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

FORM 10-Q

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

For the Quarterly Period Ended March 31, 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: 001-40804

PASITHEA THERAPEUTICS CORP.
(Exact name of Registrant as specified in its charter)

Delaware	**85-1591963**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1111 Lincoln Road, Suite 500 Miami Beach, Florida	**33139**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (702) 514-4174

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.0001 per share	KTTA	The Nasdaq Capital Market
Warrants, to purchase shares of Common Stock, par value $0.0001 per share	KTTAW	The Nasdaq Capital Market

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted 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, smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-Accelerated Filer	☒	Smaller Reporting Company	☒
		Emerging Growth Company	☒

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

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

As of May 12, 2025, there were 7,443,577 shares of the registrant's common stock outstanding.

PASITHEA THERAPEUTICS CORP.
FORM 10-Q
For the Quarter ended March 31, 2025

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PASITHEA THERAPEUTICS CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2025	December 31, 2024
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,341,278	$ 6,922,729
Prepaid expenses	621,208	302,641
Other current assets	162,454	142,945
Total current assets	6,124,940	7,368,315
Property and equipment, net	117,522	122,343
Intangibles, net	7,153,609	7,311,150
Goodwill	1,262,911	1,262,911
Total assets	$ 14,658,982	$ 16,064,719
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,325,925	$ 1,119,871
Financed director and officer insurance premiums	268,969	-
Total current liabilities	1,594,894	1,119,871
Non-current liabilities		
Warrant liabilities	85,305	162,172
Total non-current liabilities	85,305	162,172
Total liabilities	1,680,199	1,282,043
Stockholders' equity:		
Preferred stock, par value $0.0001, 5,000,000 shares authorized; 0 issued and outstanding	-	-
Common stock, par value $0.0001, 100,000,000 shares authorized; 2,705,263 and 1,394,263 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	270	139
Additional paid-in capital	66,124,529	64,372,486
Accumulated other comprehensive loss	-	(7,171)
Accumulated deficit	(53,146,016)	(49,582,778)
Total stockholders' equity	12,978,783	14,782,676
Total liabilities and stockholders' equity	$ 14,658,982	$ 16,064,719

See accompanying notes to the unaudited condensed consolidated financial statements.

PASITHEA THERAPEUTICS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)

	For the Three Months Ended March 31,	
	2025	**2024**
Operating expenses:		
General and administrative	$ 1,950,328	$ 2,291,646
Research and development	1,729,851	1,749,128
Loss from operations	(3,680,179)	(4,040,774)
Other income (expense):		
Change in fair value of warrant liabilities	76,867	26,716
Realized foreign currency translation loss from dissolution of subsidiaries	(7,171)	-
Interest and dividends, net	47,245	153,218
Other income, net	116,941	179,934
Loss before income taxes	(3,563,238)	(3,860,840)
Provision for income taxes	-	-
Net loss	$ (3,563,238)	$ (3,860,840)
Weighted-average common shares outstanding, basic and diluted	2,211,207	1,042,479
Basic and diluted loss per share	$ (1.61)	$ (3.70)
Comprehensive loss:		
Net loss	$ (3,563,238)	$ (3,860,840)
Foreign currency translation	-	(620)
Comprehensive loss	$ (3,563,238)	$ (3,861,460)

See accompanying notes to the unaudited condensed consolidated financial statements.

PASITHEA THERAPEUTICS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at January 1, 2024	1,041,582	$ 104	$ 58,721,538	$ (4,652)	$ (35,318,538)	$ 23,398,452
Stock-based compensation:						
-restricted stock units	1,666	-	48,088	-	-	48,088
-stock options	-	-	297,602	-	-	297,602
-warrants	-	-	787	-	-	787
Foreign currency translation	-	-	-	(620)	-	(620)
Net loss	-	-	-	-	(3,860,840)	(3,860,840)
Balance at March 31, 2024	1,043,248	$ 104	$ 59,068,015	$ (5,272)	$ (39,179,378)	$ 19,883,469
Balance at January 1, 2025	1,394,263	$ 139	$ 64,372,486	$ (7,171)	$ (49,582,778)	$ 14,782,676
Stock-based compensation:						
-stock options	-	-	96,985	-	-	96,985
-warrants	-	-	1,573	-	-	1,573
Issuance of common stock at-the-market for cash, net of offering costs	440,000	44	1,652,701	-	-	1,652,745
Issuance of common stock from the exercise of pre-funded warrants, net	871,000	87	784	-	-	871
Foreign currency translation	-	-	-	7,171	-	7,171
Net loss	-	-	-	-	(3,563,238)	(3,563,238)
Balance at March 31, 2025	2,705,263	$ 270	$ 66,124,529	$ -	$ (53,146,016)	$ 12,978,783

See accompanying notes to the unaudited condensed consolidated financial statements.

PASITHEA THERAPEUTICS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31,	
	2025	**2024**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (3,563,238)	$ (3,860,840)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	4,166	4,717
Amortization expense	157,541	157,541
Stock-based compensation	98,558	346,477
Change in fair value of warrant liabilities	(76,867)	(26,716)
Loss on asset write-off	655	-
Realized foreign currency translation loss from dissolution of subsidiaries	7,171	-
Changes in operating assets and liabilities:		
Prepaid expenses	129,712	(822,507)
Other current assets	(19,509)	58
Accounts payable and accrued liabilities	206,054	(118,369)
Lease liabilities	-	(1,446)
Net cash used in operating activities	(3,055,757)	(4,321,085)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on financed director and officer insurance	(179,310)	-
Proceeds from exercises of pre-funded warrants	871	-
Proceeds from at-the-market common stock sales	1,652,745	-
Net cash provided by financing activities	1,474,306	-
Effect of foreign currency translation on cash	-	(620)
NET CHANGE IN CASH	$ (1,581,451)	$ (4,321,705)
Cash - Beginning of period	6,922,729	16,331,052
Cash - End of period	$ 5,341,278	$ 12,009,347
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 7,892	$ -
Cash paid for taxes	$ -	$ -
Supplemental disclosures of non-cash activity:		
Amount due from sale of assets	$ -	$ 40,500

See accompanying notes to the unaudited condensed consolidated financial statements.

NOTE 1 – NATURE OF THE ORGANIZATION AND BUSINESS

Pasithea Therapeutics Corp. ("Pasithea" or the "Company") was incorporated in the State of Delaware on May 12, 2020 and completed an Initial Public Offering (the "Initial Public Offering") on September 17, 2021. The Company is a clinical-stage biotechnology company focused on the discovery, research and development of innovative treatments for central nervous system (CNS) disorders and other diseases, including RASopathies.

The Company's primary operations (the "Therapeutics" segment) are focused on developing the Company's lead product candidate, PAS-004, a next-generation macrocyclic mitogen-activated protein kinase, or MEK inhibitor that the Company believes may address the limitations and liabilities associated with existing drugs targeting a similar mechanism of action. In December 2023, the U.S. Food and Drug Administration (the "FDA") cleared the Company's Investigational New Drug application (the "IND") for PAS-004 and the Company received a study may proceed letter from the FDA for the Company's Phase 1 multicenter, open-label, dose escalation trial of PAS-004 in patients with MAPK pathway-driven advanced tumors with a documented RAS, NF1 or RAF mutation or patients who have failed BRAF/MEK inhibition (the "FIH Phase 1 Dose Escalation Study"). The Company is currently conducting the FIH Phase 1 Dose Escalation Study at four clinical sites in the United States and three sites in Eastern Europe. The Company expects to complete the FIH Phase 1 Dose Escalation Study in 2026. The Company's clinical development plan for PAS-004 is to begin a Phase 1/1b clinical trial in adult patients with neurofibromatosis type 1 (NF1)-associated plexiform and/or cutaneous neurofibromas followed by pediatric patients and ultimately seek FDA marketing approval in these patient populations.

Additionally, the Company has two programs that are in the discovery stage, which the Company believes address limitations in the treatment paradigm of the indications the Company plans to address with these programs, which are currently amyotrophic lateral sclerosis ("ALS") for PAS-003 and schizophrenia for PAS-001.

