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, 2025

or

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

For the transition period from _____ to _____

Commission File Number: 001-42195

OS THERAPIES INCOPORATED
(Exact name of registrant as specified in its charter)

Delaware	**82-5118368**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
115 Pullman Crossing Road, Suite 103 Grasonville, Maryland	**21638**
(Address of principal executive offices)	(Zip Code)

(410) 297-7793
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	OSTX	NYSE American

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 ☐
Non-accelerated filer ☒

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 ☒

The number of shares of the registrant's common stock outstanding as of the close of business on August 13, 2025 was 31,891,933.

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OS THERAPIES INCORPORATED

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

OS Therapies Incorporated
Balance Sheets
(unaudited)

	June 30, 2025	December 31, 2024
Current Assets		
Cash	$ 2,802,013	$ 5,533,527
Prepaid Expenses	751,963	-
Total Current Assets	3,553,976	5,533,527
Long-Term Assets		
Fixed Assets (Net)	3,880	5,270
Patents (Net)	6,752,619	-
TOTAL ASSETS	$ 10,310,475	$ 5,538,797
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts Payable	$ 2,702,724	$ 1,662,068
Accrued Expenses	380,310	521,010
Accrued Payroll and Payroll Taxes – Related Party	-	97,257
Preferred Dividends Payable	375,000	375,000
Warrant Liability	-	1,971,975
Total Current Liabilities	3,458,034	4,627,310
Long-Term Liabilities		
TEDCO Grant	100,000	100,000
Total Long-Term Liabilities	100,000	100,000
Total Liabilities	3,558,034	4,727,310
Commitments and contingencies (See Note 6)		
MEZZANINE EQUITY:		
Series A Convertible Preferred Stock, par value $0.001, 2,500,000 shares authorized; 662,250 and 1,512,500 issued and outstanding, respectively	1,808,794	4,078,025
Total Mezzanine Equity	1,808,794	4,078,025
STOCKHOLDERS' EQUITY (DEFICIT)		
Common Stock A, par value $0.001, 50,000,000 shares authorized; 29,664,916 and 20,869,908 issued and outstanding, respectively	29,665	20,870
Preferred Stock, par value $0.001, 5,000,000 shares authorized; 0 and 0 issued and outstanding, respectively	-	-
Additional paid-in capital	51,759,838	35,144,967
Accumulated deficit	(46,845,856)	(38,432,375)
Total Stockholders' Equity (Deficit)	4,943,647	(3,266,538)
TOTAL LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 10,310,475	$ 5,538,797

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

OS Therapies Incorporated
Statements of Operations
(unaudited)

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
OPERATING EXPENSES				
Research & Development	$ 2,499,498	$ 396,567	$ 3,808,653	$ 758,376
General & Administrative	2,339,230	383,233	6,029,561	651,656
Loss from Operations	(4,838,728)	(779,800)	(9,838,214)	(1,410,032)
OTHER INCOME/EXPENSE				
Interest Income	64	1	130	1
Interest Expense	-	(777,681)	-	(1,606,441)
Change in Fair Value of Warrant Liability	302,042	-	1,424,603	-
TOTAL OTHER INCOME/EXPENSE	302,106	(777,680)	1,424,733	(1,606,440)
NET LOSS	(4,536,622)	(1,557,480)	(8,413,481)	(3,016,472)
Cumulative Series A Preferred Stock Dividend Requirement	-	-	-	(31,250)
NET LOSS available to common shareholders	$ (4,536,622)	$ (1,557,480)	$ (8,413,481)	$ (3,047,722)
Weighted Average # of Shares	25,114,460	5,991,041	25,062,494	5,847,955
Basic & Diluted Loss per Common Share Outstanding	$ (0.19)	$ (0.26)	$ (0.35)	$ (0.52)

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

OS Therapies Incorporated
Statements of Stockholders' Equity (Deficit)
For the Three and Six Months Ended June 30, 2025 and 2024
(unaudited)

	Common Stock CS – Shares	CS – Par	Preferred Stock Shares Par	Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balances, December 31, 2023	5,340,000	$ 5,340	1,302,082	1,302	$ 5,495,330	$ (29,518,187)	$ (24,016,215)
Conversion of Preferred Stock to Common Stock	651,041	651	(1,302,082)	(1,302)	651	-	-
Preferred Dividends	-	-	-	-	-	(31,250)	(31,250)
Net Loss	-	-	-	-	-	(1,458,992)	(1,458,992)
Balances, March 31, 2024	5,991,041	$ 5,991	-	$ -	$ 5,495,981	$ (31,008,429)	$ (25,506,457)
Net Loss	-	-	-	-	-	(1,557,480)	(1,557,480)
Balances, June 30, 2024	5,991,041	$ 5,991	-	$ -	$ 5,495,981	$ (32,565,909)	$ (27,063,937)
Balances, December 31, 2024	20,869,908	$ 20,870	-	$ -	$ 35,144,967	$ (38,432,375)	$ (3,266,538)
Commitment shares issued for Equity Line of Credit	157,407	157	-	-	568,078	-	568,235
Shares issued for Services	320,000	321	-	-	1,446,980	-	1,447,301
Stock-based compensation	-	-	-	-	941,283	-	941,283
Net Loss	-	-	-	-	-	(3,876,859)	(3,876,859)
Balances, March 31, 2025	21,347,315	$ 21,348	-	$ -	$ 38,101,308	$ (42,309,234)	$ (4,186,578)
Conversion of Preferred Shares Mezzanine Equity to Common Stock	3,962,129	3,962	-	-	2,988,070	-	2,992,032
Issuance Common Stock for Patent Purchase	2,164,215	2,164	-	-	2,897,884	-	2,900,048
Conversion of Warrants to Common Stock	2,181,257	2,181	-	-	2,481,284	-	2,483,465
Common Stock Shares issued for Services	10,000	10	-	-	9,990	-	10,000
APIC Warrants Liability Reclass Preferred Stock	-	-	-	-	878,153	-	878,153
Pending Issuance of Common Stock to Ayala #444,041	-	-	-	-	595,016	-	595,016
APIC Warrants Patent License	-	-	-	-	2,902,951	-	2,902,951
Stock-based compensation	-	-	-	-	905,182	-	905,182
Net Loss	-	-	-	-	-	(4,536,622)	(4,536,622)
Balances, June 30, 2025	29,664,916	$ 29,665	-	$ -	$ 51,759,838	$ (46,845,856)	$ 4,943,647

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

OS Therapies Incorporated
Statements of Cash Flows
For the Six Months Ended June 30, 2025 and 2024
(unaudited)

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (8,413,481)	$ (3,016,472)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and Amortization expense	113,209	1,390
Amortization of Warrants	-	1,087,390
Change in value of Warrant Liabilities	(1,424,603)	-
Commitment Shares issued for Equity Line of Credit	568,235	-
Common Shares issuance for services	356,588	-
Stock-based Compensation	1,846,465	-
Change in operating assets and liabilities:		
Employee Advances	-	(62,127)
Prepaid Expense	348,750	-
Accounts Payable	1,040,656	(45,905)
Accrued Expenses	(140,700)	25,000
Accrued Interest on Convertible Notes	-	519,050
Accrued Payroll and payroll taxes	(97,257)	(31,246)
Net cash used in operating activities	**(5,802,138)**	**(1,522,920)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Patent License Acquisition	(466,423)	-
Net cash used in investing activities	**(466,423)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred Offering Costs	-	(172,137)
Short-Term Loan	-	250,000
Net Proceeds from Convertible Debt A, B, C, D, E & F	-	1,501,000
Sale of Preferred Stock and related Warrants	1,053,582	-
Common Stock Issuance Warrant Conversions	2,483,465	-
Net cash provided by financing activities	**3,537,047**	**1,578,863**
Net change in cash	(2,731,514)	55,943
Cash – beginning of period	5,533,527	38,982
Cash – end of period	$ 2,802,013	$ 94,925
Cash paid for interest	$ -	$ -
NON CASH INVESTING AND FINANCING ACTIVITIES		
Mezzanine Equity Conversion (Net of Costs)	2,992,032	-
Shares issued for prepaid services	1,100,713	-
Common Stock issued for Patent Purchase	6,398,015	-
Reclassification of Warrant Liability to Equity	878,153	-
Discount on Notes Payable – redemption premium	-	750,500
Dividends Payable	-	31,250
Deferred offering costs recorded as accounts payable	-	255,322
Conversion of preferred stock to common stock	$ -	$ 5,991

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

NOTE 1 — ORGANIZATION AND DESCRIPTION OF BUSINESS, LIQUIDITY, AND RISK FACTORS

OS Therapies Incorporated ("we," "us," "our," the "Company") is a Delaware corporation incorporated on June 24, 2019. It is based in Rockville, Maryland. The Company is the successor to an LLC formed in 2018.

The Company intends to focus on the identification, development, and commercialization of treatments for Osteosarcoma and other related diseases. As of June 30, 2025, there is one ongoing clinical trial for Osteosarcoma therapy.

OS Animal Health Corp – Subsidiary

The Company formed OS Animal Health Corp, a Delaware corporation and wholly owned subsidiary of the Company, on June 25, 2025. The entity is a shell at present and has no assets or liabilities. During the three months ended June 30, 2025, the Company entered into a license agreement with this subsidiary, pursuant to which the Company licensed to this subsidiary the rights to use the HER2 Assets (as defined below).

Liquidity

The Company has prepared its financial statements on a going concern basis, which assumes that the Company will realize its assets and satisfy its liabilities in the normal course of business. However, the Company has incurred net losses since its inception and has negative operating cash flows. These circumstances raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of the uncertainty concerning the Company's ability to continue as a going concern.

As of June 30, 2025, the Company had cash of $2,802,013. For the foreseeable future, the Company's ability to continue its operations is dependent upon its ability to obtain additional capital. The Company is currently seeking to raise additional capital through a public or private financing of equity; although there can be no assurances the Company will be successful in such a campaign.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of U.S. Securities and Exchange Commission ("SEC"). The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America, and the Company's fiscal year end is December 31.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in its financial statements and accompanying notes. On an ongoing basis, management evaluates these estimates and judgments, which are based on historical and anticipated results and trends and on various other assumptions that management believes to be reasonable under the circumstances. By their nature, estimates are subject to an inherent degree of uncertainty and, as such, actual results may differ from management's estimates.

Cash

Cash consists primarily of deposits with commercial banks and financial institutions. The Company maintains cash balances at various financial institutions. Both interest and non-interest-bearing accounts with the same insured depository institution are insured by the Federal Deposit Insurance Corporation (FDIC) for a combined total of $250,000. In the normal course of business, the Company may have deposits that exceed the FDIC insured limit. The Company believes that it is not subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships. As of June 30, 2025 and December 31, 2024, Chase Bank checking account had $2,056,885 and $5,216,354, respectively, and the Chase Bank savings account had $20,150 and $20,000, respectively. As of June 30, 2025 and December 31, 2024, SVB Bank checking account had $728,988 and $287,173, respectively, and the SVB money market account had $10,000 and $10,000, respectively. The Chase Bank and SVB Bank checking accounts were in excess of the FDIC limits for June 30, 2025.

Redeemable Preferred Stock and Mezzanine Equity

The Company's one share of the Company's Series A Senior Convertible Preferred Stock, par value $0.001 per share (the "Series A Preferred Stock"), in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 480 ("ASC 480"), is accounted for as mezzanine equity due to the redemption feature upon a deemed liquidation event: (i) a merger or consolidation, or (ii) the sale, lease, transfer or other disposition of substantially all the assets of the Company. The initial cash proceeds of $6,050,000 were allocated to the warrants to purchase shares of common stock (the "Series A Warrants"), and the residual proceeds were allocated to the Series A Preferred Stock. The subsequent cash proceeds of $1,053,000 were allocated to the Series A Warrants and the residual proceeds were allocated to the Series A Preferred Stock. The Series A Preferred Stock is classified as mezzanine equity in accordance with ASC 480.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES (cont.)

Fixed Asset Policy

A capital asset is defined as a unit of property that has an economic useful life that extends beyond 12 months. Any items costing below the threshold or not fitting the definition of a capital asset will be expensed in the financial statements. All capital assets are recorded at historical cost as of the date acquired. Computer assets will be capitalized and Straight-Line depreciated over five years for financial statement purposes.

Patent Amortization

In connection with the HER2 Purchase Agreement (as defined below), the Company acquired the HER2 Assets (as defined below) from Ayala (as defined below), including the assignment by Ayala of a license agreement with the Trustees of the University of Pennsylvania, on April 9, 2025. The amortization expense is derived quarterly, based on the legal life of such assets on a straight-line basis. The three-month amortization expense for the period ended June 30, 2025 was $111,189.

Patent & License Acquisition

On April 9, 2025, pursuant to the terms of an Asset Purchase Agreement, dated as of January 28, 2025 (the "HER2 Purchase Agreement"), between the Company and Ayala Pharmaceuticals, Inc. (formerly Advaxis, Inc.) ("Ayala"), the Company completed the acquisition of the *Lm*-based immune-oncology programs and related intellectual property assets (the "HER2 Assets") from Ayala, including the assignment by Ayala of a license agreement with the Trustees of the University of Pennsylvania. The purchase of the HER2 Assets is considered an asset acquisition under ASC 805.

In connection for the purchase of the HER2 Assets, the Company agreed to assume certain specified liabilities and to pay an aggregate purchase price of $8,000,000, with a fair value of $6,864,438, consisting of (i) $400,000 to Ayala ($150,000 of which was transferred upon signing of the HER2 Purchase Agreement and the remainder on the closing date); (ii) $100,000 to a third party on behalf of Ayala on the closing date; and (iii) $7,500,000 worth of shares of common stock, or 4,774,637 shares based on the volume-weighted average price of the Company's common stock over the 30 trading days immediately preceding the closing date of $1.5708. The closing stock price on the April 9, 2025 closing date was $1.34, resulting in a corresponding reduction in the acquisition value. The fair value of the purchase consideration is as follows:

Cash	$	400,000
Legal fees paid on behalf of Ayala		66,424
Company common stock (4,774,637 shares at $1.34 per share)		6,398,014
Total Fair Value of Consideration Transfer for the Patent & License Acquisition.	$	6,864,438

The group of patents and the licensing is primarily focused on a set of patents for "Compositions and Methods for Evaluating Potency of Listeria-Based Immunotherapeutics," which is the primary patent the Company utilizes in its treatments. This group of patents has an effective filing date on April 19, 2019. Based on such date, the group has an estimated remaining useful life of 14 years, with amortization expense of $111,819 and $0, respectively, for the six months ended June 30, 2025 and 2024.

As of June 30, 2025, estimated amortization expenses related to the Company's intangible assets for the years 2025 through 2039 and thereafter are as follows:

Year		
2025	$	335,457
2026		447,276
2027		447,276
2028		447,276
2029		447,276
2030 and thereafter		4,739,877
Total	$	6,864,438

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES (cont.)

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment when events or changes in circumstances indicate the carrying value of the assets may not be recoverable. Recoverability is measured by comparison of the book values of the assets to future net undiscounted cash flows that the assets or the asset groups are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the book value of the assets exceed their fair value, which is measured based on the estimated discounted future net cash flows arising from the assets or asset groups. No impairment losses on long-lived assets have been recorded for the periods ended June 30, 2025 and December 31, 2024.

