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, 2022

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: 001-37603

BIORESTORATIVE THERAPIES, INC.
(Exact name of registrant as specified in its charter)

Delaware	**91-1835664**
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
40 Marcus Drive, Melville, New York	**11747**
(Address of Principal Executive Offices)	(Zip Code)

(631) 760-8100
(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of exchange on which registered
Common Stock, $0.0001 par value	BRTX	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 pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

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

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

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

Indicate by checkmark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

As of May 9, 2022, there were 3,637,219 shares of the registrant's common stock outstanding.

BIORESTORATIVE THERAPIES, INC. AND SUBSIDIARY
FORM 10-Q
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BIORESTORATIVE THERAPIES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

		March 31, 2022 (Unaudited)		December 31, 2021
ASSETS				
Current Assets:				
Cash	$	19,322,520	$	21,026,727
Accounts receivable		16,000		5,000
Prepaid expenses and other current assets		540,280		436,181
Total Current Assets		19,878,800		21,467,908
Property and equipment, net		140,185		37,993
Right of use asset		328,794		357,805
Intangible assets, net		571,109		589,740
Total Assets	$	20,918,888	$	22,453,446
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Accounts payable	$	213,893	$	50,827
Accrued expenses and other current liabilities		156,037		134,970
Lease liability, current portion		123,899		119,055
PPP loan payable, current portion		-		58,970
Total Current Liabilities		493,829		363,822
Lease liability, net of current portion		268,357		301,645
PPP loan payable, net of current portion		-		191,030
Total Liabilities		762,186		856,497
Commitments and Contingencies				
Stockholders' Equity				
Preferred stock, $0.01 par value; Authorized, 20,000,000 shares; Series A Convertible Preferred stock, $0.01 par value; 1,543,158 Authorized, issued and outstanding		15,432		15,432
Common stock, $0.0001 par value; Authorized, 75,000,000 shares; 3,631,719 and 3,520,391 issued and outstanding at March 31, 2022 and December 31, 2021, respectively		364		353
Additional paid in capital		159,103,184		155,727,292
Accumulated deficit		(138,962,278)		(134,146,128)
Total Stockholders' Equity		20,156,702		21,596,949
Total Liabilities and Stockholders' Equity	$	20,918,888	$	22,453,446

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

BIORESTORATIVE THERAPIES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended	
	March 31, 2022	March 31, 2021
Revenues	$ 16,000	$ 18,000
Operating expenses:		
Marketing and promotion	469	2,600
Consulting	86,071	8,389
Research and development	775,337	165,254
General and administrative	4,207,916	14,896,413
Total operating expenses	5,069,793	15,072,656
Loss from operations	(5,053,793)	(15,054,656)
Other (income) expense:		
Interest expense	29,011	181,514
Gain on PPP loan forgiveness	(250,000)	-
Amortization of debt discount	-	417,160
Grant income	(16,654)	-
Total other (income) expense	(237,643)	598,674
Net loss	$ (4,816,150)	$ (15,653,330)
Net Loss Per Share - Basic and Diluted	$ (1.37)	$ (21.44)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	3,523,202	729,930

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

BIORESTORATIVE THERAPIES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

	Series A Convertible Preferred Stock		Common Stock		Additional Paid-in	Accumulated	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Capital	Deficit	(Deficit)
Balance at January 1, 2022	1,543,158	$ 15,432	3,520,391	$ 353	$ 155,727,292	$ (134,146,128)	$ 21,596,949
Stock-based compensation:							
- restricted share units	-	-	97,828	10	1,164,125	-	1,164,135
- options	-	-	-	-	2,138,949	-	2,138,949
- common stock	-	-	13,500	1	72,818	-	72,819
Net loss	-	-	-	-	-	(4,816,150)	(4,816,150)
Balance as of March 31, 2022	1,543,158	$ 15,432	3,631,719	$ 364	$ 159,103,184	$ (138,962,278)	$ 20,156,702
Balance at January 1, 2021	-	$ -	715,544	$ 72	$ 88,511,269	$ (89,842,833)	$ (1,331,492)
Shares issued in exchange for notes payable and accrued interest	-	-	4,852	1	213,672	-	213,673
Shares issued in cashless exercise of warrants	-	-	73,582	7	(7)	-	-
Stock-based compensation:							
- restricted share units	-	-	-	-	179,098		179,098
- options	-	-	-	-	13,897,669	-	13,897,669
Net loss	-	-	-	-	-	(15,653,330)	(15,653,330)
Balance as of March 31, 2021	-	$ -	793,978	$ 80	$ 102,801,701	$ (105,496,163)	$ (2,694,382)

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

BIORESTORATIVE THERAPIES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended	
	March 31, 2022	**March 31, 2021**
Cash flows from operating activities:		
Net Loss	$ (4,816,150)	$ (15,653,330)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt discount	-	417,160
Depreciation and amortization	26,011	24,201
Stock-based compensation - options	2,138,949	13,897,669
Stock-based compensation - common stock	72,819	-
Stock-based compensation - RSUs	1,164,135	179,098
Gain on PPP loan forgiveness	(250,000)	-
Non-cash lease expense	29,011	4,835
Changes in operating assets and liabilities:		
Accounts receivable	(11,000)	(1,000)
Prepaid assets and other current assets	(104,099)	29,955
Accounts payable	163,067	126,810
Accrued expenses and other current liabilities	21,067	160,901
Lease liability	(28,444)	-
Net cash used in operating activities	(1,594,634)	(813,701)
Cash flows from investing activities:		
Purchases of equipment	(109,573)	-
Net cash used in investing activities	(109,573)	-
Cash flows from financing activities:		
Proceeds from PPP Loan	-	250,000
Net cash provided by financing activities	-	250,000
Net decrease in cash and cash equivalents	(1,704,207)	(563,701)
Cash - beginning of period	21,026,727	3,064,610
Cash - end of period	$ 19,322,520	$ 2,500,909
Non-cash investing and financing activities:		
Shares issued in exchange for notes payable and accrued interest	$ -	$ 213,673