Throughout this report, the terms "our," "we," "us," and the "Company" refer to Pasithea Therapeutics Corp. and its subsidiaries, Pasithea Therapeutics Limited (U.K.), Pasithea Therapeutics Portugal, Sociedade Unipessoal Lda, Pasithea Clinics Inc., Alpha-5 Integrin, LLC ("Alpha-5"), AlloMek Therapeutics, LLC ("AlloMek") and Pasithea MacroMEK Pty Ltd. Pasithea Therapeutics Limited (U.K.), legally dissolved as of January 2, 2024 was a private limited Company, registered in the United Kingdom (U.K.). Pasithea Therapeutics Portugal, Sociedade Unipessoal Lda is a private limited Company registered in Portugal. Pasithea Clinics Inc. is incorporated in Delaware. Alpha-5 and AlloMek are both Delaware limited liability companies. Pasithea MacroMEK Pty Ltd is registered in Australia. The operations of Pasithea Therapeutics Limited (U.K.), Pasithea Therapeutics Portugal, Sociedade Unipessoal Lda, and Pasithea Clinics Inc. have been discontinued.

Basis of Presentation

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

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and approval of any golden parachute payments not previously approved. Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period.

Liquidity and Capital Resources

As of March 31, 2025, the Company had approximately $5.3 million of cash and cash equivalents and working capital of approximately $4.5 million. The Company's major sources of cash have been comprised of proceeds from various private and public offerings, the Initial Public Offering and the exercise of warrants. The Company is dependent on obtaining additional working capital funding from the sale of equity and/or debt securities in order to continue to execute its development plans and continue operations. Based on the foregoing, management believes that the Company will not have sufficient working capital to meet its needs through twelve months from the date of these financial statements if additional funding cannot be obtained.

Going Concern Uncertainty

The accompanying condensed consolidated financial statements have been prepared as if the Company will continue as a going concern. The Company has incurred significant operating losses and negative cash flows from operations since inception. On March 31, 2025, the Company had cash and cash equivalents of approximately $5.3 million and an accumulated deficit of approximately $53.1 million. The Company has incurred recurring losses, has experienced recurring negative operating cash flows, and requires significant cash resources to execute its business plans. Historically, the Company's major sources of cash have been comprised of proceeds from various public and private offerings of its capital stock. The Company is dependent on obtaining additional working capital funding from the sale of equity and/or debt securities in order to continue to execute its development plans and continue operations. Without additional funding, there is substantial doubt about the Company's ability to continue as a going concern through twelve months from the date of these financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The Company evaluates the need to consolidate affiliates based on standards set forth in Accounting Standards Codification ("ASC") 810, "Consolidation," ("ASC 810"). The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Alpha-5 Integrin, LLC, AlloMek Therapeutics, LLC, Pasithea Therapeutics Limited (U.K.), Pasithea Clinics Inc. and Pasithea MarcoMEK Pty Ltd. All significant intercompany transactions and balances have been eliminated in consolidation.

These condensed consolidated financial statements are presented in U.S. Dollars.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Management regularly makes estimates related to the fair value of warrant liabilities; the recoverability of long-lived assets; the fair values and useful lives of intangible assets acquired in business combinations; the potential impairment of goodwill; and income taxes. The Company bases its estimates on historical experience and on various assumptions that are believed to be reasonable, the results of which form the basis for the amounts recorded in the condensed consolidated financial statements. As appropriate, the Company obtains reports from third-party valuation experts to inform and support estimates related to fair value measurements.

Research and Development

Research and development costs are charged to operations when incurred and are included in operating expense, except for goodwill related to intellectual property & patents. Research and development costs consist principally of compensation of employees and consultants that perform the Company's research activities, payments to third parties for preclinical and non-clinical activities, costs to acquire drug product from contract development and manufacturing organizations and third-party contractors relating to chemistry, manufacturing and controls ("CMC") efforts, the fees paid for and to maintain the Company's intellectual property, and research and development costs related to our discovery programs. Depending upon the timing of payments to the service providers, the Company recognizes prepaid expenses or accrued expenses related to these costs. These accrued or prepaid expenses are based on management's estimates of the work performed under service agreements, milestones achieved and experience with similar contracts. The Company monitors each of these factors and adjusts estimates accordingly.

Research and development also includes contra expense related to costs reimbursed under the Company's grant agreement. For the three months ended March 31, 2025 and 2024, the Company recorded grant income of $43,029 and zero as a contra expense within research and development, respectively.

General and Administrative

Our general and administrative expenses primarily consist of personnel and related costs, including stock-based compensation, legal fees relating to both intellectual property and corporate matters, accounting and audit related costs, insurance, corporate communications and public company expenses, information technology, office and facility rents and related expenses, including depreciation, amortization and maintenance, and fees for consulting, business development and other professional services.

Grants

In connection with the acquisition of Alpha-5, the Company legally assumed rights under a grant agreement with FightMND, which was entered into by Alpha-5 on September 23, 2021. FightMND supports pre-clinical research, development and assessment of therapeutics for motor neuron disease, including ALS. Under the grant agreement, the Company is entitled to reimbursements for costs incurred for research related to its monoclonal antibody targeting a5b1 integrin as a potential treatment for ALS.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents, classified as trading securities. The Company had cash equivalents of $4.1 million and $6.1 million as of March 31, 2025 and December 31, 2024, respectively.

Property and Equipment, net

Property and equipment is recorded at cost. Depreciation is computed using straight-line and accelerated methods over the estimated useful lives of the related assets which range from three to ten years. Expenditures that enhance the useful lives of the assets are capitalized and depreciated. Maintenance and repairs are expensed as incurred. When properties are retired or otherwise disposed of, related costs and related accumulated depreciation are removed from the accounts. Leasehold improvements are amortized over the shorter of the estimated useful life of those leasehold improvements and the remaining lease term.

Warrant Liability

The Company accounts for the publicly traded warrants issued in its Initial Public Offering (the "Public Warrants") and the warrants issued as compensation to the underwriters in its Initial Public Offering (the "Representative Warrants" and together with the Public Warrants, the "IPO Warrants") in accordance with the guidance contained in ASC 815, "Derivatives and Hedging," under which the IPO Warrants do not meet the criteria for equity treatment and must be recorded as derivative liabilities. Accordingly, the Company classifies the IPO Warrants as liabilities at their fair value. This liability is subject to re-measurement at each balance sheet date until the IPO Warrants are exercised or expire, and any change in fair value is recognized in the Company's condensed consolidated statements of operations and comprehensive loss. The fair value of the IPO Warrants was initially measured using a Black-Scholes pricing model. Currently, the fair value of the Public Warrants is measured using quoted market prices, and the fair value of the Representative Warrants is based on an estimate of the relative fair value to the Public Warrants, accounting for a small difference in the exercise price.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under ASC 740, "Income Taxes." Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. 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 deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. As of March 31, 2025 and December 31, 2024, respectively, the Company had deferred tax assets related to certain net operating losses. A valuation allowance was established against these deferred tax assets at their full amount, resulting in a zero balance of deferred tax assets on the condensed consolidated balance sheets as of March 31, 2025 and December 31, 2024.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of March 31, 2025 and December 31, 2024. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company is subject to income tax examinations by major taxing authorities since inception.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution, which, at times, may exceed the Federal Depository Insurance Coverage of $250,000. As of March 31, 2025, the Company has not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

Fair Value of Financial Instruments

With the exception of liabilities related to the IPO Warrants, described in the table below, the fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the accompanying balance sheet, primarily due to their short-term nature.