Deferred Offering Costs

Deferred offering costs consist of capitalized underwriting, legal, accounting and other expenses incurred through the balance sheet date that are directly related to the Company's initial public offering and that were charged to stockholders' equity upon the completion of such offering. As of June 30, 2025 and December 31, 2024, the Company did not have any capitalized deferred offering costs. Upon completion of the Company's initial public offering on August 2, 2024, the deferred offering costs were charged to stockholders' deficit.

Research and Development Costs

Research and development expenses are charged to operations as incurred. Research and development expenses include, among other things, salaries, costs of outside collaborators and outside services, and supplies.

Revenue Recognition

As of the date of incorporation, the Company adopted ASU 2014-09, *Revenue from Contracts with Customers*, and all subsequent amendments to the ASU (collectively, "ASC 606"), which (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets.

Stock-Based Compensation

The Company, in accordance with ASC 718, employs the use of stock-based compensation. The compensation expense related to stock granted to employees and non-employees is measured at the grant date based on the estimated fair value of the award and is recognized on a straight-line basis over the requisite service period. Forfeitures are recognized as a reduction of stock-based compensation expense as they occur. Stock-based compensation expense for an award with a performance condition is recognized when the achievement of such performance condition is determined to be probable. If the outcome of such performance condition is not determined to be probable or is not met, no compensation expense is recognized and any previously recognized compensation expense is reversed.

Short-term Leases

For short-term leases, 12 months or less, we record rent expense. Our only lease currently meets this exemption and has been expensed. We have not renewed the current lease due to landlord restrictions; the ownership is renovating the premises. We have temporarily moved our primary office to 115 Pullman Crossing Road, Suite #103, in Grasonville, Maryland 21638. The space is the primary office of our Chief Financial Officer and is being provided rent free. In May 2024, we signed a month-to-month lease for use of general space with JLabs for $750 per month, primarily to use space for meetings in New York City and to have an office for our staff when they are visiting. The lease payment increased in January 1, 2025, with a monthly payment of $787.50.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income taxes

The Company accounts for income taxes using the asset-and-liability method in accordance with ASC 740, *Income Taxes* ("ASC 740"). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on the deferred tax assets and liabilities of a change in tax rate is recognized in the period that includes the enactment date. A valuation allowance is recorded if it is "more likely than not" that some portion or all of the deferred tax assets will not be realized in future periods.

The Company follows the guidance in ASC Topic 740-10 in assessing uncertain tax positions. The standard applies to all tax positions and clarifies the recognition of tax benefits in the financial statements by providing for a two-step approach of recognition and measurement. The first step involves assessing whether the tax position is more-likely-than-not to be sustained upon examination based upon its technical merits. The second step involves measurement of the amount to be recognized.

Tax positions that meet the more-likely than-not threshold are measured at the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate finalization with the taxing authority. The Company recognizes the impact of an uncertain income tax position in the financial statements if it believes that the position is more likely than not to be sustained by the relevant taxing authority.

The Company will recognize interest and penalties related to tax positions in income tax expense. As of June 30, 2025 and December 31, 2024, the Company had no unrecognized uncertain income tax positions.

Basic and Diluted Loss per Share

The Company computes loss per share in accordance with ASC 260, *Earnings per Share* ("ASC 260"). ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the statements of operations. Basic EPS is computed by dividing the net loss available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible notes payable using the if-converted method. Diluted EPS excludes all diluted potential shares if their effect is antidilutive.

Below is a table listing all preferred stock and common stock equivalents.

Common Stock Equivalents	**6/30/2025**	**12/31/2024**
Series A Convertible Preferred Stock	2,379,465	-
Underwriter/Placement Agent Warrants	319,711	280,448
Inducement New Warrants	1,931,165	-
Series A Warrants	4,383,929	1,512,500
Total	9,014,270	1,792,948

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES (cont.)

Stockholder approval was obtained on April 9, 2025 for the issuance of the shares of common stock underlying the Company's Series A Preferred Stock, which are being treated as Mezzanine Equity, and the Series A Warrants. The conversion price and exercise price, as applicable, of the Company's Series A Preferred Stock and the Series A Warrants was automatically reset to $1.12 per share based on the volume weight average price of the Company's common stock for the 10 trading days immediately preceding April 9, 2025, creating a conversion multiplier of 3.571429 of common shares to preferred shares. The number of non-converted shares of Series A Preferred Stock outstanding as of June 30, 2025 was 666,250 shares, with a 3.571429 conversion multiplier that equates to 2,379,465 shares of common stock.

112,000 shares of common stock underlying underwriter warrants issued in connection with our initial public offering were outstanding as of June 30, 2025. 207,711 shares of common stock underlying warrants issued to the placement agents in connection with our PIPE financing in December 2024 and January 2025 were outstanding as of June 30, 2025, totaling 319,711 shares of common stock underlying underwriter/placement agent warrants.

Warrant holders who converted their existing warrants during the Company's warrant exercise and inducement offering held open during the period from June 23 to July 10, 2025 received a new warrant at an exercise price of $3.00 per share. As of June 30, 2025, existing warrants to purchase an aggregate of 1,931,165 shares of common stock were exercised in exchange for new warrants to purchase an aggregate of 1,931,165 shares of common stock.

4,591,640 shares of common stock underlying the Series A Warrants were outstanding as of June 30, 2025.

Fair Value Measurements

The Company applies ASC 820 *Fair Value Measurement* ("ASC 820"), which establishes a framework for measuring fair value and clarifies the definition of fair value within that framework. ASC 820 defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Company's principal or most advantageous market in an orderly transaction between market participants on the measurement date.

The fair value hierarchy established in ASC 820 generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability and are to be developed based on the best information available in the circumstances.

The carrying value of the Company's cash, accounts payable and accrued expenses are approximate fair value because of the short-term maturity of these financial instruments. The redemption feature of the debt instruments is recorded at fair value (See Note 3).

Warrant liability is recorded at fair value. Currently, there is not an observable market for this type of derivative. Due to the lack of relevant and market reflective Level 1 and Level 2 inputs, the Company valued the warrant liability using Level 3 inputs, which require significant judgment and estimates on behalf of management in developing model assumptions. As of June 30, 2025 and December 31, 2024, the carrying value of the warrant liability in the aggregate was $0 and $1,971,975, respectively (See Note 8).

The valuation hierarchy is composed of three levels. The classification within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The levels within the valuation hierarchy are described below:

Level 1 — Assets and liabilities with unadjusted, quoted prices listed on active market exchanges. Inputs to the fair value measurement are observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs to the fair value measurement are determined using prices for recently traded assets and liabilities with similar underlying terms, as well as direct or indirect observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 — Inputs to the fair value measurement are unobservable inputs, such as estimates, assumptions, and valuation techniques when little or no market data exists for the assets or liabilities.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES (cont.)

Warrant Liability

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and FASB ASC Topic 815, "Derivatives and Hedging" ("ASC 815"). The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

The warrants issued in connection with a Securities Purchase Agreements, dated as of December 24, 2024 (the "Purchase Agreement"), are recognized as a derivative liability in accordance with ASC 815. The Company recognizes the warrant instruments as a liability at fair value and adjusts the instruments to fair value at each reporting period. The liability is subject to re-measurement at each balance sheet date until exercised or reclassified, and any change in fair value is recognized in the Company's consolidated statements of operations. The fair value of the warrants issued in connection with the Purchase Agreement were measured using a Binomial simulation model. The determination of the fair value of the warrant liability may be subject to change as more current information becomes available and accordingly the actual results could differ significantly. The derivative warrant liability is classified as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

Recent Accounting Pronouncements

The Company has evaluated all recent accounting pronouncements and believes that none of them will have a material effect on the Company's financial position, results of operations, or cash flows.

NOTE 3 — RELATED PARTY TRANSACTIONS

Accrued Payroll

On June 30, 2025 and December 31, 2024, the Company had a payroll payable to the CEO of $0 and $8,871, respectively, and related payroll taxes payable of $0 and $88,386, respectively. During the period ended June 30, 2025 and December 31, 2024, the Company made advances on the payroll payable, and the CEO made repayments.

The following summarizes activity in respect to payroll advances to the CEO:

Balance December 31, 2023	$ 191,198
Advances during 2024	222,875
Repayment	(414,073)
Balance December 31, 2024	$ —
Advances during 2025	43,636
Repayments 2025	(43,636)
Balance June 30, 2025	$ —

NOTE 3 — RELATED PARTY TRANSACTIONS (cont.)

In the second and third quarters of 2024, paychecks were issued to Paul Romness, CEO. The paychecks comprised the remaining balance of backpay, less all 2024 payroll advances. The payroll taxes were paid that were associated with the backpay and regular pay and are fully paid. The balance of accrued payroll for Mr. Romness on June 30, 2025 of $0.

All related party payroll advances shown as employee advances for Mr. Romness in the six months ended June 30, 2025 have been repaid in 2025. Related party payroll advances for Mr. Romness had a balance of $11,565 in the six months ended June 30, 2024. All advances in the six months ended June 30, 2024 were repaid in full as of December 31, 2024.

Related Parties — Convertible Debt

Ted Search and John Ciccio, collectively known as Mill River Partners LLC, are members of the Board and held convertible notes with face amounts of $0 and $0 as of June 30, 2025 and December 31, 2024, respectively. The convertible notes were converted into common stock upon consummation of the Company's initial public offering on August 2, 2024.

Related Party Accounting Fees

The Company has a bill in accounts payable of $19,365 for the period ended June 30, 2025 and $26,765 for the period ended December 31, 2024 to Shore Accountants MD Inc., an outside accounting firm that handles payroll, bookkeeping and tax preparation, and is 100% owned by Christopher Acevedo, the CFO.

NOTE 4 — CONVERTIBLE DEBT

Convertible Debt

The Company's convertible notes are separated into seven groups — A, B, C, D, E, F and BlinkBio — per the table below:

Group	Rate	Maturity	Collateral	Conversion Rate	June 30, 2025 Carrying Amount	December 31, 2024 Carrying Amount
A	10%	10/31/2025	None	80% - 87.5%	$ —	$ —
B	6%	10/31/2025	None	80%	$ —	$ —
C	6%	10/31/2025	None	80%	$ —	$ —
D	6%	10/31/2025	None	50%	$ —	$ —
E	6%	10/31/2025	None	50%	$ —	$ —
F	6%	10/31/2025	None	50%	$ —	$ —
Blink Bio	10%	3/15/2022	None	100%	$ —	$ —

The above convertible notes were all converted into common stock on August 2, 2024 upon consummation of the Company's initial public offering.

NOTE 4 — CONVERTIBLE DEBT (cont.)

Group A

Commencing in July 2018 through November 2021, the Company entered into an unsecured Subordinated Convertible Promissory Note Agreement (the "Agreements") with certain lenders (together, the "Holders" or individually, the "Holder"). Interest on the unpaid principal balance accrues at a rate of 10% per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. Unless earlier converted into shares of Equity Securities, the principal and accrued interest will be due and payable by the Company on demand by the Holders at any time after the earlier of (i) the Maturity Date (as defined in each Agreement) and (ii) the closing of the Next Equity Financing (as defined below). The stated Maturity Date was extended on October 24, 2023, under the same terms, until October 31, 2024.

The Notes will automatically convert into the type of Equity Securities issued in the Next Equity Financing upon closing. The number of shares of such Equity Securities to be issued will be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest due on the Note on the date of conversion of 80 – 87.5% of the price paid per share for Equity Securities by the investors in the Next Equity Financing. Equity Securities refers to Company's common stock or preferred stock and Next Equity Financing refers to the next sale (or series of related sales) by the Company of its equity securities from which the Company receives gross proceeds of not less than $3,000,000 (including the aggregate amount of debt securities converted into Equity Securities upon conversion or cancellation of promissory notes) or $5,000,000, depending upon the signed agreement terms.

In the event that the Company raises aggregate additional cash proceeds of at least $3,000,000 or $5,000,000 through the sale of the Company's equity securities, excluding the sales or conversions of Notes under the Agreement, the outstanding principal amount due will automatically, and without any action on part of the holder, be converted into fully paid and non-assessable units of the Company's equity stock sold in such qualified financing at 12.5% of the equity stock conversion price. The Company, at its option, may pay all accrued, but unpaid, interest and other charges in cash or by the issuance of additional equity stock at a rate of the applicable conversion price.

The Company evaluated the Notes in accordance with ASC 480, *Distinguishing Liabilities from Equity* ("ASC 480"), and determined the Notes are considered share-settled debt and should be recorded as a liability. This conclusion was determined based on the debt providing the holder with a variable number of shares at settlement with an aggregate fair value equal to the debt instrument's outstanding principal. The general measurement guidance in ASC 480 requires obligations that can be settled in shares with a fixed monetary value at settlement (e.g., share-settled debt) to be carried at fair value unless other accounting guidance specifies another measurement attribute. It has been determined that the appropriate guidance for share-settled debt is ASC 835. As a result, the Notes were recorded at the amortized cost. On August 2, 2024, the Company consummated its initial public offering, and the convertible notes, including accrued interest, converted into shares of the Company's common stock.

The convertible debt balance on June 30, 2025 and June 30, 2024 is summarized as follows:

Debt A	**As of June 30, 2025**	**As of June 30, 2024**
Principal amount outstanding	$ -	$ 1,154,000
Less: discounts (issuance, redemptions)	-	(184,614)
Amortization of discounts	-	184,607
Carrying value	-	1,153,993
Less Related Party Portion	-	(100,000)
Convertible Notes – A	$ -	$ 1,053,993

The balance as of December 31, 2024 was $0, as the notes converted into shares of common stock in connection with the closing of the Company's initial public offering on August 2, 2024.

NOTE 4 — CONVERTIBLE DEBT (cont.)

Group B

Commencing in May 2020, the Company entered into an unsecured Subordinated Convertible Promissory Note Agreement (the "Agreements") with certain lenders (together, the "Holders" or individually, the "Holder"), pursuant to which the Company issued a Subordinated Convertible Promissory Note (individually the "Note" or together the "Notes") to the Holders, principally the investors brought in by an investment bank. Interest on the unpaid principal balance accrues at a rate of 6% per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. Unless earlier converted into shares of Equity Securities, the principal and accrued interest will be due and payable by the Company on demand by the Holders at any time after the earlier of (i) the Maturity Date (as defined in each Agreement) and (ii) the closing of the Next Equity Financing (as defined below). The stated Maturity Date was extended on October 24, 2023, under the same terms, until October 31, 2024.

The Notes will automatically convert into the type of Equity Securities issued in the Next Equity Financing upon closing. The number of shares of such Equity Securities to be issued will be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest due on the Note on the date of conversion of 80% of the price paid per share for Equity Securities by the investors in the Next Equity Financing. Equity Securities refers to Company's common stock or preferred stock and Next Equity Financing refers to the next sale (or series of related sales) by the Company of its equity securities from which the Company receives gross proceeds of not less than $10,000,000 (including the aggregate amount of debt securities converted into Equity Securities upon conversion or cancellation of promissory notes).

In the event that the Company raises aggregate additional cash proceeds of at least $10,000,000 through the sale of the Company's equity securities, excluding the sales or conversions of Notes under the Agreement, the outstanding principal amount due will automatically, and without any action on part of the holder, be converted into fully paid and non-assessable units of the Company's equity stock sold in such qualified financing at 12.5% of the equity stock conversion price.