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

NOTE 1 – NATURE OF THE ORGANIZATION, LIQUIDITY, AND BUSINESS

Corporate History

BioRestorative Therapies, Inc. has one wholly-owned subsidiary, Stem Pearls, LLC (“Stem Pearls”). BioRestorative Therapies, Inc. and its subsidiary are referred to collectively as “BRT” or the “Company”.

On October 27, 2021, the Company effected a 1-for-4,000 reverse stock split of its common stock. The Company has retroactively applied the reverse stock split made effective on October 27, 2021 to share and per share amounts on the unaudited condensed consolidated financial statements for the three months ended March 31, 2021. In connection with the reverse stock split, the Company’s authorized number of shares of common stock was reduced from 300,000,000,000 to 75,000,000. The Company’s authorized number of shares of preferred stock was not affected by the reverse stock split.

On November 9, 2021, the Company completed a $23,000,000 underwritten public offering of units of securities pursuant to which an aggregate of 2,300,000 shares of the Company’s common stock and warrants for the purchase of an aggregate of 2,645,000 shares of the Company’s common stock were issued. The Company intends to use the net proceeds from the offering as follows: (i) undertaking of clinical trials with respect to BRTX-100 and its related collection and delivery procedure; (ii) pre-clinical research and development with respect to the Company’s ThermoStem Program; and (iii) for general corporate and working capital purposes. In connection with the public offering, the Company’s common stock was listed on the Nasdaq Capital Market.

Nature of the Business

BRT develops therapeutic products and medical therapies using cell and tissue protocols, primarily involving adult stem cells. BRT’s website is at www.biorestorative.com. BRT is currently developing a Disc/Spine Program referred to as “brtxDISC”. Its lead cell therapy candidate, *BRTX-100*, is a product formulated from autologous (or a person’s own) cultured mesenchymal stem cells collected from the patient’s bone marrow. The product is intended to be used for the non-surgical treatment of painful lumbosacral disc disorders or as a complimentary therapeutic to a surgical procedure. BRT is also engaging in research efforts with respect to a platform technology utilizing brown adipose (fat) for therapeutic purposes to treat type 2 diabetes, obesity and other metabolic disorders and has labeled this initiative its ThermoStem Program. Further, BRT has licensed a patented curved needle device that is a needle system designed to deliver cells and/or other therapeutic products or material to the spine and discs or other potential sites.

Liquidity

The accompanying unaudited condensed consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates realization of assets and satisfying liabilities in the normal course of business. At March 31, 2022, the Company had an accumulated deficit of $138,962,278 and working capital surplus of $19,384,971. For the three months ended March 31, 2022, the Company had a loss from operations of $5,053,793 (of which, $3,375,903 was attributable to non-cash stock-based compensation) and negative cash flows from operations of $1,594,634. The Company’s operating activities consume the majority of its cash resources. The Company anticipates that it will continue to incur operating losses as it executes its development plans for 2022, as well as other potential strategic and business development initiatives. In addition, the Company has had and expects to have negative cash flows from operations, at least into the near future. The Company has previously funded, and plans to continue funding, these losses primarily through current cash on hand and additional infusions of cash from equity and debt financing.

The Company believes the following has been able to mitigate the above factors with regard to its ability to continue as a going concern: on November 9, 2021, the Company received net proceeds of approximately $21,073,000 from its public offering. As a result of the above, and cash on hand of $19,322,520 as of March 31, 2022, the Company believes it has sufficient cash to fund operations for the twelve months subsequent to the filing date.

Current funds noted above will not be sufficient to enable the Company to fully complete its development activities or attain profitable operations. If the Company is unable to obtain such needed additional financing on a timely basis, the Company may have to curtail its development, marketing and promotional activities, which would have a material adverse effect on the Company's business, financial condition and results of operations, and ultimately the Company could be forced to discontinue its operations and liquidate.

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the unaudited condensed consolidated financial statements do not necessarily purport to represent realizable or settlement values. The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial information as of and for the three months ended March 31, 2022 and 2021 has been prepared in accordance with GAAP for interim financial information and with the instructions to Quarterly Report on Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, such financial information includes all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the Company's financial position at such dates and the operating results and cash flows for such periods. Operating results for the three months ended March 31, 2022 are not necessarily indicative of the results that may be expected for the entire year or for any other subsequent interim period.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to the rules of the U.S. Securities and Exchange Commission (the "SEC"). These unaudited condensed consolidated financial statements and related notes should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021, included in the Company's Annual Report on Form 10-K filed with the SEC on March 30, 2022.

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Stem Pearls. Intercompany accounts and transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, equity-based transactions, revenue and expenses and disclosure of contingent liabilities at the date of the unaudited condensed consolidated financial statements. The Company bases its estimates and assumptions on historical experience, known or expected trends and various other assumptions that it believes to be reasonable. As future events and their effects cannot be determined with precision, actual results could differ from these estimates which may cause the Company's future results to be affected.