Fair Value Measurements

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

	Fair value	Quoted prices in active markets for identical liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash equivalents, March 31, 2025	$ 4,148,181	$ 4,148,181	$ -	$ -
Cash equivalents, December 31, 2024	$ 6,093,044	$ 6,093,044	$ -	$ -
Liabilities:				
Public warrant liabilities, March 31, 2025	$ 80,081	$ 80,081	$ -	$ -
Representative warrant liabilities, March 31, 2025	$ 5,224	$ -	$ -	$ 5,224
Liabilities:				
Public warrant liabilities, December 31, 2024	$ 152,240	$ 152,240	$ -	$ -
Representative warrant liabilities, December 31, 2024	$ 9,932	$ -	$ -	$ 9,932

The following tables present a reconciliation of the Level 3 Representative Warrants liabilities:

	Three Months Ended March 31,	
	2025	2024
Representative warrant liabilities, January 1	$ 9,932	$ 5,166
Issuances	-	-
Exercises	-	-
Change in fair value	(4,708)	(1,636)
Representative warrant liabilities, March 31	$ 5,224	$ 3,530

The change in fair value of the Representative Warrants liabilities is recorded in change in fair value of warrant liabilities on the condensed consolidated statements of operations and comprehensive loss.

The fair value of the cash equivalents is based on the fair value of marketable securities invested in U.S. government money market funds.

The fair value of the liability associated with the Public Warrants as of March 31, 2025 and December 31, 2024, was based on the quoted closing price on The Nasdaq Capital Market and is classified as Level 1. The fair value of the liability associated with the Representative Warrants as of March 31, 2025 and December 31, 2024, was based on an estimate of the relative fair value to the Public Warrants, accounting for a small difference in the exercise price, and is classified as Level 3.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Net Loss Per Share

Net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is computed similarly to the basic earnings per share, except the weighted average number of common shares outstanding are increased to include additional shares from the assumed exercise of share options, if dilutive. The following outstanding shares issuable upon exercise of stock options and warrants and vesting of restricted stock units were excluded from the computation of diluted net loss per share for the periods presented because including them would have had an anti-dilutive effect:

	Three Months Ended March 31,	
	2025	**2024**
Stock options	164,846	203,433
Warrants	3,293,692	769,300
Restricted stock units	-	2,502

Foreign Currency Translations

The Company's functional and reporting currency is the U.S. dollar. All transactions initiated in other currencies are translated into U.S. dollars using the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the U.S. dollar at the rate of exchange in effect at the balance sheet date. Unrealized exchange gains and losses arising from such transactions are deferred until realization and are included as a separate component of stockholders' equity (deficit) as a component of comprehensive income or loss. Upon realization, the amount deferred is recognized in income in the period when it is realized.

Translation of Foreign Operations

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- equity is translated at historical exchange rates; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Company's accumulated other comprehensive loss in the condensed consolidated financial statements. Transaction gains and losses arising from exchange rate fluctuation on transactions denominated in a currency other than the functional currency are included in the condensed consolidated statements of operations and comprehensive loss. During the three months ended March 31, 2025, the Company had no operating subsidiaries with functional currencies other than the US dollar. A loss related to the now dissolved subsidiaries which were previously operating in functional currencies not that of the US Dollar as the parent were realized in the consolidated statements of operations within other income (expense) in the amount of $7,171.

The relevant translation rates are as follows:

	As of March 31, 2025 *	**As of December 31, 2024**
Closing rate, British Pound (GBP) to $USD at period end	N/A	1.2529
Average rate, GBP to $USD for the period ended	N/A	1.2783
Closing rate, Euro (EUR) to $USD at period end	N/A	1.0355
Average rate, EUR to $USD for the period ended	N/A	1.0818

* Not applicable due to the Company having no operating subsidiaries with functional currencies other than that of the parent company U.S. Dollar

Comprehensive Loss

ASC 220, "Comprehensive Income," establishes standards for reporting and display of comprehensive income (loss) and its components in a full set of general-purpose financial statements. During the three months ended March 31, 2025 and 2024, the Company had no material items of other comprehensive income (loss) except for the unrealized foreign currency translation adjustment.

Acquisitions, Intangible Assets and Goodwill

The condensed consolidated financial statements reflect the operations of an acquired business beginning as of the date of acquisition. Assets acquired and liabilities assumed are recorded at their fair values at the date of acquisition; goodwill is recorded for any excess of the purchase price over the fair value of the net assets acquired. Significant judgment is required to determine the fair value of certain tangible and intangible assets and in assigning their respective useful lives. Accordingly, we typically obtain the assistance of third-party valuation specialists for significant tangible and intangible assets. The fair values are based on available historical information and on future expectations and assumptions deemed reasonable by management but are inherently uncertain and could affect the accuracy or validity of the estimates and assumptions. Determining the useful life of an intangible asset also requires judgment. Intangible assets are amortized over their estimated lives. Any intangible assets associated with acquired in-process research and development activities ("IPR&D") are not amortized until a product is available for sale.

Impairment of Long-Lived Assets and Goodwill

Long-lived and amortizable intangible assets are assessed annually for impairment or sooner should impairment indicators exist. Significant events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. Such circumstances may include a significant decrease in the market price of an asset, a significant adverse change in the manner in which the asset is being used or in its physical condition or a history of operating or cash flow losses associated with the use of an asset. An impairment loss is recognized when the carrying amount of an asset exceeds the anticipated future undiscounted cash flows expected to result from the use of the asset and its eventual disposition. The amount of the impairment loss is the excess of the asset's carrying value over its fair value. There were no charges related to impairments of long-lived assets for all periods presented.

Goodwill is assessed for impairment annually during the fourth quarter, or more frequently if impairment indicators exist. Impairment exists when the carrying amount of goodwill exceeds its implied fair value. The Company may elect to assess goodwill for impairment using a qualitative or a quantitative approach, to determine whether it is more likely than not that the fair value of goodwill is greater than its carrying value. There were no charges related to goodwill impairment for all periods presented.

Leases

The Company's has leases related to office space. The Company determines whether a contract is or contains a lease at the time of the contract's inception based on the presence of identified assets and the Company's right to obtain substantially all the economic benefit from or to direct the use of such assets. When the Company determines a lease exists, it records a right-of-use ("ROU") asset and corresponding lease liability on its balance sheet. ROU assets represent the Company's right to use an underlying asset for the lease term. Lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets are recognized at the lease commencement date at the present value of the remaining future lease payments the Company is obligated for under the terms of the lease. Lease liabilities are recognized concurrently with the recognition of the ROU asset and represent the present value of lease payments to be made under the lease. These ROU assets and liabilities are adjusted for any prepayments, lease incentives received, and initial direct costs incurred. As the discount rate implicit in the lease is not readily determinable in most of the Company's leases, the Company uses its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments. If the Company's lease terms include an option to extend the lease for a set period, the Company evaluates the renewal option and should it be reasonably certain that the Company will exercise that option, adjusts the ROU asset and liability accordingly.

Stock-Based Compensation

The Company accounts for its stock-based compensation awards to employees and members of its Board of Directors (the "Board") in accordance with ASC Topic 718, Compensation—Stock Compensation ("ASC 718"). ASC 718 requires all stock-based payments to employees and Board members, including grants of employee stock options, to be recognized in the statements of operations by measuring the fair value of the award on the date of grant and recognizing this fair value as stock-based compensation using a straight-line method over the requisite service period, generally the vesting period.

Financed Director and Officer Insurance Premiums

In January 2025, the Company finalized a financing arrangement for its Director and Officer Insurance policy. The total amount financed was approximately $379,000 after a down payment of approximately $68,000 or a total amount of $447,000. The note bears an annual interest rate of 9.2%, to be paid over a period of twelve months. As of March 31, 2025, the remaining payable balance on the note was approximately $269,000.

Segment Information

Operating segments are defined as components of an enterprise for which separate discrete information is available for evaluation by the Chief Operating Decision Maker ("CODM") or decision-making group in deciding how to allocate resources and in assessing performance. The Company views its operations and manages its business as one operating and reporting segment, which is the business of research and development of innovative treatments for central nervous system (CNS) disorders and other diseases, including RASopathies and certain cancers. See Note 11 Segment Information for further information.

Recent Accounting Pronouncements

The Company does not believe that any recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on the Company's financial statements.

Recently Adopted Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires incremental disclosure of segment information on an interim and annual basis. This ASU is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Retrospective application to all prior periods presented in the financial statements is required for public entities. The Company adopted ASU 2023-07 as of January 1, 2024, which resulted in additional disclosures of significant segment expenses and other segment items as well as incremental qualitative disclosures.

