By: /s/ YUICHI IWAKI  
Yuichi Iwaki, M.D., Ph.D.  
President and Chief Executive Officer  
(Principal Executive Officer)

## MEDICINOVA, INC.

**Certification of the Principal Financial Officer 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, Jason Kruger, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of MediciNova, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2025

By: /s/ JASON KRUGER  
Jason Kruger  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)