The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of the accompanying unaudited condensed consolidated financial statements. Significant estimates include the carrying value of intangible assets, deferred tax asset and valuation allowance, and assumptions used in the Black-Scholes option pricing model, such as expected volatility, risk-free interest rate, and expected divided rate.

Revenue

The Company derives all of its revenue pursuant to a license agreement between the Company and a stem cell treatment company ("SCTC") entered into in January 2012 and amended in November 2015. Pursuant to the license agreement, the SCTC granted to the Company a license to use certain intellectual property related to, among other things, stem cell disc procedures, and the Company has granted to the SCTC a sublicense to use, and the right to sublicense to third parties the right to use, in certain locations in the United States and the Cayman Islands, certain of the licensed intellectual property. In consideration of the sublicenses, the SCTC has agreed to pay the Company royalties on a per disc procedure basis.

The Company's contracted transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company's contracts have a single performance obligation which is not separately identifiable from other promises in the contracts and is, therefore, not distinct. The Company's performance obligation is satisfied upon the transfer of risk of loss to the customer. All sales have fixed pricing and there are currently no variable components included in the Company's revenue. The timing of the Company's revenue recognition may differ from the timing of receiving royalty payments. A receivable is recorded when revenue is recognized prior to receipt of a royalty payment and the Company has an unconditional right to the royalty payment. Alternatively, when a royalty payment precedes the provision of the related services, the Company records deferred revenue until the performance obligations are satisfied. During the three months ended March 31, 2022 and 2021, the Company recognized $16,000 and $18,000, respectively, of revenue related to the Company's sublicenses.

Contract Modifications

There were no contract modifications during the three months ended March 31, 2022. Contract modifications are not routine in the performance of the Company's contracts.

Cash

The Company considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents. There were no cash equivalents as of March 31, 2022 or December 31, 2021.

Accounts Receivable

Accounts receivable are reported at their outstanding unpaid principal balances, net of allowances for doubtful accounts. The Company periodically assesses its accounts receivable and other receivables for collectability on a specific identification basis. The Company provides for allowances for doubtful accounts based on management's estimate of uncollectible amounts considering age, collection history, and any other factors considered appropriate. Payments are generally due within 30 days of invoice. The Company writes off accounts receivable against the allowance for doubtful accounts when a balance is determined to be uncollectible. The Company did not record an allowance for doubtful accounts as of March 31, 2022 or December 31, 2021.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally 3 – 15 years. Expenditures that enhance the useful lives of assets are capitalized and depreciated. Computer equipment costs are capitalized as incurred and depreciated on a straight-line basis over a range of 3 – 5 years.

Leasehold improvements are amortized over the lesser of (i) the useful life of the asset or (ii) the remaining lease term. Maintenance and repairs are expensed as incurred. The Company capitalizes costs attributable to the betterment of property and equipment when such betterment extends the useful life of the assets. At the time of retirement or other disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss, if any, will be reflected in operations.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including definite-lived intangible assets, for impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the carrying amount to the forecasted undiscounted net cash flows of the operation to which the assets relate. If the operation is determined to be unable to recover the carrying amount of its assets, then these assets are written down to fair value first, followed by other long-lived assets of the operation. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. During the three months ended March 31, 2022 and 2021, the Company determined that there was no impairment charge for intangible assets.

Intangible Assets

The Company records its intangible assets at cost in accordance with ASC 350, *Intangibles – Goodwill and Other*. Definite-lived intangible assets are amortized using the straight-line method over their estimated useful life, which is determined by identifying the period over which the cash flows from the asset are expected to be generated.

Advertising and Marketing Costs

The Company expenses advertising and marketing costs as they are incurred. Advertising and marketing expenses were $469 and $2,600 for the three months ended March 31, 2022 and 2021, respectively. Advertising and marketing expenses are recorded in marketing and promotion on the unaudited condensed consolidated statements of operations.

Fair Value Measurements

As defined in ASC 820, *Fair Value Measurements and Disclosures* (“ASC 820”), fair value is the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). This fair value measurement framework applies at both initial and subsequent measurement.

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities.

Level 2: Pricing inputs are other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reported date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category generally include non-exchange-traded derivatives such as commodity swaps, interest rate swaps, options and collars.

Level 3: Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally-developed methodologies that result in management’s best estimate of fair value.

Fair Value of Financial Instruments

The carrying value of cash, accounts receivable, accounts payable and accrued expenses, and other current liabilities approximate their fair values based on the short-term maturity of these instruments.

Net Loss per Common Share

Net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. All vested outstanding options and warrants are considered potential common stock. The dilutive effect, if any, of stock options, warrants, and unvested restricted stock units ("RSUs") are calculated using the treasury stock method. All outstanding convertible notes are considered common stock at the beginning of the period or at the time of issuance, if later, pursuant to the if-converted method. Since the effect of common stock equivalents is anti-dilutive with respect to losses, options, warrants, RSUs and convertible notes have been excluded from the Company's computation of net loss per common share for the three months ended March 31, 2022 and 2021.