The Company, at its option, may pay all accrued, but unpaid, interest and other charges in cash or by the issuance of additional equity stock at a rate of the applicable conversion price.

The Company evaluated the Notes in accordance with ASC 480 and determined the Notes are considered share-settled debt and should be recorded as a liability. This conclusion was determined based on the debt providing the holder with a variable number of shares at settlement with an aggregate fair value equal to the debt instrument's outstanding principal. The general measurement guidance in ASC 480 requires obligations that can be settled in shares with a fixed monetary value at settlement (e.g., share-settled debt) to be carried at fair value unless other accounting guidance specifies another measurement attribute. It has been determined that the appropriate guidance for share-settled debt is ASC 835. As a result, the Notes were recorded at the amortized cost. On August 2, 2024, the Company consummated its initial public offering, and the convertible notes, including accrued interest, converted into shares of the Company's common stock.

The convertible debt balance at June 30, 2025 and June 30, 2024 is summarized as follows:

Debt B	**As of June 30, 2025**	**As of June 30, 2024**
Principal amount outstanding	$ -	$ 5,154,000
Less: discounts (issuance, redemptions, warrants)	-	(1,818,939)
Amortization of discounts	-	1,818,939
Carrying value	$ -	$ 5,154,000

The balance as of December 31, 2024 was $0, as the notes converted into shares of common stock in connection with the closing of the Company's initial public offering on August 2, 2024.

NOTE 4 — CONVERTIBLE DEBT (cont.)

Group C

Commencing in July 2021, the Company entered into an unsecured Subordinated Convertible Promissory Note Agreement (the "Agreements") with certain lenders (together, the "Holders" or individually, the "Holder"), pursuant to which the Company issued a Subordinated Convertible Promissory Note (individually the "Note" or together the "Notes") to the Holders, principally the investors brought in by an investment bank. Interest on the unpaid principal balance accrues at a rate of 6% per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. Unless earlier converted into shares of Equity Securities, the principal and accrued interest will be due and payable by the Company on demand by the Holders at any time after the earlier of (i) the Maturity Date (as defined in each Agreement) and (ii) the closing of the Next Equity Financing (as defined below). The stated Maturity Date was extended on October 24, 2023, under the same terms, until October 31, 2024.

The Notes will automatically convert into the type of Equity Securities issued in the Next Equity Financing upon closing. The number of shares of such Equity Securities to be issued will be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest due on the Note on the date of conversion of 80% of the price paid per share for Equity Securities by the investors in the Next Equity Financing. Equity Securities refers to the Company's common stock or preferred stock and Next Equity Financing refers to the next sale (or series of related sales) by the Company of its equity securities from which the Company receives gross proceeds of not less than $10,000,000 (including the aggregate amount of debt securities converted into Equity Securities upon conversion or cancellation of promissory notes).

In the event that the Company raises aggregate additional cash proceeds of at least $10,000,000 through the sale of the Company's equity securities, excluding the sales or conversions of Notes under the Agreement, the outstanding principal amount due will automatically, and without any action on part of the holder, be converted into fully paid and non-assessable units of the Company's equity stock sold in such qualified financing at 12.5% of the equity stock conversion price.

The Company, at its option, may pay all accrued, but unpaid, interest and other charges in cash or by the issuance of additional equity stock at a rate of the applicable conversion price.

The Company evaluated the Notes in accordance with ASC 480, *Distinguishing Liabilities from Equity* ("ASC 480"), and determined the Notes are considered share-settled debt and should be recorded as a liability. This conclusion was determined based on the debt providing the holder with a variable number of shares at settlement with an aggregate fair value equal to the debt instrument's outstanding principal. The general measurement guidance in ASC 480 requires obligations that can be settled in shares with a fixed monetary value at settlement (e.g., share-settled debt) to be carried at fair value unless other accounting guidance specifies another measurement attribute. It has been determined that the appropriate guidance for share-settled debt is ASC 835. As a result, the Notes were recorded at the amortized cost. On August 2, 2024, the Company consummated its initial public offering, and the convertible notes, including accrued interest, converted into shares of the Company's common stock.

The convertible debt balance on June 30, 2025 and June 30, 2024 is summarized as follows:

Debt C	**As of June 30, 2025**	**As of June 30, 2024**
Principal amount outstanding	$ -	$ 3,945,020
Less: discounts (issuance, redemptions, warrants)	-	(1,088,223)
Amortization of discounts	-	1,088,223
Carrying value	$ -	$ 3,945,020

The balance as of December 31, 2024 was $0, as the notes converted into shares of common stock in connection with the closing of the Company's initial public offering on August 2, 2024.

NOTE 4 — CONVERTIBLE DEBT (cont.)

Group D

Commencing in November 2022, the Company entered into an unsecured Subordinated Convertible Promissory Note Agreement (the "Agreements") with certain lenders (together, the "Holders" or individually, the "Holder"), pursuant to which the Company issued a Subordinated Convertible Promissory Note (individually the "Note" or together the "Notes") to the Holders, principally the Investors brought in by an investment bank. Interest on the unpaid principal balance accrues at a rate of 6% per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. Unless earlier converted into shares of Equity Securities, the principal and accrued interest will be due and payable by the Company on demand by the Holders at any time after the earlier of (i) the Maturity Date (as defined in each Agreement) and (ii) the closing of the Next Equity Financing (as defined below). The stated Maturity Date was extended on October 24, 2023, under the same terms, until October 31, 2024.

The Notes will automatically convert into the type of Equity Securities issued in the Next Equity Financing upon closing. The number of shares of such Equity Securities to be issued will be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest due on the Note on the date of conversion of 50% of the price paid per share for Equity Securities by the investors in the Next Equity Financing. Equity Securities refers to Company's common stock or preferred stock and Next Equity Financing refers to the next sale (or series of related sales) by the Company of its equity securities from which the Company receives gross proceeds of not less than $10,000,000 (including the aggregate amount of debt securities converted into Equity Securities upon conversion or cancellation of promissory notes).

In the event that the Company raises aggregate additional cash proceeds of at least $10,000,000 through the sale of the Company's equity securities, excluding the sales or conversions of Notes under the Agreement, the outstanding principal amount due will automatically, and without any action on part of the holder, be converted into fully paid and non-assessable units of the Company's equity stock sold in such qualified financing at 50% of the equity stock conversion price.

In connection with the Group D Convertible Notes, the Company agreed to issue an additional 125,000 shares of common stock to the Group D Holders, prorated based on such Holder's investment amount, as an inducement for their investment in the Group D Convertible Notes.

The Company, at its option, may pay all accrued, but unpaid, interest and other charges in cash or by the issuance of additional equity stock at a rate of the applicable conversion price.

The Company evaluated the Notes in accordance with ASC 480 and determined the Notes are considered share-settled debt and should be recorded as a liability. This conclusion was determined based on the debt providing the holder with a variable number of shares at settlement with an aggregate fair value equal to the debt instrument's outstanding principal. The general measurement guidance in ASC 480 requires obligations that can be settled in shares with a fixed monetary value at settlement (e.g., share-settled debt) to be carried at fair value unless other accounting guidance specifies another measurement attribute. It has been determined that the appropriate guidance for share-settled debt is ASC 835. As a result, the Notes were recorded at the amortized cost. On August 2, 2024, the Company consummated its initial public offering, and the convertible notes, including accrued interest, converted into shares of the Company's common stock.

NOTE 4 — CONVERTIBLE DEBT (cont.)

The convertible debt balance at June 30, 2025 and June 30, 2024 is summarized as follows:

Debt D	As of June 30, 2025	As of June 30, 2024
Principal amount outstanding	$ -	$ 2,000,000
Less: discounts (issuance, redemptions, warrants)	-	(1,864,654)
Amortization of discounts	-	1,864,654
Carrying value	$ -	$ 2,000,000

The balance as of December 31, 2024 was $0, as the notes converted into shares of common stock in connection with the closing of the Company's initial public offering on August 2, 2024.

Group E

Commencing in February 2023, the Company entered into an unsecured Subordinated Convertible Promissory Note Agreement (the "Agreements") with certain lenders (together, the "Holders" or individually, the "Holder"), pursuant to which the Company issued a Subordinated Convertible Promissory Note (individually the "Note" or together the "Notes") to the Holders, principally the investors brought in by an investment bank. Interest on the unpaid principal balance accrues at a rate of 6% per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. Unless earlier converted into shares of Equity Securities, the principal and accrued interest will be due and payable by the Company on demand by the Holders at any time after the earlier of (i) the Maturity Date (as defined in each Agreement) and (ii) the closing of the Next Equity Financing (as defined below). The stated Maturity Date was extended on October 24, 2023, under the same terms, until October 31, 2024.

The Notes will automatically convert into the type of Equity Securities issued in the Next Equity Financing upon closing. The number of shares of such Equity Securities to be issued will be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest due on the Note on the date of conversion of 50% of the price paid per share for Equity Securities by the investors in the Next Equity Financing. Equity Securities refers to Company's common stock or preferred stock and Next Equity Financing refers to the next sale (or series of related sales) by the Company of its equity securities from which the Company receives gross proceeds of not less than $10,000,000 (including the aggregate amount of debt securities converted into Equity Securities upon conversion or cancellation of promissory notes).

In the event that the Company raises aggregate additional cash proceeds of at least $10,000,000 through the sale of the Company's equity securities, excluding the sales or conversions of Notes under the Agreement, the outstanding principal amount due will automatically, and without any action on part of the holder, be converted into fully paid and non-assessable units of the Company's equity stock sold in such qualified financing at 50% of the equity stock conversion price. In connection with the Group E Convertible Notes, the Company agreed to issue an additional 68,750 shares of common stock to the Group E Holders, prorated based on such Holder's investment amount, as an inducement for their investment in the Group E Convertible Notes.

The Company, at its option, may pay all accrued, but unpaid, interest and other charges in cash or by the issuance of additional equity stock at a rate of the applicable conversion price.

The Company evaluated the Notes in accordance with ASC 480 and determined the Notes are considered share-settled debt and should be recorded as a liability. This conclusion was determined based on the debt providing the holder with a variable number of shares at settlement with an aggregate fair value equal to the debt instrument's outstanding principal. The general measurement guidance in ASC 480 requires obligations that can be settled in shares with a fixed monetary value at settlement (e.g., share-settled debt) to be carried at fair value unless other accounting guidance specifies another measurement attribute. It has been determined that the appropriate guidance for share-settled debt is ASC 835. As a result, the Notes were recorded at the amortized cost. On August 2, 2024, the Company consummated its initial public offering, and the convertible notes, including accrued interest, converted into shares of the Company's common stock.

NOTE 4 — CONVERTIBLE DEBT (cont.)

The convertible debt balance at June 30, 2025 and June 30, 2024 is summarized as follows:

Debt E	As of June 30, 2025	As of June 30, 2024
Principal amount outstanding	$ -	$ 1,100,000
Less: discounts (issuance, redemptions, warrants)	-	(550,000)
Amortization of discounts	-	550,000
Carrying value	-	1,100,000
Less related party portion	-	(50,000)
Convertible Notes – E	$ -	$ 1,050,000

The balance as of December 31, 2024 was $0, as the notes converted into shares of common stock in connection with the closing of the Company's initial public offering on August 2, 2024.

Group F

Commencing in June 2023, the Company entered into an unsecured Subordinated Convertible Promissory Note Agreement (the "Agreements") with certain lenders (together, the "Holders" or individually, the "Holder"), pursuant to which the Company issued a Subordinated Convertible Promissory Note (individually the "Note" or together the "Notes") to the Holders, principally the investors brought in by an investment bank. Interest on the unpaid principal balance accrues at a rate of 6% per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. Unless earlier converted into shares of Equity Securities, the principal and accrued interest will be due and payable by the Company on demand by the Holders at any time after the earlier of (i) the Maturity Date (as defined in each Agreement) and (ii) the closing of the Next Equity Financing (as defined below). The stated Maturity Date was extended on October 24, 2023, under the same terms, until October 31, 2024.

The Notes will automatically convert into the type of Equity Securities issued in the Next Equity Financing upon closing. The number of shares of such Equity Securities to be issued will be equal to the quotient obtained by dividing the outstanding principal and unpaid accrued interest due on the Note on the date of conversion of 50% of the price paid per share for Equity Securities by the investors in the Next Equity Financing. Equity Securities refers to Company's common stock or preferred stock and Next Equity Financing refers to the next sale (or series of related sales) by the Company of its equity securities from which the Company receives gross proceeds of not less than $10,000,000 (including the aggregate amount of debt securities converted into Equity Securities upon conversion or cancellation of promissory notes).

In the event that the Company raises aggregate additional cash proceeds of at least $10,000,000 through the sale of the Company's equity securities, excluding the sales or conversions of Notes under the Agreement, the outstanding principal amount due will automatically, and without any action on part of the holder, be converted into fully paid and non-assessable units of the Company's equity stock sold in such qualified financing at 50% of the equity stock conversion price. In connection with the Group F Convertible Notes, the Company agreed to issue an additional 214,594 shares of common stock to the Group F Holders, prorated based on such Holder's investment amount, as an inducement for their investment in the Group F Convertible Notes.

The Company, at its option, may pay all accrued, but unpaid, interest and other charges in cash or by the issuance of additional equity stock at a rate of the applicable conversion price.

The Company evaluated the Notes in accordance with ASC 480, *Distinguishing Liabilities from Equity* ("ASC 480"), and determined the Notes are considered share-settled debt and should be recorded as a liability. This conclusion was determined based on the debt providing the holder with a variable number of shares at settlement with an aggregate fair value equal to the debt instrument's outstanding principal. The general measurement guidance in ASC 480 requires obligations that can be settled in shares with a fixed monetary value at settlement (e.g., share-settled debt) to be carried at fair value unless other accounting guidance specifies another measurement attribute. It has been determined that the appropriate guidance for share-settled debt is ASC 835. As a result, the Notes were recorded at the amortized cost. On August 2, 2024, the Company consummated its initial public offering, and the convertible notes, including accrued interest, converted into shares of the Company's common stock.

NOTE 4 — CONVERTIBLE DEBT (cont.)

The convertible debt balance at June 30, 2025 and June 30, 2024 is summarized as follows:

Debt F	As of June 30, 2025	As of June 30, 2024
Principal amount outstanding	$ -	$ 3,433,500
Less: discounts (issuance, redemptions, warrants)	-	(1,212,718)
Amortization of discounts	-	874,436
Carrying value	$ -	$ 3,095,218

The balance as of December 31, 2024 was $0, as the notes converted into shares of common stock in connection with the closing of the Company's initial public offering on August 2, 2024.

Redemption Liability

The fair value of the redemption liability is calculated under Level 3 of the fair value hierarchy, is determined based upon a Probability-Weighted of Expected Returns Model ("PWERM"). This PWERM was determined to be the most appropriate method of estimating the value of possible redemption or conversion outcomes over time, since the Company did not enter into a priced equity round through June 30, 2024. The fair value of the redemption liability is calculated using the initial value of the convertible note less the debt discount rate of 12.5% in Group A, 20% in Groups B and C, and 50% in Groups D, E and F. The redemption liability is then amortized over the remaining life of the note, utilizing the interest rates of 10% and 6% respectively for the groups. The life of each note in Group A is for a set period of 3 years, and is variable in Groups B, C, D, E and F with a range of 12 months to 3 years. The Company retains the option to negotiate an extended maturity date for Groups B, C, D, E and F. The new embedded redemption values were $0 for the six months ended June 30, 2025 and the year ended December 31, 2024. On August 2, 2024, the Company consummated its initial public offering, and the convertible notes, including accrued interest, converted into shares of the Company's common stock. The redemption liability was closed to stockholders' equity on such date.