NOTE 3 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following:

	As of March 31, 2025	As of December 31, 2024
Leasehold improvements	$ -	$ 3,193
Medical equipment	155,363	155,363
Office equipment	6,140	6,140
Property and equipment, gross	161,503	164,696
Less: accumulated depreciation	(43,981)	(42,353)
Property and equipment, net	$ 117,522	$ 122,343

Depreciation expense was $4,166 and $4,717 for the three months ended March 31, 2025 and 2024, respectively. During the three months ended March 31, 2025, the Company wrote off gross leasehold improvements of $3,193 and related accumulated amortization of $2,538, resulting in a loss of $655 recorded in general and administrative in the condensed consolidated statements of operations and comprehensive loss.

NOTE 4 – LEASES

Laboratory Lease – South San Francisco, California

In August 2022, the Company, as a lessee, entered into an amended sublease agreement to sublease laboratory and office space in South San Francisco, California. The lease term was from August 15, 2022 through May 15, 2024, and month-to-month through June 2024. Monthly rent was $16,656 during 2024.

This lease was accounted for as an operating lease under ASC 842, Leases, which resulted in the recognition of a right of use asset ("ROU asset") and liability of approximately $332,000 at inception. The ROU asset was separately presented as a non-current asset, and the liability is recorded as a component of current and non-current liabilities on the Company's Consolidated Balance Sheets. The Company discounted the future lease payments of this lease using the prevailing collateralized lending rate which would be extended to the Company based on its credit profile relative to the period of inception, and the duration of the lease from inception. The interest rate used in calculating the fair value listed above was 7.8%.

As of March 31, 2025 and December 31, 2024, the Company had no recognized ROU assets and lease liabilities.

The following table summarizes ROU asset and lease liability activity for the periods presented:

	Three Months Ended March 31,	
	2025	2024
Operating lease expense	$ -	$ 42,516
Cash paid for amounts included in the measurement of operating lease liabilities	$ -	$ -

There are no additional lease payments as of March 31, 2025.

NOTE 5 – INTANGIBLE ASSETS

Intangible assets, net consists of the following:

	March 31, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
In-process research and development	$ 2,900,000	$ -	$ 2,900,000	$ 2,900,000	$ -	$ 2,900,000
Patents and intellectual property	5,671,478	(1,417,869)	4,253,609	5,671,478	(1,260,328)	4,411,150
Intangible assets, net	$ 8,571,478	$ (1,417,869)	$ 7,153,609	$ 8,571,478	$ (1,260,328)	$ 7,311,150

As of March 31, 2025, future expected amortization expense of Intangible assets was as follows:

2025 (remaining)	472,623
2026	630,164
2027	630,164
2028	630,164
2029	630,164
Thereafter	1,260,330
Remaining future amortization expense	$ 4,253,609

There were no changes to goodwill for the three months ended March 31, 2025 and 2024.

NOTE 6 – STOCKHOLDERS' EQUITY

The Company has an aggregate of 105,000,000 authorized shares. The authorized shares are divided into: (i) 100,000,000 shares of Common Stock having a par value of $0.0001 per share and (ii) 5,000,000 shares of preferred stock having a par value of $0.0001 per share.

Common Stock

The Company had 2,705,263 and 1,394,263 shares of its Common Stock issued and outstanding at March 31, 2025 and December 31, 2024, respectively.

Each holder of Common Stock is entitled to one vote for each share of Common Stock held on all matters submitted to a vote of the stockholders. Our Charter and Amended and Restated Bylaws (the "*Bylaws*") do not provide for cumulative voting rights.

In addition, the holders of our Common Stock will be entitled to receive ratably such dividends, if any, as may be declared by the Board out of legally available funds; however, the current policy of our Board is to retain earnings, if any, for operations and growth. Upon liquidation, dissolution or winding-up, the holders of our Common Stock will be entitled to share ratably in all assets that are legally available for distribution.

Holders of our Common Stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to the Common Stock. The rights, preferences and privileges of the holders of Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Effective January 2, 2024, the Company amended its certificate of incorporation to effect a one-for-twenty (1:20) reverse stock split of our outstanding shares of Common Stock. No fractional shares were issued as a result of the reverse stock split. Any fractional shares resulting from the reverse stock split were paid in cash. The reverse stock split did not otherwise affect any of the rights currently accruing to holders of our Common Stock.

2023 Stock Incentive Plan

The Board and stockholders have adopted and approved the 2023 Plan which took effect on December 19, 2023. The 2023 Plan allows for the issuance of securities, including stock options, restricted stock, and restricted stock units ("RSUs") to employees, Board members and consultants. The initial number of shares of Common Stock available for issuance under the 2023 Plan was 125,000 shares plus 28,389 unused shares reserved under the 2021 Plan, which will, on January 1 of each calendar year, beginning on January 1, 2024 and ending on and including January 1, 2033, unless the Board decides otherwise, automatically increase to equal to the lessor of (A) three percent (3%) of the number of shares of Common Stock outstanding on the final day of the immediately preceding calendar year or (B) such smaller number of Shares as is determined by the Board.

On January 1, 2025, the number of shares of Common Stock available for issuance under the 2023 Plan automatically increased by 41,828 shares. As of March 31, 2025, 254,221 total shares were available under the 2023 Plan, of which 93,596 shares were issued and outstanding and 160,625 shares were available for potential issuances.

Total stock-based compensation related to the Company's stock options was $96,985 and $297,602, respectively, for three months ended March 31, 2025 and 2024.

September 2024 Offering

On September 26, 2024, the Company entered into a securities purchase agreement (the "September 2024 Offering") with an institutional investor, pursuant to which the Company agreed to sell pre-funded warrants ("Pre-Funded Warrants") to purchase up to an aggregate of 1,219,513 shares of common stock at an exercise price of $0.001 per share, Series A warrants to purchase up to an aggregate of 1,219,513 shares of common stock at an exercise price of $3.85 per share, and Series B warrants (together with the Series A Warrants, the "September 2024 PIPE Warrants") to purchase up to an aggregate of 1,219,513 shares of common Stock with an exercise price of $3.85 per share. The combined purchase price per Pre-Funded Warrant and accompanying September 2024 PIPE Warrants was $4.099. Aggregate gross proceeds from the September 2024 Offering were approximately $4.5 million and the September 2024 Offering closed on September 30, 2024.

The Pre-Funded Warrants are exercisable immediately upon issuance and expire when exercised in full. The Series A Warrants are exercisable immediately upon issuance and have a term of exercise equal to five (5) years from the date of issuance. The Series B Warrants are exercisable immediately upon issuance and have a term of exercise equal to eighteen (18) months from the date of issuance.

A holder of the Pre-Funded Warrants and the September 2024 PIPE Warrants may not exercise any portion of such holder's Pre-Funded Warrants or September 2024 PIPE Warrants to the extent that the holder, together with its affiliates, would beneficially own more than 4.99% (or, at the election of the holder, 9.99%) of the Company's outstanding shares of Common Stock immediately after exercise, except that upon at least 61 days' prior notice from the holder to the Company, the holder may increase the beneficial ownership limitation to up to 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the exercise. In the event of certain fundamental transactions, holders of the September 2024 PIPE Warrants will have the right to receive the Black Scholes Value of their Warrant calculated pursuant to a formula set forth in the Warrant, payable either in cash or in the same type or form of consideration that is being offered and being paid to the holders of Common Stock.

In connection with the September 2024 Private Placement, the Company entered into a registration rights agreement (the "Registration Rights Agreement"), dated as of September 26, 2024, with the investor, pursuant to which the Company agreed to prepare and file a registration statement with the Securities and Exchange Commission (the "SEC") registering the resale of the shares of Common Stock underlying the Pre-Funded Warrants and the September 2024 PIPE Warrants no later than fifteen (15) days after the date of the Registration Rights Agreement (the "Registration Statement"), and to use its best efforts to have the registration statement declared effective as promptly as practical thereafter, and in any event no later than forty-five (45) days following the date of the Registration Rights Agreement (or ninety (90) days following the date of the Registration Rights Agreement in the event of a "full review" by the SEC). The Registration Statement was declared effective by the SEC on October 11, 2024.