The following table summarizes the securities that were excluded from the diluted loss per share calculation because the effect of including these potential shares was antidilutive:

	Three Months Ended March 31,	
	2022	**2021**
Options	864,611	588,174
Warrants	4,739,765	3,672,265
Unvested RSUs	220,527	293,479
Convertible notes – common stock	-	201,082(1)
Total	5,824,903	4,755,000

(1) As of March 31, 2021, all of the convertible notes had variable conversion prices and the shares issuable were estimated based on the market conditions. Pursuant to the note agreements, there were 1,519,645 shares of common stock reserved for future note conversions as of March 31, 2021.

Stock-based Compensation

The Company applies the provisions of ASC 718, *Compensation—Stock Compensation* ("ASC 718"), which requires the measurement and recognition of compensation expense for all stock-based awards made to employees, including employee stock options, in the condensed consolidated statements of operations.

For stock options issued to employees and members of the board of directors for their services, the Company estimates the grant date fair value of each option using the Black-Scholes option pricing model. The use of the Black-Scholes option pricing model requires management to make assumptions with respect to the expected term of the option, the expected volatility of the common stock consistent with the expected life of the option, risk-free interest rates and expected dividend yields of the common stock. For awards subject to service-based vesting conditions, including those with a graded vesting schedule, the Company recognizes stock-based compensation expense equal to the grant date fair value of stock options on a straight-line basis over the requisite service period, which is generally the vesting term. Forfeitures are recorded as they are incurred as opposed to being estimated at the time of grant and revised.

Pursuant to Accounting Standards Update ("ASU") 2018-07 Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting, the Company accounts for stock options issued to non-employees for their services in accordance with ASC 718. The Company uses valuation methods and assumptions to value the stock options that are consistent with the process for valuing employee stock options noted above.

Grant income

Funding received under research grants for reimbursement of research and development expenses is recorded as grant income in the other (income) expense section of the condensed consolidated statements of operations.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the unaudited condensed consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carry forwards, 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 includes the enactment date.

The Company utilizes ASC 740, *Income Taxes*, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the unaudited condensed consolidated financial statements or tax returns. The Company accounts for income taxes using the asset and liability method to compute the differences between the tax basis of assets and liabilities and the related financial amounts, using currently enacted tax rates. A valuation allowance is recorded when it is “more likely than not” that a deferred tax asset will not be realized. At March 31, 2022 and December 31, 2021, the Company’s net deferred tax asset has been fully reserved.

For uncertain tax positions that meet a “more likely than not” threshold, the Company recognizes the benefit of uncertain tax positions in the unaudited condensed consolidated financial statements. The Company’s practice is to recognize interest and penalties, if any, related to uncertain tax positions in income tax expense in the unaudited condensed consolidated statements of operations.

Leases

A lease is defined as a contract that conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. On January 1, 2019, the Company adopted ASC 842, *Leases* (“ASC 842”), and it primarily affected the accounting treatment for operating lease agreements in which the Company is the lessee.

In accordance with ASC 842, the Company recognized a right-of-use (“ROU”) asset and corresponding lease liability on its balance sheets for its office space lease agreement. See Note 8 - Leases for further discussion, including the impact on the Company’s financial statements and related disclosures.

ROU assets include any initial direct costs and prepaid lease payments and exclude any lease incentives. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The lease terms may include options to extend or terminate the lease if it is reasonably certain that the Company will exercise that option.

Leases in which the Company is the lessee are comprised of office rental. The Company has a lease agreement for office space with a remaining term of 2.75 years as of March 31, 2022.

NOTE 3 – INTANGIBLE ASSETS

The Company is a party to a license agreement with the SCTC (as amended) (the "SCTC Agreement"). Pursuant to the SCTC Agreement, the Company obtained, among other things, a worldwide (excluding Asia and Argentina), exclusive, royalty-bearing license from the SCTC to utilize or sublicense a certain method for culturing cells and a worldwide, exclusive, royalty-bearing license from the SCTC to utilize or sublicense a certain medical device patent for the administration of specific cells and/or cell products to the disc and/or spine (and other parts of the body). Pursuant to the license agreement with the SCTC, certain performance milestones (or payouts in lieu of performance milestones) had to be satisfied in order for the Company to maintain its exclusive rights with regard to the disc/spine technology (subject to the SCTC's compliance with its obligations under the SCTC Agreement). The Company did not timely satisfy the third of these performance milestones (which needed to be satisfied by February 2022). Accordingly, such rights may currently be non-exclusive. The Company and the SCTC are currently negotiating the terms of an agreement confirming the exclusive nature of the license. No assurance can be given in this regard. In February 2017, the Company received authorization from the Food and Drug Administration (the "FDA") to proceed with a Phase 2 clinical trial. The Company has commenced such clinical trial. In March 2022, a United States patent relating to the Company's BRTX-100 clinical program was issued.

Intangible assets consist of the following:

	Patents and Trademarks	Licenses	Accumulated Amortization	Total
Balance as of January 1, 2021	$ 3,676	$ 1,301,500	$ (640,908)	$ 664,268
Amortization expense	-	-	(74,528)	(74,528)
Balance as of December 31, 2021	3,676	1,301,500	(715,436)	589,740
Amortization expense	-	-	(18,631)	(18,631)
Balance as of March 31, 2022	$ 3,676	$ 1,301,500	$ (734,067)	$ 571,109
Weighted average remaining amortization period at March 31, 2022 (in years)	-	7.68		

Accumulated amortization of intangible assets consists of the following:

	Patents and Trademarks	Licenses	Accumulated Amortization
Balance as of January 1, 2021	$ 3,676	$ 637,232	$ 640,908
Amortization expense	-	74,528	74,528
Balance as of December 31, 2021	3,676	711,760	715,436
Amortization expense	-	18,631	18,631
Balance as of March 31, 2022	$ 3,676	$ 730,391	$ 734,067