Fees Associated with Convertible Debt Raise

The fees associated with the convertible debt raise are legal and investment fees associated with the issuance of the convertible notes for Groups A, B, C, and D. There were no related parties who received these fees. The fees are amortized over the life of the convertible note utilizing an interest rate of 10% for Group A and 6% for Groups B, C, and D.

Make-whole liability — Shares due Noble Capital

In March 2020, the Company signed a new advisory agreement with Noble Capital, in lieu of cash remuneration and the company agreed to issue 4% of the Company's shares, with an anti-dilution clause. The make-whole liability represents the shares earned for the anti-dilution of their stock position over 2020 and 2021. The 2021 year-end had the Company owning an aggregate of 233,202 shares valued in the amount of $408,413, after issuing 200,000 shares in 2020. In 2021, the Company recorded an associated expense to advisory fees of $152,482 to recognize the share value earned on the anti-dilution compensation in 2021. In 2022, the Company set aside 70,624 shares to satisfy the anti-dilution clause. In 2022, the Company recorded an associated expense to advisory fees of $282,496 to recognize the share value earned on the anti-dilution compensation in the 2022.

NOTE 4 — CONVERTIBLE DEBT (cont.)

On July 1, 2023, the make-whole liability for Noble Capital was determined to be contractually nullified. The Company unwound the liability, and it is reflected in our Statement of Stockholders' Deficit.

Noble Capital and the Company settled on various investment fees in dispute, as well as the shares of the Company's common stock related to the anti-dilution clause that expired in September 2024. Noble Capital was awarded 320,033 shares of common stock and $50,000 in cash.

Make-whole liability — Shares Officers & Directors

In January 2023, 350,000 shares of Class A common stock were issued to officers, key employees, key advisors and directors, leaving 20,000 shares in the balance to be issued to Joacim Borg, a former director with a value of $80,000.

On March 1, 2023, the Company hired Alan Musso, former CFO, and, as part of his compensation contract, he was awarded 12,500 shares of common stock with a value of $4.00 per share, the $50,000 in compensation of which is reflected in the make-whole stock liability.

Alan resigned on June 30, 2023, and Christopher Acevedo, current CFO, took his position. Mr. Acevedo was awarded the balance of Mr. Musso's shares upon the successful initial public offering.

The Company's make-whole share liability is summarized in the table below as of September 30, 2024.

Name	Position	# Shares	Value	Date Earned
Alan Musso	Former CFO	3,125	$ 12,500	March 1, 2023
Christopher Acevedo	Current CFO	9,375	37,500	Upon IPO
Joacim Borg	Former Director	20,000	80,000	July 1, 2022
		32,500	$ 130,000	

The Company issued all of the make-whole shares due to the director and officers in October 2024, and therefore, the current balance due for each of the periods ended June 30, 2025 and December 31,2024 was $0.

NOTE 4 — CONVERTIBLE DEBT (cont.)

Warrants for Placement Agent — Noble Capital

In March 2020, the Company signed a new advisory agreement with Noble Capital, in lieu of cash remuneration it was provided a 10% warrant fee, in addition to cash remuneration on debt raises from Noble procured investments. The terms of the warrants are five years at an exercise price that equates to the average price the convertible debt holders paid in each debt raise round.

The number of warrants earned in 2020 was 248,855 valued at $248,855. The number of warrants earned in 2021 was 213,782, valued at $427,564. The total warrants earned as of December 31, 2022 was 162,644, valued at $325,288. No warrants were earned from 2023 to December 31, 2024.

Warrants earned in 2022, 2021 and 2020 have been accounted for as a discount to the associated convertible debt with the discounts amortized over the term of the related debt. The Debt Discount Accretion expense in warrants in the six months ended June 30, 2025 was $0 and in the six months ended June 30, 2024 was $49,840. The total unamortized discount of those warrants was $0 and $0 as of June 30, 2025 and December 31, 2024, respectively.

Warrant holders from Noble Capital exercised their warrants in cashless exercise for an aggregate of 116,313 shares of common stock out of the aggregate 621,691 shares underlying warrants held by such holders in September 2024 and exercised their remaining warrants in a reduced cashless transaction for an aggregate of 294,977 shares of common stock in December 2024.

Warrants for Underwriter and Placement Agents — Brookline Capital Markets and Ceros Financial Services, Inc.

On August 2, 2024, the Company issued a warrant to Brookline Capital Markets to purchase 112,000 shares of the Company's common stock, pursuant to an underwriting agreement entered into between the Company and Brookline. The warrant is exercisable 180 days after July 31, 2024, terminates on July 31, 2029, and has an exercise price of $4.40 per share.

On December 24, 2024, the Company entered into the Purchase Agreement and, in connection therewith, Brookline earned warrants initially exercisable into an aggregate of 39,918 shares at an initial exercise price of $4.40 per share, which were subsequently adjusted to 156,821 shares at an exercise price of $1.12 per share, and subject to further adjustment as set forth therein. The warrants are exercisable by the holder for a period of five years from April 9, 2025. As of June 30, 2025, warrants to purchase an aggregate of 156,821 shares were outstanding.

In connection with the Purchase Agreement, Ceros earned warrants initially exercisable into an aggregate of 13,951 shares at an initial exercise price of $4.40 per share, which were subsequently adjusted to 54,807 shares at an exercise price of $1.12 per share, and subject to further adjustment as set forth therein. The warrants are exercisable by the holder for a period of five years from April 9, 2025. As of June 30, 2025, warrants to purchase an aggregate of 52,872 shares were outstanding.

Short-Term Loan

An investor lent the Company $100,000 on March 7, 2024. The note is a demand note, carrying interest at 8% and was used for working capital purposes. An investor lent the Company $150,000 on June 28, 2024. The note is a demand note, carrying interest at 8% and was also used for working capital purposes. The Company repaid these loans, including accrued interest thereon, in August 2024.

NOTE 5 — TEDCO GRANT

In May of 2021, the Company received the first of two tranches from TEDCO's *Rural & Underserved Business Recovery from Impact of COVID-19 (RUBRIC) Grant* in the amount of $50,000. A second tranche of $50,000 was received in October 2021 for a total reimbursable grant amount of $100,000. The Company is obligated to report on and pay to TEDCO 3% of their quarterly revenues for a five-year period following the reward date. Income from grants and investments are not considered revenues. Royalties due to TEDCO are capped at 150% of the amount of the award or $150,000 total. The Company has the option to eliminate the quarterly royalty obligation by making an advance payment prior to the end of the five-year period, in which case, the Company will receive a 10% reduction of the royalty cap percentage for each year prior to the expiration of the five-year reimbursement period that the grant is repaid in full. If the Company ceases to meet eligibility requirements the reimbursement obligation will become due to TEDCO immediately; however, the discount for meeting the obligation will still apply.

NOTE 6 — COMMITMENTS AND CONTINGENCIES

Employee Commitments

There are no employee commitments as the Company operates on an at-will employment basis.

Rental Agreement

The Company had a rental agreement with BXP Shady Grove Lot 7 LLC, beginning in April 2023 and ending in December 2023. The payment term of the license agreement was $1,000 per month. Rent expense for the year ended December 31, 2023 was $12,000. The Company has not renewed its lease and has a mailing address at 115 Pullman Crossing Road, Suite 103, Grasonville, Maryland 21638.

The Company has rented, on a month-to-month basis, a virtual office at JLabs in New York, New York (owned by Johnson & Johnson). The current rent for Johnson and Johnson is $787.50 per month, with rent expense for the six months ended June 30, 2025 and 2024 of $5,513 and $1,750, respectively.

License Obligation and Manufacturing Agreements Advaxis (now Ayala)

The Company entered into an exclusive license agreement with Advaxis, Inc. in September 2018, as amended, pursuant to which it acquired the right to develop and commercialize Advaxis HER2 Construct, the Company's product candidate and the use of Advaxis HER2 Construct patents.

Per the agreement, all milestone payments were non-creditable and non-refundable and were due and payable upon the occurrence of the corresponding milestone event. For clarity, each milestone payment was payable only once. As of December 31, 2020, the Funding Milestone had been achieved and payment in full was made in January 2021. As of May 2021, the second milestone had been completed and paid. For the six months ended June 30, 2025 and for the year ended December 31, 2024, no payments were made. A $400,000 payment was made to Ayala, together with payment of stock consideration, in connection with the Company's purchase of the HER2 Assets on April 9, 2025, terminating this license agreement.

NOTE 6 — COMMITMENTS AND CONTINGENCIES (cont.)

The milestone events and financial terms were as follows:

	Milestone	**Amount**
1.	OST has secured funding of at least Two Million Three Hundred Thirty-Seven Thousand Five Hundred US Dollars ($2,337,500), in the aggregate (The Funding Milestone) (paid)	License Commencement Payment $1,550,000
2.	The earlier to occur of: (A) OST having secured at least Eight Million US Dollars, in the aggregate or (B) Completion of the first Clinical Trial (with "Completion" meaning that the final patient has enrolled in first Clinical Trial) (paid)	$ 1,375,000
3.	The earlier to occur of: (A) receipt of Regulatory Approval from the FDA for the First Indication of the first Licensed Product or (B) Initiation of the first Registrational Trial of the first Licensed Product in the Field	$ 5,000,000
4.	Cumulative Net Sales of all Licensed Products in excess of Twenty Million US Dollars ($20,000,000)	$ 1,500,000
5.	Cumulative Net Sales of all Licensed Products in excess of Fifty Million US Dollars ($50,000,000) Cumulative Net Sales of all Licensed Products in ex	$ 5,000,000
6.	Cumulative Net Sales of all Licensed Products in excess of One Hundred Million US Dollars ($100,000,000)	$ 10,000,000

All milestone payments were non-creditable and non-refundable and were due and payable upon the occurrence of the corresponding date or milestone, regardless of any failure by the Company to provide the notice required by Section 6.4a of the licensing agreement. For clarity, each milestone payment was payable only once. As of December 31, 2020, the first milestone had been achieved. As of January 7, 2021, the license commencement payment was paid in full. As of May 21, 2021, the second milestone had been completed and paid in full.

Additionally, on an aggregate basis across all licensed products during the royalty term, the Company agreed to pay quarterly to Advaxis royalties on net sales of licensed products, royalty rates range from a percentage in the high single digits to low double digits. No royalties were payable in the six months ended June 30, 2025 and for the year ended December 31, 2024.

In connection with the purchase of the HER2 Assets, the license agreement is terminated, and no further royalties to Ayala will be due.

BlinkBio

In July 2020, the Company entered into a Licensing Agreement with BlinkBio, Inc., to utilize their proprietary technology. As of August 2020, the $300,000 License fee was fully paid and recorded in license expense. These payments have been recorded in the Licensing expenses of the accompanying statement of operations. No payments were due or made in 2024 or the six months ended June 30, 2025. The Company is studying the drug and is pursuing science that will lead to a toxicology study; however, the work is in its early stages. A payment schedule for future milestones is summarized below.

	Milestone Bearing Event	**Milestone Payment**
1.	License Fee to utilize proprietary technology (paid)	$300,000 + $2.4 million Convertible Note
2.	Commencement of a toxicology study commented pursuant to Good Laboratory Practices (per 21 CFR Part 58) such that any resulting positive data would be admissible to applicable Regulatory Authorities to support an IND (commonly referred to as "GLP-Tox")	$ 375,000
3.	Completion of a Phase I Clinical Trial	$ 1,500,000
4.	Completion of a Phase II Clinical Trial	$ 2,500,000
5.	Filing of an NDA, BLA or MAA registration (or the equivalent in any other territory around the world)	$ 6,000,000
6.	Regulatory Approval in the first of the United States, within the EU or within the UK	$ 12,000,000

NOTE 6 — COMMITMENTS AND CONTINGENCIES (cont.)

The Company will make the cash payments set forth in the table above by wire transfer of immediately available funds, to BlinkBio within 30 days of the occurrence of each milestone set forth with respect to the first Product to attain each such milestone, except that the first Milestone above will apply with respect to The Company's first product candidate. During the Royalty Term, the Company will pay BlinkBio a royalty of 6% on Net Sales on a Product-by-Product and country-by-country basis during the Royalty Term, in a country in which no Valid Claim Covers the manufacture, use, or sale of a Product, the royalty on Net Sales of such Product in such country will be reduced to 3%. No royalties were due in the six months ended June 30, 2025 and for the year ended December 31, 2024.

For the avoidance of doubt, each milestone payment will be payable only once, and the aggregate amount of Milestone payments payable hereunder will not exceed $22,375,000. A Milestone may be achieved by the Company or a Commercial Sublicensee.

George Clinical Inc.

In June 2020, the Company entered into a Research Service Agreement, as amended, with George Clinical Inc., to use their clinical research services for the Company's study: "*An Open Label, Phase 2 Study of Maintenance Therapy with OST-HER2 after Resection of Recurrent Osteosarcoma*". Under the terms of the agreement, the Company is required to pay to George Clinical certain fees described in the fee schedule below. The total budget under the agreement is approximately $2,436,928. For the six months ended June 30, 2025 and 2024, the total research and development expenses recorded in the statement of operations was $0 and $86,687, respectively. The fee schedule for certain fees and corresponding payment amounts is set forth below.

	George Clinical Payment Schedule	**Payment Amount**
1.	Service Fee Advance (paid)	$ 49,989
2.	Service Fee Advance of $212,335 minus the amount already paid, plus PTC Fee Advance of $31,325 (paid)	$ 193,671
3.	Statistics Fees – 35% on Electronic Data Capture (EDC) Go Live Date	$ 47,740
4.	Statistics Fees – 35% on Development of SAP tables	$ 47,740
5.	Statistics Fees – 30% on Final Analysis	$ 40,920
6.	Service Fees – Remainder Due	Split monthly over course of study

George Clinical will track and invoice the Company for the number of task units completed and pass-through costs will be invoiced each month in arrears based on actual costs without mark-up. The PTC Advance Fee will be used to offset final pass-through fees payable. As of June 30, 2025, the balance due to George Clinical was $0, and the services agreement has terminated on its terms.

Biolacuna Ltd

The Company has contracted with Biolacuna Ltd, a global life sciences advisory firm, to assist with the following agencies requirements to register OST-HER2 and gain approval of its use in the respective regions:

- European Medicines Agency (EMA, Europe);
- Medicines Evaluation Board (MEB, Netherlands);
- Medicines and Healthcare products Regulatory Agency (MHRA, United Kingdom); and
- U.S. Food and Drug Administration (FDA, United States).

For the six months ended June 30, 2025, the Company has paid $459,4858 in consulting fees, with accounts payable as of June 30, 2025 of $1,118,343. The contract with Biolacuna is estimated to exceed $2.2 million in 2025.

NOTE 6 — COMMITMENTS AND CONTINGENCIES (cont.)