The net proceeds to the Company from the September 2024 Private Placement were approximately $4.5 million, after deducting placement agent fees and offering expenses payable by the Company. In addition, the Company issued to the placement agent or its designees warrants (the "Placement Agent Warrants") to purchase up to an aggregate of 85,366 shares of Common Stock at an exercise price equal to $5.125 per share. The Placement Agent Warrants have substantially the same terms as the September 2024 PIPE Warrants, are exercisable immediately upon issuance and have a term of exercise equal to five (5) years from the date of issuance. The Company intends to use the net proceeds received from the September 2024 Private Placement for working capital and general corporate purposes.

The September 2024 PIPE warrants met the requirement for equity classification. The Company computes the fair value of warrants and options using a Black-Scholes model. The expected term used for warrants is the contractual life. The Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

As of March 31, 2025, all 1,219,153 of the Pre-Funded Warrants were paid, issued and exercised. In addition, the September 2024 PIPE Warrants have not been exercised as of March 31, 2025.

Common Stock Issuances for the Three Months Ended March 31, 2025

During the quarter ended March 31, 2025, we sold 440,000 shares of Common Stock under our ATM Agreement at an average price of $3.88 for gross proceeds of $1,705,528 and net proceeds of $1,652,745.

During the quarter ended March 31, 2025, all remaining 871,000 Pre-Funded Warrants were exercised resulting in 871,000 shares of Common Stock being issued and there are no Pre-Funded Warrants outstanding.

Common Stock Issuances for the Three Months Ended March 31, 2024

During the three months ended March 31, 2024, the Company issued 1,666 shares of Common Stock due to the vesting of restricted stock units ("RSUs") and recognized approximately $48,000 of stock-based compensation expense related to its outstanding RSUs. Stock-based compensation expense related to the Company's RSUs is recognized within general and administrative expense on the condensed consolidated statements of operations and comprehensive loss.

As of March 31, 2024, the remaining unamortized RSU stock-based compensation expense was approximately $69,000.

At The Market Agreement with H.C. Wainwright

On November 26, 2024, the Company entered into an At The Market Offering Agreement (the "ATM Agreement") with H.C. Wainwright & Co., LLC ("Wainwright"), as sales agent, pursuant to which the Company may issue and sell, from time to time, through Wainwright, shares of its Common Stock, and pursuant to which Wainwright may sell its Common Stock by any method permitted by law deemed to be an "at the market offering" as defined by Rule 415(a)(4) promulgated under the Securities Act of 1933, as amended. The Company will pay Wainwright a commission of 3.0% of the aggregate gross proceeds from each sale of Common Stock. As of December 31, 2024, the Company was authorized to offer and sell up to $2,076,000 of its Common Stock pursuant to the ATM Agreement. During the quarter ended March 31, 2025, we sold 440,000 shares of Common Stock under our ATM Agreement at an average price of $3.88 for gross proceeds of $1,705,528 and net proceeds of $1,652,745.

Restricted Stock Units

During the three months ended March 31, 2025 and 2024, the Company did not grant any RSUs or restricted stock awards. During the three months ended March 31, 2025 and 2024, the Company issued a total of 0 and 4,166 shares of Common Stock, respectively, pursuant to the vesting of RSUs. The Company recognized approximately $0 and $48,000 of stock-based compensation expense for the three months ended March 31, 2025 and 2024, respectively, in relation to the vesting of historically granted RSUs. As of March 31, 2025, there were no outstanding RSUs and no more remaining unamortized RSU compensation expense.

NOTE 7 – STOCK OPTIONS

Stock Options Issued, Vested and Cancelled

During the three months ended March 31, 2025, the Company did not issue any stock options. During the three months ended March 31, 2025, stock options to purchase an aggregate of 22,899 shares of Common Stock, subject to time-based milestone vesting conditions, vested.

During the three months ended March 31, 2024, the Company issued stock options under the 2023 Plan to employees, to purchase an aggregate of 104,433 shares of Common Stock with a strike price equal to $8.13 per share and a term of ten years. Of the stock options granted, stock options to purchase an aggregate of 37,433 shares of Common Stock were fully vested at issuance and the remaining stock options are subject to time-based vesting over a term ranging between one to three years. These stock options had a total fair value of approximately $657,000, as calculated using the Black-Scholes pricing model with the following assumptions: volatility of 88.41%, discount rate of 4.20%, expected term of 6.5 years, and an exercise price of $8.13.

During the three months ended March 31, 2024, stock options to purchase an aggregate of 42,767 shares of Common Stock, subject to time-based milestone vesting conditions, vested.

Stock-Based Compensation

For the three months ended March 31, 2025 and 2024, total stock-based compensation expense related to the Company's stock options was approximately $97,000 and $298,000, respectively. For the three months ended March 31, 2025, the Company recognized approximately $92,000 of stock-based compensation related to its stock options within general and administrative expense, and approximately $5,000 within research and development expense on the condensed consolidated statements of operations and comprehensive loss. For the three months ended March 31, 2024, the Company recognized approximately $184,000 of stock-based compensation related to its stock options within general and administrative expense, and approximately $114,000 within research and development expense on the condensed consolidated statements of operations and comprehensive loss.

The following table summarizes the activity related to the Company's stock options for the three months ended March 31, 2025:

	Number of Options	Weighted average exercise price per share	Weighted average remaining contractual term (years)	Aggregate intrinsic value (in thousands)
Outstanding, January 1, 2025	182,034	$ 21.17	8.98	$ -
Granted	-	-	-	-
Expired/Cancelled	(17,188)	9.24	-	-
Exercised	-	-	-	-
Outstanding, March 31, 2025	164,846	$ 22.41	8.18	-
Exercisable, March 31, 2025	112,247	$ 28.20	7.94	$ -

As of March 31, 2025, the remaining unamortized stock-based compensation expense related to the stock options was approximately $196,000 with 22 months of amortization remaining.

NOTE 8 – WARRANTS

As of March 31, 2025, the fair value of the Public Warrants was approximately $0.364 per Public Warrant based on the closing price of the warrants on The Nasdaq Capital Market. The fair value of the Representative Warrants was approximately $0.379 per Representative Warrant, which was based on the relative fair value to the Public Warrants.

The following table summarizes the Company's outstanding warrants:

Exercise Price	Number of warrants	Weighted-average remaining contractual term (years)	Weighted average exercise price
$ 3.85	2,439,026	2.76	
$ 5.13	85,366	4.51	
$ 8.13	1,500	8.92	
$ 20.00	433,999	1.65	
$ 37.60	100,001	2.38	
$ 120.00	13,800	1.46	
$ 125.00	220,000	1.46	
	3,293,692	2.55	15.62

For the three months ended March 31, 2025 and 2024, total stock-based compensation expense related to the Company's warrants was approximately $1,573 and $787, respectively, and is recognized within general and administrative expense on the condensed consolidated statements of operations and comprehensive loss.

During the three months ended March 31, 2025, the Company issued no warrants.

During the three months ended March 31, 2024, the Company issued warrants to purchase an aggregate of 1,500 shares of Common Stock in exchange for consulting services. The warrants were issued on March 1, 2024 and became exercisable in twelve equal monthly installments commencing on April 1, 2024 at $8.13 per share. The warrants expire ten years from the date of issuance.

No warrants were expired/cancelled or exercised during the three months ended March 31, 2025 and 2024.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Legal and Regulatory Environment

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government healthcare program participation requirement, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers.

Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Company is in compliance with fraud and abuse regulations, as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

NOTE 10 – RELATED PARTY TRANSACTIONS

Consulting Agreement with Prof. Lawrence Steinman

The Steinman Consulting Agreement memorializes the compensation arrangements pursuant to which Prof. Steinman has been compensated for his services to the Company, as previously disclosed in our public filings. Pursuant to the Steinman Consulting Agreement, Prof. Steinman provides a variety of consulting and advisory services relating principally to the clinical and commercial development of our product candidates, including our research and development strategy through all phases of discovery and preclinical development, identifying potential partners for our pre-clinical assets, and business development efforts related to our pre-clinical assets, among other things. Pursuant to the Steinman Consulting Agreement, Prof. Steinman receives $25,000 per quarter for his services.

NOTE 11 – SEGMENT INFORMATION

The Company views its operations and manages its business as one operating and reportable segment, which is the business of research and development of innovative treatments for central nervous system (CNS) disorders and other diseases, including RASopathies and certain cancers. The determination of a single operating segment is consistent with the consolidated financial information regularly provided to the CODM. Consistent with the operational structure, the Chief Executive Officer, as the CODM, reviews and evaluates net loss for purposes of assessing performance, making operating decisions, allocating resources available and how to best deploy these resources across functions, therapeutic areas and research and development projects, and planning and forecasting for future periods on a consolidated basis. Operating expenses are used to monitor budget versus actual results in assessing performance of the segment. Total assets are monitored by the CODM on a consolidated basis which is reported on the face of the consolidated balance sheets. All the Company's long-lived assets are held in the United States.

The following table is representative of the significant expense categories regularly provided to the CODM when managing the Company's single reporting segment. A reconciliation to the consolidated net loss for the three months ended March 31, 2025 and 2024 is included at the bottom of the table below.

	For the Three Months Ended March 31,	
Significant segment expenses	**2025**	**2024**
General and administrative [1]	$ 1,696,425	$ 1,897,719
Pre-clinical research [1]	61,993	430,384
CMC [1]	224,597	377,820
Clinical development [1]	1,434,804	826,117
Depreciation and amortization	161,708	162,257
Share based compensation expense	98,558	346,477
Other segment items [2]	2,094	-
Total operating and segment expenses	3,680,179	4,040,774
Reconciliation of net loss		
Change in fair value of warrant liabilities	76,867	26,716
Realized foreign currency translation loss from dissolution of subsidiaries	(7,171)	-
Interest and dividends, net	47,245	153,218
Segment and consolidated net loss	$ 3,563,238	$ 3,860,840

(1) includes personnel costs and excludes share-based compensation expense

(2) includes loss from sale of assets, and loss on asset write offs

NOTE 12 – SUBSEQUENT EVENTS

The Company has evaluated events and transactions subsequent to March 31, 2025 through the date these condensed consolidated financial statements were included on Form 10-Q and filed with the SEC. During this period, the Company did not have any material reportable subsequent events, except as disclosed below.

ATM Agreement

Subsequent to the quarter ended March 31, 2025, we sold 252,600 shares of Common Stock under our ATM Agreement at an average price of $1.47 for gross proceeds of $370,160 and net proceeds of $358,037.

May 2025 Public Offering

On May 7, 2025, the Company closed a public offering of 3,571,428 shares of Common Stock (or pre-funded warrants in lieu thereof) and accompanying Series C warrants to purchase up to 3,571,428 shares of Common Stock and Series D warrants to purchase up to 3,571,428 shares of Common Stock, at a combined offering price of $1.40 per share of Common Stock (or per pre-funded warrant in lieu thereof) and accompanying warrants. The Series C warrants have an exercise price of $1.40 per share, are exercisable upon issuance and will expire five years thereafter. The Series D warrants have an exercise price of $1.40 per share, are exercisable upon issuance and will expire 18 months thereafter. Additionally, in connection with the consummation of the offering, certain investors exercised Series D warrants to purchase an aggregate of 914,286 shares of Common Stock resulting in gross proceeds of approximately $1.3 million to the Company.

Total gross proceeds to the Company from the offering were $5.0 million, before deducting the placement agent's fees and other offering expenses payable by the Company. Aggregate gross proceeds from the offering and the exercise of the Series D warrants were approximately $6.3 million. The Company intends to use the net proceeds from this offering for general corporate purposes, which includes, without limitation, ongoing research and pre-clinical studies, clinical trials, the development of new biological and pharmaceutical technologies, investing in or acquiring companies that are synergistic with or complementary to the Company's technologies, licensing activities related to its current and future product candidates, and to the development of emerging technologies, investing in or acquiring companies that are developing emerging technologies, licensing activities, or the acquisition of other businesses and working capital.

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

You should read the following discussion and analysis of financial condition and operating results together with our financial statements and the related notes and other financial information included elsewhere in this quarterly report on Form 10-Q, as well as our audited consolidated financial statements and related notes as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed on March 24, 2025. This discussion contains forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth in the section of this report captioned "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q as well as the risk factors set forth in the section titled "Risk Factors" included in our Annual Report on Form 10-K, our actual results may differ materially from those anticipated in these forward-looking statements. For convenience of presentation some of the numbers have been rounded in the text below.

Throughout this report, the terms "our," "we," "us," and the "Company" refer to Pasithea Therapeutics Corp. and its subsidiaries, Pasithea Therapeutics Limited (UK), Pasithea Therapeutics Portugal, Sociedade Unipessoal Lda, Pasithea Clinics Inc., Alpha-5 Integrin, LLC ("Alpha-5"), AlloMek Therapeutics, LLC ("AlloMek")and Pasithea MacroMEK Pty Ltd. Pasithea Therapeutics Limited (UK), legally dissolved as of January 2, 2024, was a private limited Company, registered in the United Kingdom (UK). Pasithea Clinics Inc. is incorporated in Delaware. Pasithea Therapeutics Portugal, Sociedade Unipessoal Lda, is a private limited Company, registered in Portugal. Alpha-5 and AlloMek are both Delaware limited liability companies. Pasithea MacroMEK Pty Ltd is registered in Australia. The operations of Pasithea Therapeutics Limited (UK), Pasithea Therapeutics Portugal, Sociedade Unipessoal Lda, and Pasithea Clinics Inc. have been discontinued.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are generally identified by the use of such words as "may," "could," "should," "would," "believe," "anticipate," "forecast," "estimate," "expect," "intend," "plan," "continue," "outlook," "will," "potential" and similar statements of a future or forward-looking nature. These forward-looking statements speak only as of the date of filing this Quarterly Report with the SEC, and include, without limitation, statements about the following:

- our lack of operating history;
- the expectation that we will incur significant operating losses for the foreseeable future and will need significant additional capital;
- the period over which we estimate our existing cash and cash equivalents will be sufficient to fund our future operating expenses and capital expenditure requirements;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our plans to develop and commercialize our product candidates involves a lengthy and expensive process, with an uncertain outcome;
- the initiation, enrollment, timing, progress, results, and cost of our research and development programs and our current and future preclinical studies and clinical trials, including statements regarding the timing of initiation and completion of studies or trials and related preparatory work, the period during which the results of the trials will become available;

- the timing of interim data and final results from our clinical trials for PAS-004;
- the potential safety and efficacy of our product candidates and the therapeutic implications of clinical and preclinical data;
- potential impacts of increased trade tariffs, import quotas or other trade restrictions or measures taken by the United States and other countries, including the recent and potential changes in U.S. trade policies that may be made by the Trump presidential administration;
- the timing and focus of our future preclinical studies and clinical trials, and the reporting of data from those studies and trials;
- the size of the market opportunity for our future product candidates, including our estimates of the number of patients who suffer from the diseases we are targeting;
- the success of competing therapies that are or may become available;
- the beneficial characteristics, safety, efficacy and therapeutic effects of our future product candidates;
- our ability to obtain and maintain regulatory approval of our future product candidates;
- our plans relating to the further development of our future product candidates, including additional disease states or indications we may pursue;
- existing regulations and regulatory developments in the United States and other jurisdictions;
- our dependence on third parties;
- the need to hire additional personnel and our ability to attract and retain such personnel;
- our plans and ability to obtain or protect intellectual property rights, including extensions of patent terms where available and our ability to avoid infringing the intellectual property rights of others;
- our financial performance and sustaining an active trading market for our Common Stock and Warrants;
- our ability to restructure our operations to comply with any potential future changes in government regulation; and
- the impact of global economic and market conditions and political developments on our business, including, among others, rising inflation and capital market disruptions, economic sanctions, bank failures, regional conflicts around the world, and economic slowdowns or recessions that may result from such developments which could harm our research and development efforts as well as the value of our Common Stock and our ability to access capital markets.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. You should refer to the "Risk Factors" section of this Quarterly Report for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. We operate in an evolving environment and new risk factors and uncertainties may emerge from time to time. It is not possible for management to predict all risk factors and uncertainties. As a result of these factors, we cannot assure you that the forward-looking statements in this Quarterly Report will prove to be accurate. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. You should review the factors and risks and other information we describe in the reports we will file from time to time with the SEC.