NOTE 4 – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of:

	March 31, 2022	December 31,2021
Accrued payroll	$ 26,250	$ 28,370
Accrued research and development expenses	-	29,672
Accrued general and administrative expenses	129,787	76,928
Total accrued expenses	$ 156,037	$ 134,970

NOTE 5 – NOTES PAYABLE

A summary of the notes payable activity during the three months ended March 31, 2022 is presented below:

		PPP Loan
Outstanding, January 1, 2022	$	250,000
Issuances		-
Forgiveness		(250,000)
Outstanding, March 31, 2022	$	-

On March 14, 2021, under the U.S. Small Business Administration's Paycheck Protection Program ("PPP"), the Company entered into a note payable with a financial institution for $250,000 at an interest rate of 1% per annum and a maturity date of March 14, 2026. Pursuant to the note, principal and interest payments were deferred for ten months. At that time the Company was able to apply for loan forgiveness. At December 31, 2021, $250,000 was outstanding. On January 5, 2022, the total amount of the PPP loan was forgiven.

NOTE 6 – STOCKHOLDERS' EQUITY (DEFICIT)

Series A Preferred

On November 8, 2021, in connection with the Company's public offering, the Company's Board of Directors adopted a resolution allowing for the authorization of and issuance of 1,543,458 shares of the Company's Preferred Stock, $.01 par value per share, designated as Series A Preferred Stock ("Series A"). The Series A has a liquidation preference of $0.001 per share.

Dividends

Series A holders shall be entitled to receive, when and as declared by the Board of Directors, dividends on a pari passu basis with the holders of the shares of the Company's common stock based upon the number of shares of common stock into which the Series A is then convertible.

Voting Rights

Series A holders shall be entitled to vote on all matters presented to the stockholders of the Company and shall be entitled to such number of votes that equal the number of shares of common stock into which each share of Series A held may be converted; provided, however, that in no event shall a Series A holder be entitled to vote more than 4.99% of the then outstanding shares of common stock.

Conversion

Optional Conversion - Each share of Series A shall be convertible, at any time, at the option of the Series A holder, into one share of common stock; provided, however, that in no event shall a Series A holder be entitled to convert any shares of Series A to the extent that such conversion would result in beneficial ownership by the Series A holder of more than 4.99% of the outstanding shares of common stock.

Automatic Conversion – If an event occurs which has the effect of reducing a Series A holder's beneficial ownership of shares of common stock to less than 4.5% of the then publicly disclosed outstanding shares of common stock, then, within five business days thereafter, the Series A holder shall provide notice to the Company to such effect. Such notice shall have the effect of a notice of conversion such that the Series A holder's post-conversion ownership of common stock will be 4.99% of the then publicly disclosed outstanding shares of common stock.

2021 Stock Incentive Plan

On March 18, 2021, the Company's Board of Directors adopted the BioRestorative Therapies, Inc. 2021 Stock Incentive Plan (the "2021 Plan"). Pursuant to the 2021 Plan, a total of 1,175,000 shares of common stock are authorized to be issued pursuant to the grant of stock options, restricted stock units, restricted stock, stock appreciation rights and other incentive awards. As of March 31, 2022, based on stock option and restricted stock units currently outstanding under the 2021 Plan, no shares remain available for future grant under the 2021 Plan.

Warrant and Option Valuation

The Company has computed the fair value of warrants and options granted using the Black-Scholes option pricing model. The expected term used for warrants and options issued to non-employees is the contractual life and the expected term used for options issued to employees and directors is the estimated period of time that options granted are expected to be outstanding. The Company utilizes the "simplified" method to develop an estimate of the expected term of "plain vanilla" employee option grants. 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.

Warrant Activity Summary

No warrants were granted or issued during the three months ended March 31, 2022 and 2021.

A summary of the warrant activity during the three months ended March 31, 2022, is presented below:

	Number of Warrants	**Weighted Average Exercise Price**	**Weighted Average Remaining Life In Years**	**Aggregate Intrinsic Value**
Outstanding, January 1, 2022	4,739,871	$ 11.78	4.9	$ -
Granted	-	-		
Exercised	-	-		
Expired	(106)	4.00		
Outstanding, March 31, 2022	4,739,765	$ 11.78	4.6	$ -
Exercisable, March 31, 2022	4,739,765	$ 11.78	4.6	$ -

The following table presents information related to warrants at March 31, 2022:

Warrants Outstanding			Warrants Exercisable	
Exercise Price		Outstanding Number of Warrants	Weighted Average Remaining Life In Years	Exercisable Number of Warrants
$	10	4,501,937	4.6	4,501,937
$	12.50	235,970	4.6	235,970
$	60	250	2.8	250
$	800	869	2.6	869
$	2,240	39	2.2	39
$	3,400	264	2.0	264
$	4,000	55	1.9	55
$	8,000	19	1.6	19
$	14,000	18	1.3	18
$	16,000	329	1.7	329
$	16,600	14	0.6	14
$	20,000	1	0.2	1
		4,739,765	4.6	4,739,765

Stock Options

In applying the Black-Scholes option pricing model to stock options granted, the Company used the following assumptions:

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Risk free interest rate	2.42%	1.71%
Expected term (years)	3.50	5.50
Expected volatility	286%	228%
Expected dividends	0.00%	0.00%

The Company granted options for the purchase of 25,000 shares of common stock during the three months ended March 31, 2022.