Trustees for the University of Pennsylvania

In connection with the purchase of the HER2 Assets, the Company was assigned by Ayala a licensing agreement with the Trustees of the University of Pennsylvania for HER2 Constructs, the Company's lead product candidate, and the use of Advaxis HER2 Constructs. The Company has agreed to pay an annual fee to the Trustees of the University of Pennsylvania. In April 2025, the Company paid a fee of $266,317 for the six months ended June 30, 2025 for the period from April 9, 2025 through April 8, 2026. In addition, the Company has agreed to pay a royalty of 1.5% of net sales related to:

- OST-HER2-related sales;
- ADXS-503-related sales;
- ADXS-504-related sales; and
- Sales related to any new immunotherapy drug candidates created from the *Lm* platform during the term of such license.

Legal Proceedings

From time to time, the Company may be involved in disputes, including litigation, relating to claims arising out of operations in the normal course of business. Any of these claims could subject the Company to costly legal expenses and, while management generally believes that there will be adequate insurance to cover different liabilities at such time the Company becomes a public company and commences clinical trials, the Company's future insurance carriers may deny coverage or policy limits may be inadequate to fully satisfy any damage awards or settlements. If this were to happen, the payment of any such awards could have a material adverse effect on the results of operations and financial position. Additionally, any such claims, whether or not successful, could damage the Company's reputation and business. The Company is currently not a party to any legal proceedings, the adverse outcome of which, in management's opinion, individually or in the aggregate, could have a material adverse effect on the Company's results of operations or financial position. The Company is currently in arbitration for a claim brought by its former investment advisor. The claim is for underwriter compensation for the Company's initial public offering in August 2025. The Company believes the claim is meritless as it awaits a formal meeting.

NOTE 7 — EQUITY

Common Stock

In 2021, the Company split common stock into two classes with fifty million shares of Class A common stock, $0.001 par value per share ("Class A Common Stock") designated and twenty million shares of Class B common stock, $0.001 par value per share ("Class B Common Stock"). On February 9, 2024, the Company changed the name of the Class A Common Stock and Class B Common Stock to combine into the name common stock, with 50,000,000 shares authorized. As of June 30, 2025 and December 31, 2024, the Company had 29,918,194 and 20,869,908 shares of common stock outstanding, respectively. Common stock has voting rights.

On August 2, 2024, the Company consummated its initial public offering and sold 1.6 million shares of common stock at a price of $4.00 per share. Concurrent with this consummation, all outstanding convertible notes, including accrued interest thereon, automatically converted into approximately 13.2 million shares of common stock, at conversion prices ranging from $0.39 per share to $2.59 per share, after applying share discounts ranging from 50% to 87.5% and valuation ceilings ranging from $5 million to $50 million, as applicable.

During the three months ended March 31, 2025, the Company issued (i) 157,407 shares of common stock in connection with its equity line of credit, (ii) 300,000 shares of common stock to a scientific and technical advisor in exchange for scientific and technical services, which will be amortized over a 12-month period with the remaining balance in prepaid expenses, and (iii) 20,000 shares of common stock to an advisor in exchange for services.

During the three months ended June 30, 2025, the Company issued (i) 3,962,129 shares of common stock in connection with conversions of Series A Preferred Stock, (ii) 2,164,215 shares of common stock in connection with the purchase of the HER2 Assets, (iii) 2,166,381 pre-funded warrants in connection with the purchase of the HER2 Assets, and (iv) 10,000 shares of common stock to an advisor in exchange for services.

During a warrant exercise inducement period from June 23 to July 10, 2025, all warrant holders of the Series A Warrants that exercised such warrants at the then-current exercise price of $1.12 per share received a new warrant to purchase a number of shares of common stock equal to the number of shares exercised. Such new warrants have an exercise price of $3.00 per share and a term of exercise of five years from the date of issuance and are immediately exercisable.

NOTE 7 — EQUITY (cont.)

Preferred Stock

In 2021, 5,000,000 shares of Preferred Stock were authorized, 1,400,000 were designated as Series A Preferred Stock, with 1,302,082 shares issued of Series A Preferred Stock. Series A Preferred Stock has 5% cumulative coupon and liquidation priority above all shares of the Company's common stock. The coupon dividends are computed at 5% of the principal per annum and are recorded monthly.

On February 9, 2024, the Series A Preferred Stock outstanding was converted to common stock on a one common share for every two preferred shares basis upon the filing of the Company's third amended and restate certificate of incorporation. Effective February 9, 2024, the company had five million shares of authorized Preferred Stock, none of which were outstanding.

The dividend due for the six months ended June 30, 2025 and for the year ended December 31, 2024 was $0 and $31,250, respectively, for a total accrued dividend payable at June 30, 2025 of $375,000

The Preferred Stock has the following rights and privileges:

Voting — Votes together with the common stock on all matters on an as-converted basis. Approval of a majority of the New Preferred Stock voting as a separate class will be required to, among other things: (i) adversely change rights of the New Preferred Stock, (ii) change the authorized number of shares of New Preferred Stock.

Conversion — Each share of New Preferred Stock is convertible into one share of common stock (subject to proportional adjustments for stock splits, stock dividends and the like) at any time at the option of the holder. Conversion ratio will be subject to adjustment on a broad-based, weighted average basis in the event of subsequent issuances at a price less than the original issue price (as adjusted) subject to customary exceptions. The conversion into common stock occurred on February 9, 2024.

Liquidation — One times the original issue price of the New Preferred Stock plus declared but unpaid dividends on each share of New Preferred Stock (or, if greater, the amount that the New Preferred Stock would receive on an as-converted basis) will be paid first on each share of New Preferred Stock, and the balance of proceeds to be paid to common stock. A merger, reorganization, or similar transaction (including a sale, exclusive license or other disposition of all or substantially all of the assets of the Company or its subsidiaries) will be treated as a liquidation, thereby triggering payment of the liquidation preference described above. For the avoidance of doubt, the liquidation preference is intended to provide the Investor (and its permitted assigns) with an aggregate liquidation payment of $2,500,000.

NOTE 7 — EQUITY (cont.)

Stock Options

The following are the common stock options issued to employees and consultants for services during the six months ended June 30, 2025:

	Common Stock Options			
	Shares	Weighted Average Exercise Price	Weighted Average Remaining Years	Intrinsic Value
Outstanding at January 1, 2025	2,866,750	$ 1.86	3.92	-
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at June 30, 2025	2,866,750	$ 1.86	3.92	-
Exercisable at June 30, 2025	-	-	-	-

The fair value of the options granted during the year ended December 31, 2024 was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	December 31, 2024
Volatility (based on peer companies)	106%
Risk Free Interest Rate	4.09
Dividends	None
Estimated Life in years	2.95

During the six months ended June 30, 2025 and 2024, the Company recognized share-based compensation expense of $1,846,464 and $0, respectively, related to common stock options. The Company expects to recognize additional compensation expense of $1,397,662 in second half of 2025 related to these common stock options assuming all awards will vest.

NOTE 8 — REDEEMABLE PREFERRED STOCK, MEZZAININE EQUITY AND WARRANT LIABILITY

Securities Purchase Agreement

On December 24, 2024, the Company entered into the Purchase Agreement with various institutional and accredited investors. The Company completed the initial closing on December 31, 2024 and sold an aggregate of 1,512,500 immediately separable units (the "Units"), each Unit consisting of (i) one share of the Company's Series A Preferred Stock, and (ii) a Warrant to purchase one share of common stock, at a price per Unit of $4.00. The Warrant has an exercise price of $4.40 per share, subject to adjustment therein, and a term of five years from the date stockholder approval of the common stock issuances contemplated by the Purchase Agreement is obtained. The gross proceeds from the initial closing to the Company, before deducting transaction fees and other estimated expenses, was $6,050,000. On January 14, 2025 the Company sold and issued an additional 263,250 Units. The gross proceeds from the second closing to the Company, before deducting transaction fees and other estimated expenses, was $1,053,000.

Based on the terms of the Series A Preferred Stock and the Company's Certificate of Designation, and in accordance with ASC 480, the Series A Preferred Stock is accounted for as mezzanine equity due to the redemption feature upon a deemed liquidation event: (i) a merger or consolidation, or (ii) the sale, lease, transfer or other disposition of substantially all the assets of the Company. $1,971,975 of the initial cash proceeds of $6,050,000 were allocated to the Warrants and $4,078,025 of the residual proceeds were allocated to the Series A Preferred Stock. $330,781 of the additional cash proceeds of $1,053,000 were allocated to the Warrants and $722,219 of the residual proceeds were allocated to the Series A Preferred Stock from the January 14, 2025 settlement, with all the same terms as the first settlement above.

The Mezzanine Equity during the period from April 9, 2025 through June 30, 2025 had converted to 3,962,129 shares of common stock. Of the original 1,775,750 shares of Series A Preferred Stock, a total of 1,109,500 shares were converted during this period.

NOTE 8 — REDEEMABLE PREFERRED STOCK, MEZZAININE EQUITY AND WARRANT LIABILITY (cont.)

Based on the terms of the Warrants and in accordance with ASC 815, the Warrants are accounted for as a liability due to the variable exercise price subject to adjustment. Currently, there is not an observable market for this type of derivative. Due to the lack of relevant and market reflective Level 1 and Level 2 inputs, the Company valued the Warrant liability using Level 3 inputs, which require significant judgment and estimates on behalf of management in developing model assumptions. The Company determined the value of the Warrant liability using a Binomial Simulation, which takes into consideration the fair market value of the Company's stock, the variable nature of the exercise price, the estimated exercise period, the volatility of its common stock, and the risk-free interest rate.

The following assumptions were made as of December 31, 2024 in the model: (1) a variable exercise price with a floor of $4.40 per share, (2) current common stock price of $4.28 per share December 31, 2024, (3) discount rate of 4.38%, and (4) expected stock price volatility of 24.90%. As of December 31, 2024, the carrying value of the Warrant liability in aggregate was $1,971,975 on December 31, 2024. The following assumptions were made as of January 14, 2025 in the model: (1) a variable exercise price with a floor of $4.40 per share, (2) current common stock price of $4.16 per share on January 14, 2025, (3) discount rate of 4.59%, and (4) expected stock price volatility of 25.77%. As of January 14, the carrying value of the 263,250 issued warrants was $330,781.

The following assumptions were made as of April 9, 2025 based on stockholder approval in the model for the aggregate warrants: (1) a fixed exercise price of $1.12 per share, which automatically reset and resulted in a reclassification of the warrant liability on April 9, 2025 to equity per ASC 815; (2) then-current common stock price of $1.34 per share on April 9, 2025; (3) discount rate of 4.06%; and (4) expected stock price volatility of 23.26%.

As of June 30, 2025, the carrying value of the Warrant liability in aggregate was $0. For the six months ended June 30, 2025, the Company recorded a gain on the change in fair value of the Warrant Liability in the amount of $1,424,603 and a $878,153 deduction due to reclassification to equity. As of June 30, 2025 and December 31, 2024, the carrying value of the Warrant liability in aggregate was $0 and $1,971,975, respectively.

The Series A Preferred Stock and Warrants were issued in a basket transaction. When two or more instruments are issued in a basket transaction and some instruments will be remeasured at fair value, the proceeds are first allocated to the instruments recorded at their fair value. Next, the residual method is used to allocate the proceeds to the instrument(s) that are not remeasured at fair value. In this case, the Warrant is subsequently measured at fair value, and the Series A Preferred Stock instrument is measured at initial carrying value. The Company will first allocate the proceeds to the Warrant liability, with the residual allocated to the Series A Preferred Stock liability. The following tables reflect the allocation of the cash proceeds and changes in Warrant Liability in the consolidated statement of operations as of and for the period from December 31, 2024 to June 30, 2025.

	As of June 30, 2025
Cash proceeds	$ 7,103,000
Fair value of Warrant liability	(2,302,756)
Residual value allocated to Series A Preferred Stock	(4,800,244)
Unallocated cash proceeds	$ -

	For the six months ended June 30, 2025
Warrant Liability as of December 31, 2024	$ 1,971,975
Additional Warrant Liability on January 14, 2025	330,781
Gain on the change in fair value of Warrant Liability as of March 31, 2025	(1,122,561)
Warrant Liability as of March 31, 2025	1,180,195
Gain on the change in fair value of Warrant Liability as of April 9, 2025	(302,042)
Stockholder approval on April 9, 2025 - warrants turn into Equity	(878,153)
Warrant Liability as of June 30, 2025	$ —

NOTE 9 — SEGMENT AND GEOGRAPHIC INFORMATION

The Company operates as one operating segment. The Company's chief operating decision maker ("CODM") is its Chief Executive Officer, who reviews financial information presented on a consolidated basis. The CODM uses consolidated operating margin and net income to assess financial performance and allocate resources. These financial metrics are used by the CODM to make key operating decisions, such as the determination of the rate at which the Company seeks to grow global operating margin and the allocation of budget between cost of revenues, sales and marketing, technology and development, and general and administrative expenses.

The following table presents selected financial information with respect to the Company's single operating segment for the three and six months ended June 30, 2025 and 2024:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
OPERATING EXPENSES				
Research & Development	$ 2,499,498	$ 396,567	$ 3,808,653	$ 758,376
General & Administrative	2,339,230	383,233	6,029,561	651,656
Loss from Operations	(4,838,728)	(779,800)	(9,838,214)	(1,410,032)
OTHER INCOME/EXPENSE				
Interest Income	64	1	130	1
Interest Expense	-	(777,681)	-	(1,606,441)
Change in Fair Value of Warrant Liability	302,042	-	1,424,603	-
TOTAL OTHER INCOME/EXPENSE	302,106	(777,680)	1,424,733	(1,606,440)
NET LOSS	(4,536,622)	(1,557,480)	(8,413,481)	(3,016,472)

NOTE 10 — SUBSEQUENT EVENTS

Series A Warrant Exercises – From July 1, 2025 through the date of this filing, an aggregate of 1,621,060 shares of common stock have been issued upon exercise of the Series A Warrants.

Series A Preferred Stock Conversions – From July 1, 2025 through the date of this filing, an aggregate of 352,679 shares of common stock have been issued upon conversion of the Series A Preferred Stock.

Filing of Registration Statement on Form S-3 – On August 8, 2025, the Company filed a registration statement on Form S-3, containing (i) a base prospectus, which covers the offering, issuance and sale by the Company of up to $100,000,000 in the aggregate of the securities identified therein from time to time in one or more offerings, and (ii) an at the market offering prospectus supplement, which covers the offer, issuance and sale of up to a maximum aggregate offering price of up to $18,000,000 of the Company's common stock that may be issued and sold from time to time under an at market issuance sales agreement. As of the date of this report, the Company has not sold any securities under the Form S-3.

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

The following discussion and analysis of the financial condition and results of operations of OS Therapies Incorporated ("OS Therapies," the "Company," "we," "our" or "us") should be read in conjunction with the financial statements and notes thereto appearing in Part I, Item 1 of this report. In the following discussions, most percentages and dollar amounts have been rounded to aid presentation, and, accordingly, all amounts are approximations.

Cautionary Note Regarding Forward-Looking Statements

This report contains "forward-looking statements" (within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), which may include information concerning our beliefs, plans, objectives, goals, expectations, strategies, anticipations, assumptions, estimates, intentions, future events, future revenues or performance, capital expenditures and other information that is not historical information. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. When used in this report, the words "seek," "estimate," "expect," "anticipate," "project," "plan," "contemplate," "plan," "continue," "intend," "believe" and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements are based upon our current expectations and various assumptions. We believe there is a reasonable basis for our expectations and beliefs, but there can be no assurance that we will realize our expectations or that our beliefs will prove to be correct.