Company Summary

We are a clinical-stage biotechnology company primarily focused on the discovery, research and development of innovative treatments for CNS disorders and other diseases, including RASopathies.

Our primary operations, (the "Therapeutics" segment) are focused on developing our lead product candidate, PAS-004, a next-generation macrocyclic mitogen-activated protein kinase, or MEK inhibitor that we believe may address the limitations and liabilities associated with existing drugs targeting a similar mechanism of action. In December 2023, the U.S. Food and Drug Administration (the "FDA") cleared our Investigational New Drug application (the "IND") for PAS-004 and we received a study may proceed letter from the FDA for our Phase 1 multicenter, open-label, dose escalation trial of PAS-004 in patients with MAPK pathway-driven advanced tumors with a documented RAS, NF1 or RAF mutation or patients who have failed BRAF/MEK inhibition (the "FIH Phase 1 Dose Escalation Study"). We are currently conducting the FIH Phase 1 Dose Escalation Study at four clinical sites in the United States and three additional sites in Eastern Europe. Our clinical development plan is to advance PAS-004 into a Phase 1/1b clinical trial in adult patients with neurofibromatosis type 1 (NF1)-associated plexiform neurofibromas ("NF1-PN") followed by pediatric NF1-PN patients and ultimately complete registrational clinical trials in these patient populations, which are the initial indications that the Company plans to seek marketing approval for PAS-004.

Additionally, we have two programs that are in the discovery stage, which we believe address limitations in the treatment paradigm of the indications we plan to address with these programs, which are currently ALS for PAS-003 and schizophrenia for PAS-001.

Our ability to generate product revenue will depend on the successful development, regulatory approval and eventual commercialization of one or more of our product candidates. Until such time we can generate significant revenue from product sales, if ever, we expect to finance our operations through the sale of equity, debt financings, or other capital sources, including potential collaborations with other companies or other strategic transactions. Adequate funding may not be available to us on acceptable terms, or at all. If we fail to raise capital or enter into such agreements as and when needed, we may have to significantly delay, scale back or discontinue the development and commercialization of our product candidates.

We expect to continue to incur significant expenses and operating losses for the foreseeable future as we advance our product candidates through all stages of development and clinical trials and, ultimately, seek regulatory approval. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution. We expect our expenses and capital requirements will increase significantly in connection with our ongoing activities as we:

- establish a sales, marketing and distribution infrastructure to commercialize our drugs, if approved, and for any other product candidates for which we may obtain marketing approval;
- maintain, expand and protect our intellectual property portfolio;
- hire additional clinical, scientific and commercial personnel;
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts, as well as to support our transition to a public reporting company; and
- acquire or in-license or invent other product candidates or technologies.

Recent Developments

Clinical Updates

On April 29, 2025, we announced completion of enrollment and initial dosing of three subjects in cohort 6 with 30mg capsules of PAS-004 from our ongoing FIH Phase 1 Dose Escalation Study. On May 6, 2025, we announced pharmacodynamics results demonstrating robust target engagement from our ongoing FIH Phase 1 Dose Escalation Study of PAS-004. On May 14, 2025, we announced the initiation of our Phase 1/1b clinical trial to assess PAS-004 in adults NF1-PN patients.

May 2025 Offering

On May 7, 2025, we closed a public offering (the "May 2025 Offering") of 3,571,428 shares of Common Stock (or pre-funded warrants in lieu thereof) and accompanying Series C warrants to purchase up to 3,571,428 shares of Common Stock and Series D warrants to purchase up to 3,571,428 shares of Common Stock, at a combined offering price of $1.40 per share of Common Stock (or per pre-funded warrant) and accompanying warrants. The Series C warrants have an exercise price of $1.40 per share, are exercisable upon issuance and will expire five years thereafter. The Series D warrants have an exercise price of $1.40 per share, are exercisable upon issuance and will expire 18 months thereafter. Additionally, in connection with the closing of the offering, certain investors exercised Series D warrants to purchase an aggregate of 914,286 shares of Common Stock, resulting in additional gross proceeds of approximately $1.3 million. Total gross proceeds to the Company from the offering were $5.0 million, before deducting the placement agent's fees and other offering expenses payable by the Company. Aggregate gross proceeds from the offering and the exercise of the Series D warrants were approximately $6.3 million.

Impact of Inflation

We have recently experienced higher costs across our business as a result of inflation, including higher costs related to employee compensation and outside services. Although we anticipate a decline in the rate of inflation throughout 2025, we expect inflation to continue to have a negative impact throughout 2025, and it is uncertain whether we will be able to offset the impact of inflationary pressures in the near term.

Results of Operations

Comparison of the Three Months Ended March 31, 2025 and 2024

Our financial results for the three months ended March 31, 2025 and 2024 are summarized as follows:

	For the Three Months Ended March 31,			
	2025	2024	Change	% Change
General and administrative	$ 1,950,328	$ 2,291,646	$ (341,318)	(14.9)%
Research and development	1,729,851	1,749,128	(19,277)	(1.1)%
Loss from operations	(3,680,179)	(4,040,774)	360,595	(8.9)%
Other income, net	116,941	179,934	(62,993)	(35.0)%
Net loss	(3,563,238)	(3,860,840)	297,602	(7.7)%

General and administrative

General and administrative expenses consist primarily of personnel expenses, including salaries, benefits, and stock-based compensation expense, for employees and consultants in executive, finance and accounting, legal, operations support, information technology and human resource functions. General and administrative expenses also include corporate facility costs not otherwise included in research and development expenses, including rent, utilities, depreciation, amortization, and maintenance, as well as legal fees related to intellectual property and corporate matters, fees for accounting and consulting services and other expenses, including insurance, public company and corporate communications, information technology, and board fees.

General and administrative expenses decreased by approximately $341,000, or 15%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The decrease was primarily driven by decreases in (i) legal expenses of approximately $246,000, (ii) non-cash stock-based expense of approximately $161,000, (iii) public company expenses of approximately $57,000, (iv) accounting and business development of approximately $8,000 and (v) personnel and other expense of approximately $8,000. These decreases were partially offset by an increase in office and other general and administrative expenses of approximately $139,000.

We expect general and administrative expenses to decrease slightly in fiscal year 2025 as compared to fiscal year 2024 primarily due to reduced legal and public company and corporate communications expenses.

Research and Development

Research and development expenses relate to activities primarily focused on the development of PAS-004 for the three months ended March 31, 2025, and PAS-004, PAS-003, and PAS-001 for the three months ended March 31, 2024.

Research and development expenses decreased by approximately $19,000, or 1%, for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The decrease was primarily driven by decreases in (i) preclinical research and development expenses related to our discovery programs of approximately $475,000, (ii) consulting expense of approximately $97,000, (iii) stock compensation expense of approximately $87,000, (iv) manufacturing and CMC expenses of approximately $56,000 and (v) other expense of approximately $30,000. These decreases were offset by an increase in clinical trials expense of approximately $726,000 related to the ongoing FIH Phase 1 Dose Escalation Study of PAS-004.

We expect research and development expenses to increase in fiscal year 2025 as compared to fiscal year 2024 primarily due to (i) an increase in clinical research for PAS-004 related to the ongoing FIH Phase 1 Dose Escalation Study and the planned upcoming phase 1/1b clinical trial of PAS-004 in adult NF1-PN patients, and (ii) an increase in manufacturing costs related to the drug supply for our clinical trials, offset by decreases in pre-clinical research and the reduction in workforce related to the closure of our research laboratory.