The Company granted options for the purchase of 586,959 shares of common stock during the three months ended March 31, 2021.

The grant date fair value of options issued during the three months ended March 31, 2022 was $122,117.

The grant date fair value of options issued during the three months ended March 31, 2021 was $27,736,052.

A summary of the stock option activity during the three months ended March 31, 2022 is presented below:

	Number of Options		Weighted Average Exercise Price	Weighted Average Remaining Life In Years		Aggregate Intrinsic Value
Outstanding, January 1, 2022	839,639	$	18.73	9.5		-
Granted	25,000		4.92			
Forfeited	(28)		3,383			
Outstanding, March 31, 2022	864,611	$	17.51	9.2	$	-
Exercisable, March 31, 2022	512,436	$	20.57	9.2	$	-

The following table presents information related to stock options at March 31, 2022:

Options Outstanding			Options Exercisable	
	Exercise Price	Outstanding Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options
$	4.92	25,000	5.0	-
$	13.50	838,550	9.2	511,383
$	1,040	44	7.5	44
$	3,000	1,006	4.8	998
$	22,800	1	2.3	1
$	48,200 - $52,000	9	1.8	9
$	120,000	1	1.0	1
		864,611	9.2	512,436

Restricted Stock Units

Pursuant to the 2021 Plan, the Company grants RSUs to employees, consultants and non-employee directors ("Eligible Individuals"). The number, terms and conditions of the RSUs that are granted to Eligible Individuals are determined on an individual basis by the plan administrator. On the distribution date, the Company shall issue to the Eligible Individual one share of the Company's common stock (or the fair market value of one such share in cash) for each vested and nonforfeitable RSU.

On March 18, 2022, the Company, granted an aggregate of 24,876 RSUs to its Chief Executive Officer, President and Chairman of the Board and its Vice President, Research and Development (see Note 7 – Commitments and Contingencies) with a fair value of $4.21 per share. The RSUs vest in twelve equal monthly installments.

A summary of our unvested RSUs as of March 31, 2022 is as follows:

	Number of Shares
Outstanding, January 1, 2022	293,479
Granted	24,876
Forfeited	-
Vested	(97,828)
Outstanding, March 31, 2022	220,527

The following table presents information related to stock compensation expense:

	For the Three Months Ended March 31,		Unrecognized at March 31,	Weighted Average Remaining Amortization Period
	2022	2021	2022	(Years)
Consulting	$ 72,819	$ -	$ -	-
Research and development	-	25,121	-	-
General and administrative	3,303,084	14,051,646	16,899,278	0.9
	$ 3,375,903	$ 14,076,767	$ 16,899,278	0.9

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Research and Development Agreement

On December 20, 2021, the Company entered into a Master Clinical Services Agreement (the "Services Agreement") with Professional Research Consulting, Inc. ("PRC") pursuant to which PRC will provide trial management services related to the Company's Phase 2 clinical trials. The Services Agreement has a 46-month term with an estimated budgeted cost of $5,844,380. Upon execution of the Services Agreement, the Company made an upfront payment of $328,152 which was recorded as a prepaid expense on the condensed consolidated balance sheet at December 31, 2021, and is being expensed over the life of the Services Agreement as the services are rendered. During the three months ended March 31, 2022, the Company incurred $477,597 of research and development expense and had a balance in prepaid expense of $395,525 at March 31, 2022 associated with the Services Agreement.

NOTE 8 - LEASES

The Company is a party to a lease for 6,800 square feet of space located in Melville, New York (the "Melville Lease") with respect to its corporate and laboratory operations. The Melville Lease was scheduled to expire in March 2020 (subject to extension at the option of the Company for a period of five years) and provided for an annual base rental during the initial term ranging between $132,600 and $149,260. In June 2019, the Company exercised its option to extend the Melville Lease and entered into a lease amendment with the lessor whereby the five-year extension term commenced on January 1, 2020 with annual base rent ranging between $153,748 and $173,060.

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its estimated incremental borrowing rate at August 1, 2019. The weighted average incremental borrowing rate applied was 12%.

The following table presents net lease cost and other supplemental lease information:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Lease cost		
Operating lease cost (cost resulting from lease payments)	$ 40,783	$ 39,593
Net lease cost	$ 40,783	$ 39,593
Operating lease – operating cash flows (fixed payments)	$ 40,783	$ 39,593
Operating lease – operating cash flows (liability reduction)	$ 28,445	$ 24,176
Non-current leases – right of use assets	$ 328,794	$ 444,838
Current liabilities – operating lease liabilities	$ 123,899	$ 105,459
Non-current liabilities – operating lease liabilities	$ 268,357	$ 392,256

Future minimum payments under non-cancelable leases for operating leases for the remaining terms of the leases as of March 31, 2022:

Fiscal Year	Operating Leases
2022 (excluding the three months ended March 31, 2022)	$ 122,349
2023	168,028
2024	173,060
Total future minimum lease payments	463,437
Amount representing interest	(71,181)
Present value of net future minimum lease payments	$ 392,256

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

Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes a number of forward-looking statements that reflect management's current views with respect to future events and financial performance. Forward-looking statements are projections in respect of future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other comparable terminology. These statements include statements regarding the intent, belief or current expectations of us and members of our management team, as well as the assumptions on which such statements are based. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risk and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks set forth in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors That May Affect Future Results and Financial Condition" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, as filed with the U.S. Securities and Exchange Commission (the "SEC") on March 30, 2022, any of which may cause our company's or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied in our forward-looking statements. These risks and factors include, by way of example and without limitation:

- our ability to obtain financing needed to complete our clinical trials and implement our business plan;
- our ability to successfully develop and commercialize BRTX-100, our lead product candidate for the treatment of chronic lumbar disc disease, as well as our metabolic ThermoStem Program;
- our possible lack of exclusive rights with regard to our licensed technology;
- our ability to protect our proprietary rights;
- our ability to achieve and sustain profitability of the existing lines of business;
- our ability to attract and retain world-class research and development talent;
- our ability to attract and retain key science, technology and management personnel and to expand our management team;
- the accuracy of estimates regarding expenses, future revenue, capital requirements, profitability, and needs for additional financing;
- business interruptions resulting from geo-political actions, including war and terrorism or disease outbreaks (such as the recent outbreak of COVID-19);
- our ability to attract and retain customers; and
- our ability to navigate through the increasingly complex therapeutic regulatory environment.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity or performance. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the SEC. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in the future operating results over time, except as required by law. We believe that our assumptions are based upon reasonable data derived from and known about our business and operations. No assurances are made that actual results of operations or the results of our future activities will not differ materially from our assumptions.

As used in this Quarterly Report on Form 10-Q and unless otherwise indicated, the terms "Company," "we," "us" and "our" refer to BioRestorative Therapies, Inc., a Delaware corporation ("BRT"), and its wholly-owned subsidiary, Stem Pearls, LLC, a New York limited liability company ("Stem Pearls"). Unless otherwise specified, all dollar amounts are expressed in United States dollars.

Intellectual Property

This report includes references to our federally registered trademarks, *BioRestorative Therapies and Dragonfly design*, *BRTX-100 and ThermoStem*. We also own an allowed trademark application for *BRTX*. The Dragonfly Logo is also registered with the U.S. Copyright Office. This report may also include references to trademarks, trade names and service marks that are the property of other organizations. Solely for convenience, trademarks and trade names referred to in this report appear without the ®, SM or ™ symbols, and copyrighted content appears without the use of the symbol ©, but the absence of use of these symbols does not reflect upon the validity or enforceability of the intellectual property owned by us or third parties.

Corporate History

Our offices are located in Melville, New York where we have established a laboratory facility in order to increase our capabilities for the further development of possible cellular-based treatments, products and protocols, stem cell-related intellectual property and translational research applications.

As of March 31, 2022, our accumulated deficit was $138,962,278. We have historically only generated a modest amount of revenue, and our losses have principally been operating expenses incurred in research and development, marketing and promotional activities in order to commercialize our products and services, plus costs associated with meeting the requirements of being a public company. We expect to continue to incur substantial costs for these activities over at least the next year.

Business Overview

We develop therapeutic products and medical therapies using cell and tissue protocols, primarily involving adult (non-embryonic) stem cells. We are currently pursuing our *Disc/Spine Program* with our initial investigational therapeutic product being called *BRTX-100*. In March 2022, a United States patent issued in our *Disc/Spine Program*. We submitted an IND application to the FDA to obtain authorization to commence a Phase 2 clinical trial investigating the use of *BRTX-100*, our lead cell therapy candidate, in the treatment of chronic lower back pain arising from degenerative disc disease. We have received such authorization from the FDA and have commenced such clinical trial through the execution of a CRO agreement with PRC Clinical, the commencement of clinical trial site identification, the purchase of manufacturing equipment and the expansion of our laboratory to include capabilities for clinical production. We have obtained a license to use technology for investigational adult stem cell treatment of disc and spine conditions, including protruding and bulging lumbar discs. The technology is an advanced stem cell injection procedure that may offer relief from lower back pain, buttock and leg pain, and numbness and tingling in the leg and foot. We are also developing our *ThermoStem Program*. This pre-clinical program involves the use of brown adipose (fat) in connection with the cell-based treatment of type 2 diabetes and obesity as well as hypertension, other metabolic disorders and cardiac deficiencies. United States patents related to the *ThermoStem Program* were issued in September 2015, January 2019, March 2020, March 2021, and July 2021; Australian patents related to the *ThermoStem Program* were issued in April 2017, October 2019 and August 2021; Japanese patents related to the *ThermoStem Program* were issued in December 2017 and June 2021; a notice of allowance also issued in January 2022 for a separate Japanese application in our *ThermoStem Program* and is expected to issue in the near future; Israeli patents related to our *ThermoStem Program* were issued in October 2019 and May 2020; a notice of allowance also issued in September 2021 for a separate Israeli application in our *ThermoStem* Program and is expected to issue in the near future; and European patents related to the *ThermoStem Program* were issued in April 2020 and January 2021.

We have licensed a patented curved needle device that is a needle system designed to deliver cells and/or other therapeutic products or materials to the spine and discs or other potential sites. We anticipate that FDA approval or clearance will be necessary for this device prior to commercialization. We do not intend to utilize this device in connection with our contemplated Phase 2 clinical trial with regard to *BRTX-100*.

Revenue

We derived all of our revenue pursuant to a license agreement with the SCTC entered into in January 2012, as amended in November 2015. Pursuant to the license agreement, the SCTC granted to us a license to use certain intellectual property related to, among other things, stem cell disc procedures and we have granted to the SCTC a sublicense to use, and the right to sublicense to third parties the right to use, in certain locations in the United States and the Cayman Islands, certain of the licensed intellectual property. In consideration of the sublicenses, the SCTC has agreed to pay us royalties on a per disc procedure basis.