There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in this report. Examples of risks and uncertainties that could cause actual results to differ materially from historical performance and any forward-looking statements include, but are not limited to, the risks described under the section below titled "Risk Factors" and in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 31, 2025, as well as any subsequent filings with the SEC.

There may be other factors of which we are currently unaware or which we currently deem immaterial that may cause our actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date they are made and are expressly qualified in their entirety by the cautionary statements included in this report. Except as may be required by law, we undertake no obligation to publicly update or revise any forward-looking statement to reflect events or circumstances occurring after the date they were made or to reflect the occurrence of unanticipated events, or otherwise.

We make available through our Internet website, free of charge, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to such reports and other filings made by us with the SEC, as soon as practicable after we electronically file such reports and filings with the SEC. Our website address is www.ostherapies.com. The information contained on our website is not incorporated by reference into this report.

Overview

We are a clinical stage biopharmaceutical company focused on the identification, development and commercialization of treatments for Osteosarcoma (OS) and other solid tumors. Our mission is to address the significant need for new treatments in cancers of the bone in children and young adults. Osteosarcoma is an extremely challenging and often aggressive cancer that has particular treatment challenges due to its location, changing genotypes and high metastases rates. We are currently seeking to answer the call for new treatments that will prevent metastasis and the recurrence of metastases with our lead core product candidate OST-HER2 (also known as OST31-164), a cancer immunotherapy product candidate that produces a cellular immune response against the cancer antigen HER2. In 2021, we opened a clinical study to produce data for the U.S. Food and Drug Administration (FDA) to evaluate the safety and efficacy of OST-HER2 in patients after resection of recurrent Osteosarcoma, which achieved full enrollment of 41 patients in October 2023. In June 2025, we participated in a Type D meeting with the FDA and subsequently received positive written feedback regarding the design and endpoints of our Phase IIb trial of OST-HER2 to support a potential Biologics License Application (BLA). Based on this feedback, we have submitted a Breakthrough Therapy Designation request and, subject to continued positive regulatory guidance, plan to submit a BLA for OST-HER2 following our End of Phase 2 meeting with the FDA, anticipated in the third quarter of 2025. Upon success in gaining regulatory approval from the FDA with OST-HER2 in Osteosarcoma, we intend to evaluate OST-HER2's potential use, both alone and in combination with HER2 targeting antibodies such as Herceptin®, in other solid tumors including breast, esophageal and lung cancers. OST-HER2 has potential uses in both the prevention of metastases in solid tumors, and therapeutically against HER2-expressing solid tumors treated with HER targeting antibodies.

We also own rights to OST-Tunable Drug Conjugate (OST-tADC) platform, a next generation antibody-drug conjugate (ADC) silicone dioxide linker technology. "Tunable" is a term used in drug development that refers to the properties that can be influenced by chemical modifications, and "antibody-drug conjugate" or ADC is a term used to describe a drug made up of a monoclonal antibody attached to a cytotoxic payload, or a highly active and toxic pharmaceutical molecule, through chemical linkers. The ADC links an antibody that can home in on a targeted tumor to deploy the cytotoxic payload or toxic agent against the tumor. Furthering our founding mission, we intend to investigate clinical indications for OST-tADC in Osteosarcoma and other solid tumors.

Recent Developments

PIPE Financing

On December 24, 2024, we entered into a Securities Purchase Agreement (the "PIPE Purchase Agreement") with certain institutional and accredited investors (collectively, the "Purchasers"), substantially all of whom were existing stockholders of our company, pursuant to which we agreed to issue and sell to the Purchasers immediately separable units (the "Units"), with each Unit being comprised of (i) one share of Series A senior convertible preferred stock ("Series A Preferred Stock") and (ii) a warrant to purchase one share of common stock (each, a "Series A Warrant" and such shares, the "Warrant Shares"), at a price per Unit of $4.00, for aggregate gross proceeds of not less than $6 million and not more than $10 million (the "PIPE Financing"). At two closings occurring on December 31, 2024 and January 14, 2025, we issued to the PIPE investors an aggregate of (i) 1,775,750 shares of Series A Preferred Stock and (ii) Series A Warrants initially exercisable into 1,775,750 shares of common stock. The gross proceeds from the PIPE Financing, before deducting transaction fees and other estimated PIPE Financing expenses, were approximately $7,103,000.

Brookline Capital Markets, a division of Arcadia Securities, LLC ("Brookline"), acted as exclusive placement agent for the issuance and sale of the securities in the PIPE Financing. We agreed to pay Brookline an aggregate cash fee (the "Cash Fee") equal to (i) 7% of the gross proceeds received by us from the sale of the securities in the PIPE Financing to Purchasers other than certain Purchasers identified on a schedule thereto ("Reduced Fee Purchasers") plus (ii) 3% of the gross proceeds received by us from the sale of the securities in the PIPE Financing to Reduced Fee Purchasers, plus expenses; provided that Ceros Financial Services, Inc., Brookline's selected dealer for the PIPE Financing ("Ceros"), is entitled to up to 33.3% of the Cash Fee.

In addition, we agreed to pay Brookline or its designee a fee in the form of warrants to purchase shares of common stock (the "Agent Warrants"). The Agent Warrants are initially exercisable into a number of shares of common stock equal to (i) 7% of the number of shares of common stock initially issuable pursuant to the shares of Series A Preferred Stock issued to Purchasers other than Reduced Fee Purchasers in the PIPE Financing plus (ii) 3% of the number of shares of common stock initially issuable pursuant to the shares of Series A Preferred Stock issued to the Reduced Fee Purchasers in the PIPE Financing; provided that, Ceros is entitled to up to 33.3% of the Agent Warrants. The terms of the Agent Warrants are substantially similar to the terms of the Series A Warrants. At two closings occurring on December 31, 2024 and January 14, 2025, (i) Brookline received an aggregate cash fee of $159,685 and the right to receive Agent Warrants initially exercisable for an aggregate of 39,918 shares of common stock, and (ii) Ceros received an aggregate cash fee of $79,723 and the right to receive Agent Warrants initially exercisable for an aggregate of 19,930 shares of common stock.

The PIPE Purchase Agreement required us to seek stockholder approval for any transactions contemplated by the PIPE Purchase Agreement and the related documents for which the rules of the NYSE American require stockholder approval ("Stockholder Approval") and to hold a special meeting of stockholders for the purpose of obtaining Stockholder Approval not later than April 9, 2025.

On April 9, 2025, we convened a Special Meeting of Stockholders (the "Special Meeting") for the Stockholder Approval, in accordance with NYSE American LLC Company Guide Section 713(a), of the issuance of shares of our common stock upon (i) the conversion of 1,775,750 shares of Series A Preferred Stock, (ii) the exercise of the Series A Warrants, and (iii) the exercise of the Agent Warrants in connection with our PIPE Financing, in each case without regard to any limits on conversion or exercise therein and in amounts collectively equal to or exceeding 20% of our common stock outstanding as of December 24, 2024 (including upon the operation of applicable price reset and anti-dilution provisions and/or the reduction of conversion prices and exercise prices) (the "Issuance Proposal"). The Issuance Proposal was approved by the affirmative vote of a majority of the votes cast by our stockholders at the Special Meeting.

Our Acquisition of HER2 and Lm-Related Assets

On April 9, 2025, pursuant to the terms of an Asset Purchase Agreement, dated as of January 28, 2025 (the "HER2 Purchase Agreement"), between us and Ayala Pharmaceuticals, Inc., a Delaware corporation formerly known as Advaxis, Inc. ("Ayala"), we completed the acquisition of the *Lm*-based immune-oncology programs and related intellectual property assets (the "HER2 Assets") from Ayala. The HER2 Assets include two investigational new drug (IND) filings with the FDA: (i) ADXS-503 for non-small cell lung cancer; and (ii) ADXS-504 for prostate cancer.

In consideration for the purchase of the HER2 Assets, we agreed to assume certain specified liabilities and to pay an aggregate purchase price of $8,000,000, which was paid as follows: (i) $400,000 to Ayala ($150,000 of which was transferred upon signing of the HER2 Purchase Agreement and the remainder on the closing date); (ii) $100,000 to a third party on behalf of Ayala on the closing date; and (iii) $7,500,000 worth of shares of our common stock, or 4,774,637 shares based on the volume-weighted average price of the Company's common stock over the 30 trading days immediately preceding the closing date (the "Ayala Consideration Shares").

Because the issuance of the Ayala Consideration Shares would have required us to issue more than 19.99% of our outstanding common stock immediately prior to such issuance (the "NYSE Ownership Limitation"), we issued to Ayala (i) 2,164,215 shares of common stock, and (ii) a warrant to purchase 2,166,381 shares of common stock (the "Ayala Warrant" and the shares of common stock issuable thereunder, the "Ayala Warrant Shares"). Once we obtain stockholder approval in accordance with NYSE American LLC Company Guide Section 713, we will subsequently issue to Ayala the remaining 444,041 shares of common stock (the "Ayala Additional Consideration Shares"), except that, if at that time, the number of shares of common stock beneficially owned by Ayala would exceed 9.99% of the number of shares of our common stock then outstanding, Ayala has the right to require us to issue, in lieu of such shares, a warrant to purchase 444,041 on substantially the same terms of the Ayala Warrant.

Ayala entered into a lock-up agreement, pursuant to which, and subject to the terms and conditions set forth therein, Ayala has agreed not to trade or transfer, subject to certain customary exceptions, any of the Ayala Consideration Shares (including the Ayala Warrant Shares) for a period of 180 days following the closing of the transaction.

Warrant Exercise Inducement and Exchange Offer

On July 11, 2025, we completed a final closing of a warrant exercise inducement and exchange offer (the "Offering"). The Offering was made to holders (the "Holders") of certain of our existing warrants to purchase shares of our common stock, having a then current exercise price of $1.12 per share, originally issued to the Holders pursuant to the PIPE Purchase Agreement (the "Existing Warrants"), during the period beginning on June 20, 2025 and ending at 5:00 p.m., Eastern time, on July 10, 2025 (the "Inducement Period").

During the Inducement Period, we entered into inducement offer letter agreements (the "Inducement Letters") with the Holders of Existing Warrants, pursuant to which the Holders agreed to exercise for cash their Existing Warrants to purchase an aggregate of 3,764,995 shares of our common stock in consideration of our agreement to issue new warrants (the "New Warrants") to purchase up to an aggregate of 3,764,995 shares of our common stock (the "New Warrant Shares") at an exercise price of $3.00 per share, subject to adjustment as provided therein. The New Warrants are immediately exercisable from the date of issuance and have a term of exercise of five years from such date.

We engaged an SEC registered broker dealer and FINRA member (the "Solicitation Agent") to act as our exclusive warrant solicitation agent in connection with the Offering and agreed to pay the Solicitation Agent a cash fee equal to 5.0% of the total gross cash proceeds received from the exercise by the Holders of their Existing Warrants during the Inducement Period. We also agreed to pay the Solicitation Agent up to $15,000 for its reasonable legal and other expenses.

The gross proceeds to us from the Offering, before deducting transaction fees and other estimated Offering expenses, were approximately $4,216,794. We intend to use the net proceeds to support U.S. and international regulatory and pre-commercial efforts aimed at securing marketing authorizations for OST-HER2 in the prevention or delay of recurrent, fully resected, pulmonary metastatic osteosarcoma, advance strategic alternatives for our OS Animal Health subsidiary, close out and report on our OST-504 (previously ADXS-504) prostate cancer study, initiate AI-driven next-generation tADC product candidate modeling and for general corporate purposes.

We also agreed to file a registration statement on Form S-3 (or other appropriate form, including on Form S-1, if we are not then eligible to register securities on Form S-3) (the "Resale Registration Statement") providing for the resale of the shares of common stock issued or issuable upon exercise of the New Warrants, within 30 calendar days of the final closing, and to use commercially reasonable efforts to have such Resale Registration Statement declared effective by the SEC within 60 calendar days (or within 90 calendar days in case of "full review" of the Resale Registration Statement by the SEC) following the initial filing of such Resale Registration Statement and to keep the Resale Registration Statement effective at all times until the earlier of (i) the time no holder of the New Warrants owns any New Warrants or New Warrant Shares and (ii) the Delegend Date (as defined in the Inducement Letters).

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). The preparation of our financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, costs and expenses, and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those that, in management's view, are most important to the portrayal of a company's financial condition and results of operations and most demanding on their calls on judgment, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. While our significant accounting policies are described in more detail in Note 2 to our financial statements appearing elsewhere in this annual report, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements.

Warrant Liability

We do not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. We evaluate all of our financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and FASB ASC Topic 815, "Derivatives and Hedging" ("ASC 815"). The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

The Series A Warrants issued in connection with the Purchase Agreement are recognized as a derivative liability in accordance with ASC 815. We recognize the warrant instruments as a liability at fair value and adjust the instruments to fair value at each reporting period. The liability is subject to re-measurement at each balance sheet date until exercised or reclassified, and any change in fair value is recognized in our consolidated statements of operations. The fair value of the Series A Warrants was measured using a Binomial simulation model. The determination of the fair value of the warrant liability may be subject to change as more current information becomes available, and accordingly, the actual results could differ significantly. The derivative warrant liability is classified as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

Components of Our Results of Operations

Revenue. We did not recognize revenues for the six months ended June 30, 2025 and 2024.

Operating Expenses. Our operating expenses are comprised primarily of research and development expenses, general and administrative expenses and licensing costs.

Research and Development Expenses. Research and development expenses consist primarily of costs incurred for our research activities, including our drug discovery efforts, and the development of our product candidates, which include:

- personnel-related costs, including salaries, benefits and stock-based compensation expense, for employees engaged in research and development functions;
- expenses incurred in connection with our research programs, including under agreements with third parties, such as consultants and contractors and CROs;

- the cost of developing and scaling our manufacturing process and manufacturing drug substance and drug product for use in our research and preclinical and clinical studies, including under agreements with third parties, such as consultants and contractors and contract development and manufacturing organizations (CDMOs); and

- the cost of laboratory supplies and research materials.

We track our direct external research and development expenses on a program-by-program basis. These consist of costs that include fees, reimbursed materials, and other costs paid to consultants, contractors, CDMOs, and CROs in connection with our preclinical, clinical and manufacturing activities. We do not allocate employee costs, costs associated with our discovery efforts, and facilities expenses, including depreciation or other indirect costs, to specific product development programs because these costs are deployed across multiple programs and, as such, are not separately classified.

We expect that our research and development expenses will increase substantially as we advance OST-HER2 and OST-tADC into clinical development and expand our discovery, research and preclinical activities.

General and Administrative Expenses. General and administrative expenses consist primarily of salaries and related costs, including stock-based compensation, for personnel in executive, finance and administrative functions. General and administrative expenses also include professional fees for legal, consulting, investor and public relations and accounting and audit services.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support our continued research activities and development of our product candidates. We also anticipate that we will incur increased accounting, audit, legal, regulatory, compliance, and director and officer insurance costs as well as investor and public relations expenses associated with operating as a public company.

Licensing Costs. Costs incurred in obtaining technology licenses and asset purchases are charged to licensing costs if the technology licensed has not reached technological feasibility which includes manufacturing, clinical, intellectual property and/or regulatory success which has no alternative future use. The licenses purchased by us require substantial completion of research and development and regulatory and marketing approval efforts in order to reach technological feasibility.