Other income, net

For the three months ended March 31, 2025, other income, net decreased by approximately $63,000, or 35%, compared to the three months ended March 31, 2024. The decrease in other income, net is due primarily to a decrease in interest and dividends, net of approximately $106,000, a realized foreign currency translation loss from dissolution of subsidiaries of approximately $7,000, partially offset by an increase fair value of the Public Warrants and the Representative Warrants (as such terms are defined in "Note 2 – Summary of Significant Accounting Policies" in the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q) of approximately $50,000.

Working Capital

	As of March 31, 2025	As of December 31, 2024
Current assets	$ 6,124,940	$ 7,368,315
Current liabilities	1,594,894	1,119,871
Working capital	$ 4,530,046	$ 6,248,444

Working capital decreased by approximately $1.7 million between March 31, 2025 and December 31, 2024 primarily due to cash used to fund operations for the three months ended March 31, 2025.

Liquidity and Financial Condition

	For the Three Months Ended March 31,	
	2025	2024
Net loss	$ (3,563,238)	$ (3,860,840)
Net cash used in operating activities	$ (3,055,757)	$ (4,321,085)
Net cash provided by financing activities	1,474,306	-
Effect of foreign currency translation on cash	-	(620)
Decrease in cash and cash equivalents	$ (1,581,451)	$ (4,321,705)

Cash and cash equivalents decreased by approximately $1.6 million for the three months ended March 31, 2025 compared to a decrease of approximately $4.3 million for the three months ended March 31, 2024. The decrease for the three months ended March 31, 2025 was primarily attributable to cash used to fund operations which was partially offset by at-the-market sales of common stock of approximately $1.7 million. The decrease for the three months ended March 31, 2024 was primarily attributable to cash used to fund operations and an increase in prepaid expenses.

Liquidity & Capital Resources Outlook

As of March 31, 2025, we had approximately $5.3 million in operating bank accounts and money market funds, with working capital of approximately $4.5 million. We are dependent on obtaining additional working capital funding from the sale of equity and/or debt securities in order to continue to execute our development plans and continue operations. Subsequent to the consummation of the Initial Public Offering, our liquidity was and continues to be satisfied through the net proceeds from the Initial Public Offering, the private placements we consummated in November 2021 and September 2024, the May 2025 Offering described above, the receipt of cash upon the prior exercise of our outstanding warrants and the sale of Common Stock pursuant to the ATM Agreement. Based on the foregoing, management believes that we will not have sufficient working capital to meet our needs through twelve months from the issuance date of the financial statements included in this Quarterly Report, without raising additional capital.

We are able to sell securities on a shelf registration statement pursuant to the ATM Agreement with H.C. Wainwright & Co., LLC. Under current Securities and Exchange Commission regulations, if at any time our public float is less than $75.0 million, and for so long as our public float remains less than $75.0 million, the amount we can raise through primary public offerings of securities in any twelve-month period using shelf registration statements is limited to an aggregate of one-third of our public float, which is referred to as the baby shelf rules. As of March 31, 2025, our calculated public float is below $75.0 million and we will be restricted from selling more than an aggregate of one-third of our public float pursuant to a shelf registration statement in any twelve-month period, so long as the aggregate market value of our Common Stock held by non-affiliates is less than $75.0 million.

Our primary use of cash is to fund operating expenses, primarily general and administrative and research and development expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable, accrued expenses and prepaid expenses.

Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical products, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the scope, timing, progress and results of discovery, preclinical development, laboratory testing and clinical trials for our product candidates;
- the costs of manufacturing our product candidates for clinical trials and in preparation for marketing approval and commercialization;
- the extent to which we enter into collaborations or other arrangements with third parties in order to further develop our product candidates;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the costs and fees associated with the discovery, acquisition or in-license of additional product candidates or technologies;
- expenses needed to attract and retain skilled personnel;
- the costs required to scale up our clinical, regulatory and manufacturing capabilities;
- the costs of future commercialization activities, if any, including establishing sales, marketing, manufacturing and distribution capabilities, for any of our product candidates for which we receive marketing approval; and
- revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval.

We will need significant additional funds to meet operational needs and capital requirements for clinical trials, other research and development expenditures, and business development activities. We currently have no credit facility or committed sources of capital. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated clinical studies.

Contractual Obligations

See Note 9 – Commitments and Contingencies in the Notes to Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for a summary of our contractual obligations.

Off-Balance Sheet Arrangements

During the periods presented, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated under the Exchange Act.

Critical Accounting Estimates

Our critical accounting estimates, which include (1) revenue recognition, (2) stock-based compensation and (3) fair value measurements, are more fully described in the Notes to our Consolidated Financial Statements included in our Form 10-K for the fiscal year ended December 31, 2024, as filed on March 24, 2025. During the three months ended March 31, 2025, there were no material changes to our critical accounting policies and estimates from those described in our Form 10-K.

Recent Accounting Pronouncements

See Note 2 – Summary of Significant Accounting Policies in the Notes to our Unaudited Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for a description of recent accounting pronouncements applicable to our financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not Applicable. As a smaller reporting company, we are not required to provide the information required by this Item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have evaluated the Company's disclosure controls and procedures, and have concluded, based on their evaluation as of the end of the period covered by this report, that our disclosure controls and procedures, as defined in the Securities Exchange Act of 1934, as amended (the Exchange Act), Rule 13a-15(e), are effective as of March 31, 2025 to ensure that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (ii) is accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well-designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected.

Evaluation of Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, we believe would individually or in the aggregate have a material adverse effect on our business, results of operations, financial condition or cash flows.

Item 1A. Risk Factors

There have been no material changes to the risk factors set forth in the section titled "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed on March 24, 2025. Our business involves significant risks. You should carefully consider the risks and uncertainties described in our Form 10-K, together with all of the other information in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes as disclosed in our Form 10-K. The risks and uncertainties described in our Form 10-K are not the only ones we face. Additional risk and uncertainties that we are unaware of or that we deem immaterial may also become important factors that adversely affect our business. The realization of any of these risks and uncertainties could have a material adverse effect on our reputation, business, financial condition, results of operations, growth and future prospects as well as our ability to accomplish our strategic objectives. In that event, the market price of our common stock and Public Warrants could decline, and you could lose part or all of your investment.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(a) None.

(b) None.

(c) During the fiscal quarter ended March 31, 2025, no director or "officer" (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits

Exhibit No.	Description
31.1*	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished, not filed.

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.

PASITHEA THERAPEUTICS CORP.

By: */s/ Tiago Reis Marques*
Tiago Reis Marques
Chief Executive Officer
(Principal Executive Officer)

Date: May 15, 2025

By: */s/ Daniel Schneiderman*
Daniel Schneiderman
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Date: May 15, 2025

Exhibit 31.1

PASITHEA THERAPEUTICS CORP.
CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Tiago Reis Marques, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2025 of Pasithea Therapeutics Corp. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: */s/ Tiago Reis Marques*
Tiago Reis Marques
Chief Executive Officer
(Principal Executive Officer)

Date: May 15, 2025

Exhibit 31.2

PASITHEA THERAPEUTICS CORP.
CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel Schneiderman, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2025 of Pasithea Therapeutics Corp. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

By: /s/ Daniel Schneiderman
Daniel Schneiderman
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Date: May 15, 2025

Exhibit 32.1

PASITHEA THERAPEUTICS CORP.
CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q for the period ended March 31, 2025 of Pasithea Therapeutics Corp. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

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

By: /s/ Tiago Reis Marques
Tiago Reis Marques
Chief Executive Officer
(Principal Executive Officer)

Date: May 15, 2025

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

PASITHEA THERAPEUTICS CORP.
CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report on Form 10-Q for the period ended March 31, 2025 of Pasithea Therapeutics Corp. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

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

By: /s/ Daniel Schneiderman
Daniel Schneiderman
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Date: May 15, 2025

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.