Interest Expense. We evaluated the convertible notes issued by us from July 2018 to April 2024 in accordance with ASC 480, Distinguishing Liabilities from Equity ("ASC 480"), and determined the convertible notes are considered share-settled debt and should be recorded as a liability. This conclusion was determined based on the debt providing the holder with a variable number of shares at settlement with an aggregate fair value equal to the debt instrument's outstanding principal. The general measurement guidance in ASC 480 requires obligations that can be settled in shares with a fixed monetary value at settlement (e.g., share-settled debt) to be carried at fair value unless other accounting guidance specifies another measurement attribute. It has been determined that the appropriate guidance for share-settled debt is ASC 835. As a result, the convertible notes were recorded at the amortized cost.

Cumulative Series A Preferred Stock Dividend. The Series A preferred stock dividend requirement represents the coupon dividends on our preferred stock that has since been converted and is identified as a separate component of our statement of operations to compute net income (loss) available to common stockholders. The coupon dividends are computed at 5% of the principal per annum and are recorded monthly. The cumulative accrued dividend as of June 30, 2025 and December 31, 2024 were $375,000 and $375,000, respectively. The Series A preferred stock was converted into common stock on a 1:1 basis in February 2024, and the last coupon dividend was issued in the quarter ended March 31, 2024.

Income Taxes. Since our inception, we have not recorded income tax benefits for the net operating losses incurred or the research and development tax credits generated in each year, due to the uncertainty of realizing a benefit from those items.

For years ended December 31, 2024 and December 31, 2023, we had federal net operating loss ("NOLs") of $22,236,580 and $16,269,893, respectively. The 2019 NOL carryforward of $292,144 will expire in tax years up through 2037. The NOLs generated in tax years 2020 and beyond will carry forward indefinitely, but the deductibility of such federal NOLs is limited. We have provided a valuation allowance to offset the deferred tax assets due to the uncertainty of realizing the benefits of the net deferred tax asset.

Our issuances of common stock have resulted in ownership changes as defined by Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"); however, we have not conducted a Section 382 study to date. It is likely that a future analysis may result in the conclusion that a substantial portion, or perhaps substantially all, of our NOL carryforwards and R&D tax credit carryforwards will expire due to the limitations of Sections 382 and 383 of the Code. As a result, the utilization of the carryforwards may be limited, and a portion of the carryforwards may expire unused. We are subject to U.S. federal tax examinations by tax authorities for the year 2021 due to the fact that NOL carryforwards exist going back to 2019 that may be utilized on a current or future year tax return.

Deferred Offering Costs. Deferred offering costs consisted of legal, accounting, printing and filing fees that we capitalized, which were offset against the gross proceeds from our initial public offering.

Results of Operations

Three and Six Months Ended June 30, 2025 Compared to Three and Six Months Ended June 30, 2024

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

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
OPERATING EXPENSES				
Research & Development	$ 2,499,498	$ 396,567	$ 3,808,653	$ 758,376
General & Administrative	2,339,230	383,233	6,029,561	651,656
Loss from Operations	(4,838,728)	(779,800)	(9,838,214)	(1,410,032)
OTHER INCOME/EXPENSE				
Interest Income	64	1	130	1
Interest Expense	-	(777,681)	-	(1,606,441)
Change in Fair Value of Warrant Liability	302,042	-	1,424,603	-
TOTAL OTHER INCOME/EXPENSE	302,106	(777,680)	1,424,733	(1,606,440)
NET LOSS	(4,536,622)	(1,557,480)	(8,413,481)	(3,016,472)

Research and Development Expenses. Research and development expenses were approximately $3.8 million for the six months ended June 30, 2025 compared to approximately $0.8 million for the six months ended June 30, 2024. This increase was primarily due to an increase in vendor expenses associated with our Phase IIb clinical trial, as we compile data to submit to various governmental agencies, and a decrease in vendor expenses associated with out OST-tADC platform technology.

Research and development expenses were approximately $2.5 million for the three months ended June 30, 2025 compared to approximately $0.4 million for the three months ended June 30, 2024. This increase was primarily due to an increase in vendor expenses associated with our Phase IIb clinical trial, as we compile data to submit to various governmental agencies, and a decrease in vendor expenses associated with out OST-tADC platform technology.

The following table summarizes our research and development expenses for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2025**	**2024**	**2025**	**2024**
Direct research and development expenses by program:				
OST-HER2	$ 2,133	$ 291	$ 3,054	$ 543
OST-tADC	-	-	-	-
Unallocated research and development expenses:				
Personnel-related	367	106	755	215
Total research and development expenses	$ 2,500	$ 397	$ 3,809	$ 758

For the six months ended June 30, 2025 and 2024, the direct research and development expenses related to OST-HER2 were primarily lab fees, vendor expenses and staff payroll fees. In 2025, such expenses were primarily lab fees and related clinical support of approximately $1.0 million attributed to our Phase IIb clinical trial preparation, advisor fees of $1.9 million, and legal costs of $0.1 million as we completed IND-enabling studies. OST-tADC related direct research and development expenses were approximately $0.0 million and $0.0 million for the six months ended June 30, 2025 and 2024, respectively.

For the three months ended June 30, 2025 and 2024, the direct research and development expenses related to OST-HER2 were primarily lab fees, vendor expenses and staff payroll fees. In 2025, such expenses were primarily lab fees and related clinical support of approximately $0.6 million attributed to our Phase IIb clinical trial preparation, and advisor fees of $1.4 million, as we completed IND-enabling studies. OST-tADC related direct research and development expenses were approximately $0.0 million and $0.0 million for the three months ended June 30, 2025 and 2024, respectively.

General and Administrative Expenses. General and administrative expenses for the six months ended June 30, 2025 were approximately $6.0 million compared to $0.7 million for the six months ended June 30, 2024. These expenses were primarily attributed to marketing and investor relations costs and advisory fees associated with the PIPE Financing and equity line of credit.

General and administrative expenses for the three months ended June 30, 2025 were approximately $2.3 million compared to $0.4 million for the three months ended June 30, 2024. These expenses were primarily attributed to marketing and investor relations costs and advisory fees associated with the PIPE Financing and equity line of credit.

Interest Expense. Interest expense for the six months ended June 30, 2025 was approximately $0.0 million compared to $1.6 million for the six months ended June 30, 2024.

Interest expense for the three months ended June 30, 2025 was approximately $0.0 million compared to $0.8 million for the three months ended June 30, 2024.

Change in Fair Value of Warrant

The Series A preferred stock coupon dividend requirement of $31,250 for the six months ended June 30, 2024 represents an expense that terminated during the period ended March 31, 2024 upon the conversion of our old Series A preferred shares into shares of our common stock. We issued Series A convertible preferred stock and detachable warrants on December 31, 2024 and January 14, 2025. The adjustment of the fair value of the warrant liability was $1.4 million and $0.0 million for the six months ended June 30, 2025 and 2024, respectively.

Liquidity and Capital Resources

Operating Losses

Since our inception, we have incurred significant operating losses. Our ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of our product candidates. For the six months ended June 30, 2025 and 2024, we reported a net loss of approximately $8.4 million and $3.0 million, respectively, and had an accumulated deficit of approximately $47 million and $33 million, respectively. We expect to incur significant expenses at an increasing rate and increasing operating losses for the foreseeable future. For the three months ended June 30, 2025 and 2024, we reported a net loss of approximately $4.5 million and $1.6 million, respectively.

As of June 30, 2025 and December 31, 2024, we had cash of approximately $2.8 million and $5.5 million, respectively. We have funded our operations to date primarily from the sale of our convertible notes and Series A securities in our private placements and cash exercises of our warrants, as well as the sale of our common stock in our initial public offering, which have provided total gross proceeds of $37.1 million as of June 30, 2025. We believe that the net proceeds from our private placements and initial public offering, together with our existing cash, will enable us to fund our operating expenses and capital expenditure requirements for the next nine to 12 months.

Cash Flows

The following table summarizes our sources and uses of cash for the six months ended June 30, 2025 and 2024:

	June 30,	
(In thousands)	**2025**	**2024**
Cash used in operating activities	$ (5,869)	$ (1,523)
Cash used in investing activities	(400)	-
Cash provided by financing activities	3,537	1,579
Net increase (decrease) in cash	$ (2,732)	$ 56

Operating Activities

During the six months ended June 30, 2025 and 2024, operating activities used approximately $5.9 million and $1.5 million of cash, respectively, resulting from our net loss of approximately $8.4 million and $3.0 million, respectively, offset by net non-cash charges of approximately $1.4 million and $1.1 million, respectively, partially offset by net cash provided by changes in our operating assets and liabilities of approximately $1.2 million and $0.4 million, respectively.

Net cash provided by changes in our operating assets and liabilities for the six months ended June 30, 2025 and 2024 consisted primarily of an increase (decrease) in accounts payable of approximately $1.1 million and $(0.05) million, respectively, an increase in accrued interest of approximately $0.0 million and $0.5 million, respectively, and a change in prepaid expenses of approximately $0.4 million and $(0.0) million, respectively. The change in accrued expenses of approximately $(0.15) million and $0.3 million was a portion of the use.

Non-cash charges for the six months ended June 30, 2025 and 2024 were primarily the result of the changes in the fair value of our warrant liability of $(1.4) million and $0.0 million, respectively, combined with our common stock shares issued for service and our stock-based compensation of approximately $2.7 million and $0.0 million, respectively. Changes in accounts payable, accrued expenses and other current liabilities and prepaid expenses and other current assets in all periods were generally due to growth in our business, the advancement of our research programs and the timing of vendor invoicing and payments.

Investing Activities

During the six months ended June 30, 2025 and 2024, net cash used in investing activities was approximately $0.4 million and $0.0 million, respectively.

Financing Activities

For the six months ended June 30, 2025 and 2024, net cash provided by financing activities was approximately $3.5 million and $1.6 million, respectively. For the six months ended June 30, 2025, we saw funds raised from our Series A securities offering of $1.1 million and our warrant inducement exercise offering of $2.5 million.

Convertible Notes. We completed seven separate private financing transactions from July 2018 to April 2024 in which we issued convertible notes and raised total gross proceeds of $19,426,449 from accredited investors. All of the convertible notes were automatically converted into shares of our common stock at the closing of our initial public offering.

Demand Notes. On March 6, 2024 and June 28, 2024, we issued demand promissory notes to a lender who was an investor in one of our prior convertible notes rounds in a principal amount of $100,000 and $150,000, respectively. The demand notes bear interest at a rate of 8% per annum and the principal plus all accrued interest is payable upon demand by such lender. If such notes are not paid on demand by us, interest will accrue at a rate of the lesser of 16% per annum and the highest rate of interest allowable under Maryland law.

As of August 14, 2024, we repaid the demand notes in full.

BlinkBio. On August 19, 2020, we issued a convertible note with a principal amount of $2,400,000 (the "BlinkBio Convertible Note") to BlinkBio, Inc., which was a related party because our former Chairman, Colin Goddard, Ph.D., is the Chairman and Chief Executive Officer of BlinkBio, in exchange for the entry into the license agreement. On March 15, 2021, the principal and unpaid accrued interest of $100,000 of the BlinkBio Convertible Note converted into 1,302,082 shares of our Series A preferred stock and then distributed to BlinkBio stockholders. The BlinkBio Convertible Note had a conversion capitalization ceiling of $19.2 million, which limited the price a noteholder must pay in a convertible note-to-common stock conversion occurrence. On February 9, 2024, the 1,302,082 shares of our Series A preferred stock were converted into 651,041 shares of common stock (on a post-split basis).

TEDCO Grant. In May 2021, we received the first of two tranches from TEDCO's Rural & Underserved Business Recovery from Impact of Covid-19 (RUBRIC) Grant in the amount of $50,000. In October 2021, we received the second tranche of $50,000, which brought the total reimbursable grant amount to $100,000. We are obligated to report on and pay to TEDCO 3% of their quarterly revenues for a five-year period following the reward date. Income from grants and investments are not considered revenues. Royalties due to TEDCO are capped at 150% of the amount of the award, or $150,000. We have the option to eliminate the quarterly royalty obligation by making an advance payment prior to the end of the five-year period, in which case, we will receive a 10% reduction of the royalty cap percentage for each year prior to the expiration of the five-year reimbursement period that the grant is repaid in full. If we cease to meet eligibility requirements at any time, the reimbursement obligation will become due to TEDCO immediately; however, the discount for meeting the obligation will still apply.

PIPE Financing

On December 24, 2024, we entered into the PIPE Purchase Agreement with the selling stockholders, substantially all of whom were existing stockholders of the Company, pursuant to which we agreed to issue and sell to the selling stockholders the Units for aggregate gross proceeds of not less than $6 million and not more than $10 million. At two closings occurring on December 31, 2024 and January 14, 2025, we issued to the selling stockholders an aggregate of (i) 1,775,750 shares of Series A Preferred Stock and (ii) Series A Warrants initially exercisable into 1,775,750 shares of common stock. The gross proceeds from the closing of the PIPE Financing, before deducting transaction fees and other estimated PIPE Financing expenses, were approximately $7,103,000. The Purchase Agreement requires us to seek stockholder approval for any transactions contemplated by the Purchase Agreement and the related documents for which the rules of the NYSE American require stockholder approval ("Stockholder Approval") and to hold a special meeting of stockholders for the purpose of obtaining Stockholder Approval not later than April 10, 2025. In the event Stockholder Approval is not obtained at the first meeting, we are required to call a meeting every four months seeking Stockholder Approval until Stockholder Approval is obtained.

On April 9, 2025, we convened the Special Meeting for the Stockholder Approval, in accordance with NYSE American LLC Company Guide Section 713(a), of the issuance of shares of our common stock upon (i) the conversion of 1,775,750 shares of Series A Preferred Stock, (ii) the exercise of the Series A Warrants, and (iii) the exercise of the Agent Warrants in connection with our PIPE Financing, in each case without regard to any limits on conversion or exercise therein and in amounts collectively equal to or exceeding 20% of our common stock outstanding as of December 24, 2024 (including upon the operation of applicable price reset and anti-dilution provisions and/or the reduction of conversion prices and exercise prices). The Issuance Proposal was approved by the affirmative vote of a majority of the votes cast by our stockholders at the Special Meeting.

Brookline acted as exclusive placement agent for the issuance and sale of the securities in the PIPE Financing. Pursuant to the terms of the Placement Agency Agreement, we agreed to pay Brookline an aggregate cash fee (the "Cash Fee") equal to (i) 7% of the gross proceeds received by the Company from the sale of the securities in the PIPE Financing to selling stockholders other than certain selling stockholders identified on a schedule thereto ("Reduced Fee Purchasers") plus (ii) 3% of the gross proceeds received by the Company from the sale of the securities in the PIPE Financing to Reduced Fee Purchasers, plus expenses; provided that Ceros is entitled to 33.3% of the Cash Fee.

In addition, we agreed to pay Brookline or its designees a fee in the form of the Agent Warrants. The Agent Warrants are initially exercisable into a number of shares of common stock equal to (i) 7% of the number of shares of common stock initially issuable pursuant to the shares of Series A Preferred Stock issued to Purchasers other than Reduced Fee Purchasers in the PIPE Financing plus (ii) 3% of the number of shares of common stock initially issuable pursuant to the shares of Series A Preferred Stock issued Reduced Fee Purchasers in the PIPE Financing; provided that, Ceros is entitled to up to 33.3% of the Agent Warrants. The terms of the Agent Warrants are substantially similar to the terms of the Series A Warrants. At two closings occurring on December 31, 2024 and January 14, 2025, (i) Brookline received an aggregate cash fee of $159,685 and 39,918 Agent Warrants, and (ii) Ceros received an aggregate cash fee of $79,723 and 19,930 Agent Warrants.

Warrant Exercise Inducement and Exchange Offer

On July 11, 2025, we completed the final closing of the Offering. During the Inducement Period, we entered into Inducement Letters with the Holders of Existing Warrants, pursuant to which the Holders agreed to exercise for cash their Existing Warrants to purchase an aggregate of 3,764,995 shares of our common stock in consideration of our agreement to issue New Warrants to purchase up to an aggregate of 3,764,995 shares of our common stock at an exercise price of $3.00 per share, subject to adjustment as provided therein. The New Warrants are immediately exercisable from the date of issuance and have a term of exercise of five years from such date.

We engaged an SEC registered broker dealer and FINRA member (the "Solicitation Agent") to act as our exclusive warrant solicitation agent in connection with the Offering and agreed to pay the Solicitation Agent a cash fee equal to 5.0% of the total gross cash proceeds received from the exercise by the Holders of their Existing Warrants during the Inducement Period. We also agreed to pay the Solicitation Agent up to $15,000 for its reasonable legal and other expenses.

The gross proceeds to us from the Offering, before deducting transaction fees and other estimated Offering expenses, were approximately $4,216,794. We intend to use the net proceeds to support U.S. and international regulatory and pre-commercial efforts aimed at securing marketing authorizations for OST-HER2 in the prevention or delay of recurrent, fully resected, pulmonary metastatic osteosarcoma, advance strategic alternatives for our OS Animal Health subsidiary, close out and report on our OST-504 (previously ADXS-504) prostate cancer study, initiate AI-driven next-generation tADC product candidate modeling and for general corporate purposes.

Contractual Obligations and Other Commitments

We enter into contracts in the normal course of business with our CDMOs, CROs and other third parties to support preclinical research studies and testing and other development activities. These contracts are generally cancellable by us. Payments due upon cancellation consist only of payments for services provided or expenses incurred, including non-cancellable obligations of our service providers, up to the date of cancellation.

License Obligations and Research Services

Advaxis. In November 2020, we entered into an amended and restated development, license and supply agreement with Advaxis, Inc. (now Ayala Pharmaceuticals, Inc.) ("Advaxis"), a clinical-stage biotechnology company focused on the development and commercialization of proprietary *Lm* (*Listeria monocytogenes*)-LLO (Listeriolysin O) cancer immunotherapies. Pursuant to this agreement, Advaxis granted a license to us that allows us to utilize Advaxis' ADXS-HER2 construct patents to develop and commercialize ADXS-HER2, our lead product candidate (OST-HER2). The agreement was subsequently amended in April 2021 to modify the payment amounts for Milestones 2 and 3 listed in the table below. Under the terms of the amended agreement, we are required to pay to Advaxis (i) a one-time, non-refundable payment of $1,550,000 (the "License Commencement Payment") and (ii) certain amounts based on the achievement of the milestones described in the payment schedule below. For the six months ended June 30, 2025 and for the year ended December 31, 2024, no payments were made. A $400,000 payment was made to Ayala, together with payment of stock consideration, in connection with our purchase of the HER2 Assets on April 9, 2025, terminating this license agreement. The payment schedule for milestones and corresponding payment amounts were as set forth below.

	Milestone Bearing Event	**Milestone Payment**
1.	OST has secured funding of at least $2,337,500, in the aggregate (paid)	License commencement payment: $1,550,000
2.	The earlier to occur of: (A) OST having secured at least $8,000,000, in the aggregate, or (B) completion of the first Clinical Trial (paid)	$ 1,375,000
3.	The earlier to occur of: (A) receipt of Regulatory Approval from the FDA for the First Indication of the first Licensed Product or (B) initiation of the first Registrational Trial of the first Licensed Product in the Field	$ 5,000,000
4.	Cumulative Net Sales of all Licensed Products in excess of $20,000,000	$ 1,500,000
5.	Cumulative Net Sales of all Licensed Products in excess of $50,000,000 Cumulative Net Sales of all Licensed Products	$ 5,000,000
6.	Cumulative Net Sales of all Licensed Products in excess of $100,000,000	$ 10,000,000

On April 9, 2025, we acquired from Ayala the HER2 Assets. Pursuant to the terms of the HER2 Purchase Agreement, the amended and restated development, license and supply agreement with Advaxis terminated, and we agreed to a change in milestone payments and royalty consideration owed as it relates to the OST-HER2 program as follows:

1. Elimination of $3,500,000 payment owed to Ayala upon the first filing of a BLA approval for OST-HER2 with the FDA.

2. Elimination of a total of $16,500,000 in OST-HER2 related sales milestone payments owed to Ayala made up of the following payments:

    - $1,500,000 owed upon reaching cumulative sales of $20,000,000;

    - $5,000,000 owed upon reaching cumulative sales of $50,000,000; and

    - $10,000,000 owed upon reaching cumulative sales of $100,000,000.

3. The reduction in total royalty consideration owed on OST-HER2 related sales from 10% of net sales owed to Ayala to 1.5% of net sales owed under the Penn License. The royalty consideration of 1.5% of net sales owed to University of Pennsylvania going forward will apply to sales related to:

    - OST-HER2-related sales;

    - ADXS-503-related sales;

    - ADXS-504-related sales; and

    - Sales related to any new immunotherapy drug candidates created from the Lm platform during the term of our license with the University of Pennsylvania.

In addition, we have agreed to pay an annual fee to the Trustees of the University of Pennsylvania. In April 2025, the Company paid a fee of $266,317 for the six months ended June 30, 2025 for the period from April 9, 2025 through April 8, 2026.

BlinkBio. In August 2020, we entered into a licensing agreement with BlinkBio, Inc., a privately-held developer of drug conjugate therapies designed to facilitate the treatment of cancer. Pursuant to this agreement, BlinkBio granted a license to us that allows us to utilize BlinkBio's proprietary technology to develop, manufacture and commercialize certain of our products. BlinkBio granted us an exclusive license for tunable drug conjugates that are directed towards, binds to or modifies the folate receptor alpha and a co-exclusive license for tunable drug conjugates that are directed towards, binds to or modifies any target other than the folate receptor alpha, such as HER2.

Under the terms of the agreement, we are required to pay to BlinkBio (i) an upfront, non-refundable, non-creditable license fee of $300,000 (the "Up-Front Fee"), (ii) a royalty of 6% of net sales of our products that were made using BlinkBio's proprietary technology, subject to potential reductions on such royalty, and (iii) certain amounts based on the achievement of the milestones described in the payment schedule below.

As of June 30, 2025, we had paid the Up-Front Fee. The payment schedule for milestones and corresponding payment amounts is set forth below.

	Milestone Bearing Event	Milestone Payment
1.	License Fee to utilize proprietary technology (paid)	Up-front fee + $2.4 million Convertible Note
2.	Commencement of a toxicology study commented pursuant to Good Laboratory Practices (under 21 CFR Part 58), such that any resulting positive data would be admissible to applicable Regulatory Authorities to support an IND (commonly referred to as "GLP-Tox")	$ 375,000
3.	Completion of a Phase I Clinical Trial	$ 1,500,000
4.	Completion of a Phase IIb Clinical Trial	$ 2,500,000
5.	Filing of an NDA, BLA or MAA registration (or the equivalent in any other territory around the world)	$ 6,000,000
6.	Regulatory Approval in the first of the United States, within the European Union or within the United Kingdom	$ 12,000,000

We are required to make the above cash payments to BlinkBio within 30 days of the achievement of each milestone with respect to the first product to attain each such milestone, except that the first milestone only applies to our first product candidate. The aggregate amount of payments relating to milestones 2 through 6 payable thereunder cannot exceed $22,375,000.

In connection with the license agreement, we also agreed to issue the BlinkBio Convertible Note. See "— Convertible Notes" above for more information on the BlinkBio Convertible Note.

George Clinical. In June 2020, we entered into a services agreement, as amended, with George Clinical, Inc., a clinical contract research organization. Pursuant to this agreement, we engaged George Clinical to use its clinical research services for our study entitled "An Open Label, Phase 2 Study of Maintenance Therapy with OST-HER2 after Resection of Recurrent Osteosarcoma." Under the terms of the agreement, we are required to pay to George Clinical certain fees described in the fee schedule below. The total new budget under the agreement is approximately $2,436,928. For the six months ended June 30, 2025 and 2024, we paid $0 and $86,687, respectively, to George Clinical. These payments have been recorded as research and development expenses in our Statement of Operations and Comprehensive Loss. The fee schedule for certain fees and corresponding payment amounts is set forth below.

	George Clinical Payment Schedule	Payment Amount
1.	Service Fee Advance (paid)	$ 49,989
2.	Service Fee Advance of $212,335 minus the amount already paid, plus PTC Fee Advance of $31,325 (paid)	$ 193,671
3.	Statistics Fees – 35% on Electronic Data Capture (EDC) Go Live Date	$ 47,740
4.	Statistics Fees – 35% on Development of SAP tables	$ 47,740
5.	Statistics Fees – 30% on Final Analysis	$ 40,920
6.	Service Fees – Remainder Due	Split monthly over course of study

George Clinical tracks and invoices us for the number of task units completed and pass-through costs are invoiced each month in arrears based on actual costs without mark-up. The PTC Fee Advance will be used to offset the first few months of invoices payable. As of June 30, 2025 and 2024, the balance due to George Clinical was $0 and $663,622, respectively. The services agreement has terminated on its terms.

Biolacuna Ltd

We have contracted with Biolacuna Ltd, a global life sciences advisory firm, to assist with the following agencies requirements to register OST-HER2 and gain approval of its use in the respective regions:

- European Medicines Agency (EMA, Europe);
- Medicines Evaluation Board (MEB, Netherlands);
- Medicines and Healthcare products Regulatory Agency (MHRA, United Kingdom); and
- U.S. Food and Drug Administration (FDA, United States).

For the six months ended June 30, 2025, we paid $459,485 in consulting fees, with accounts payable as of June 30, 2025 of $1,118,343.

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 in the rules and regulations of the SEC.

Recent Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to Notes to the Financial Statements appearing elsewhere in this report.

The JOBS Act

The JOBS Act permits an emerging growth company such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have elected to avail ourselves of the extended transition period for complying with new or revised financial accounting standards.

We will remain an emerging growth company until the earliest of (i) the last day of our first fiscal year in which we have total annual gross revenues of $1.235 billion or more; (ii) the date on which we are deemed to be a "large accelerated filer" under the rules of the SEC with at least $700.0 million of outstanding equity securities held by non-affiliates; (iii) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the previous three years; or (iv) the last day of our fiscal year following the fifth anniversary of the date of the completion of our initial public offering.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Due to the inherent limitations of control systems, not all misstatements may be detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. Controls and procedures can only provide reasonable, not absolute, assurance that the above objectives have been met.

Our management, including our Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the effectiveness of disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded as of June 30, 2025, that the disclosure controls and procedures are not effective due to lack of segregation of duties as a result of limited personnel and insufficient written policies and procedures for accounting, information technology and financial reporting.

There have been no changes in our internal control over financial reporting during the three months ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

We are not currently a party to any pending or threatened legal proceedings.

See also Note 6 to our financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors.

You should carefully consider the factors discussed under the section entitled "Risk Factors" in our most recent Annual Report on Form 10-K filed with the SEC on March 31, 2025, as such factors could materially affect our business, financial condition, and future results. The risks described in such annual report are not the only risks that we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, also may have a material adverse impact on our business, financial condition, or results of operations. There have been no material changes to the risk factors identified in our most recent Annual Report on Form 10-K, other than as set forth below.

The issuance of shares in connection with the Offering and the resale of a significant number of shares by the selling stockholders, or the perception that such sales may occur, could adversely affect the market price of our common stock.

During the Inducement Period, we issued to the Holders New Warrants exercisable for an aggregate of 3,764,995 shares of common stock in exchange for the cash exercise of their Existing Warrants for an equal number of shares, pursuant to the Inducement Letters. In the future, we may issue additional shares of common stock or other securities convertible into or exercisable for common stock. These issuances and any future issuance could result in substantial dilution to our existing stockholders and negatively affect the market price of our common stock.

In addition, sales by the Holders of a significant number of shares of common stock, or the perception that such sales could occur, could materially adversely affect the trading price of our common stock. Even if the Holders do not sell their shares immediately, the registration of such shares for resale could increase market uncertainty and put downward pressure on our stock price. We cannot predict the effect, if any, that future sales or the availability of shares for sale will have on the trading price of our common stock.

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

During the three months ended June 30, 2025, we issued 10,000 shares of common stock to an advisor in exchange for services. The shares of common stock were issued in reliance upon an exemption from the registration requirements of the Securities Act afforded by Section 4(a)(2) of the Securities Act.

Item 6. Exhibits.

The following exhibits are filed with this Quarterly Report on Form 10-Q:

Exhibit No.	Description
4.1	Form of Warrant (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed with the SEC on June 24, 2025).
10.1	Form of Inducement Offer Letter (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on June 24, 2025).
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. § 1350 As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, formatted in Inline XBRL: (i) Balance Sheets as of June 30, 2025 and December 31, 2024 (unaudited); (ii) Statements of Operations for the three and six months ended June 30, 2025 and 2024 (unaudited); (iii) Statements of Stockholders' Equity (Deficit) for the three and six months ended June 30, 2025 and 2024 (unaudited); (iv) Statements of Cash Flows for the six months ended June 30, 2025 and 2024 (unaudited); and (v) Notes to the Financial Statements (unaudited).
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, formatted in Inline XBRL (included as Exhibit 101).

* Furnished herewith.

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.

OS THERAPIES INCORPORATED

Date: August 18, 2025

By: /s/ Paul Romness
Paul Romness
Chief Executive Officer
(Principal Executive Officer)

Date: August 18, 2025

By: /s/ Christopher Acevedo
Christopher Acevedo
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION

I, Paul Romness, certify that:

1. I have reviewed this quarterly report on Form 10-Q of OS Therapies Incorporated;

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 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 18, 2025

/s/ Paul Romness

Paul Romness
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Christopher Acevedo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of OS Therapies Incorporated;

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 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 18, 2025

/s/ Christopher Acevedo
Christopher Acevedo
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32

CERTIFICATION
PURSUANT TO 18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul Romness, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of OS Therapies Incorporated for the quarter ended June 30, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of OS Therapies Incorporated at the dates and for the periods indicated.

I, Christopher Acevedo, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of OS Therapies Incorporated for the quarter ended June 30, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of OS Therapies Incorporated at the dates and for the periods indicated.

By: /s/ Paul Romness
Paul Romness
Chief Executive Officer
(Principal Executive Officer)
Date: August 18, 2025

By: /s/ Christopher Acevedo
Christopher Acevedo
Chief Financial Officer
(Principal Financial and Accounting Officer)
Date: August 18, 2025

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Quarterly Report on Form 10-Q of OS Therapies Incorporated for the quarter ended June 30, 2025 or as a separate disclosure document.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to OS Therapies Incorporated and will be retained by OS Therapies Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.