Results of Operations

Comparison of the Three Months Ended March 31, 2022 to the Three Months Ended March 31, 2021

Our financial results for the three months ended March 31, 2022 are summarized as follows in comparison to the three months ended March 31, 2021:

	For The Three Months Ended March 31,	
	2022	2021
Revenues	$ 16,000	$ 18,000
Operating Expenses:		
Marketing and promotion	469	2,600
Consulting	86,071	8,389
Research and development	775,337	165,254
General and administrative	4,207,916	14,896,413
Total Operating Expenses	5,069,793	15,072,656
Loss From Operations	(5,053,793)	(15,054,656)
Other (Income) Expense:		
Interest expense	29,011	181,514
Gain on PPP loan forgiveness	(250,000)	-
Amortization of debt discount	-	417,160
Grant income	(16,654)	-
Total Other (Income) Expense	(237,643)	598,674
Net Loss	$ (4,816,150)	$ (15,653,330)

Revenues

For the three months ended March 31, 2022 and 2021, we generated $16,000 and $18,000, respectively, of royalty revenue in connection with our sublicense agreement.

Marketing and Promotion

Marketing and promotion expenses include advertising and promotion, marketing and seminars, meals, entertainment and travel expenses. For the three months ended March 31, 2022 and 2021, marketing and promotion expenses were insignificant.

We expect that marketing and promotion expenses will increase in the future as we increase our marketing activities following full commercialization of our products and services.

Consulting

Consulting expenses consist of consulting fees and stock-based compensation to consultants. For the three months ended March 31, 2022, consulting expenses increased by $77,862, from $8,389 to $86,071, as compared to the three months ended March 31, 2021, primarily due to stock-based compensation of $72,818 issued to consultants during the three months ended March 31, 2022.

Research and Development

Research and development expenses include cash and non-cash compensation of (a) our Vice President of Research and Development; (b) our Scientific Advisory Board members; and (c) laboratory staff and costs related to our brown fat and disc/spine initiatives. Research and development expenses are expensed as they are incurred. For the three months ended March 31, 2022, research and development expenses increased by $610,083, or 369%, from $165,254 to $775,337, as compared to the three months ended March 31, 2021, as we recommenced our research and development initiatives following the completion of our public offering of common stock and warrants in November 2021.

We expect that our higher level of research and development expenses will continue in subsequent fiscal periods.

General and Administrative

General and administrative expenses consist primarily of salaries, bonuses, payroll taxes, severance costs and stock-based compensation to employees (excluding any cash or non-cash compensation of our Vice President of Research and Development and our laboratory staff), as well as corporate expenses such as legal and professional fees, investor relations and occupancy-related expenses. For the three months ended March 31, 2022, general and administrative expenses decreased by $10,688,497, or 72%, from $14,896,413 to $4,207,916, as compared to the three months ended March 31, 2021. The decrease is primarily due to a decrease of approximately $10.7 million in stock-based compensation resulting from the effect of the issuances of 586,959 stock options and 293,479 RSUs during the three months ended March 31, 2021.

We expect that our general and administrative expenses will increase as we expand our staff, develop our infrastructure and incur additional costs to support the growth of our business.

Interest expense

For the three months ended March 31, 2022, interest expense decreased $152,503, or 84%, as compared to the three months ended March 31, 2021. The decrease was due to the exchange of our outstanding convertible debt for common and preferred shares and warrants in connection with our public offering in November 2021.

Gain on PPP loan forgiveness

Under the terms of the U.S. Small Business Administration's Paycheck Protection Program ("PPP"), our $250,000 PPP loan was forgiven during the three months ended March 31, 2022.

Amortization of debt discount

Amortization of debt discount of $417,160 for the three months ended March 31, 2021 related to our convertible notes, which were exchanged for common and preferred shares and warrants in connection with our public offering in November 2021, resulting in no comparable expense during the three months ended March 31, 2022.

Grant income

Grant income of $16,654 during the three months ended March 31, 2022 consists of funding received under a $256,000 National Institutes of Health Small Business Technology Transfer (STTR) Phase 1 grant, which we were awarded in September 2021.

Liquidity and Capital Resources

Liquidity

We measure our liquidity in a number of ways, including the following:

	March 31, 2022	December 31, 2021
Cash	$ 19,322,520	$ 21,026,727
Working Capital	$ 19,384,971	$ 21,104,086
Notes Payable (Gross)	$ -	$ 250,000

Availability of Additional Funds

Based upon our accumulated deficit of $138,962,278 as of March 31, 2022, along with our forecast for continued operating losses and our need for financing to fund our contemplated clinical trials, we will eventually require additional equity and/or debt financing to continue our operations.

Our operating needs include the planned costs to operate our business, including amounts required to fund our clinical trials, working capital and capital expenditures. Our future capital requirements and the adequacy of our available funds will depend on many factors, including our ability to successfully commercialize our products and services, competing technological and market developments, and the need to enter into collaborations with other companies or acquire other companies or technologies to enhance or complement our product and service offerings.

We may be unable to raise sufficient additional capital when we need it or raise capital on favorable terms. Future financing may require us to pledge certain assets and enter into covenants that could restrict certain business activities or our ability to incur further indebtedness and may contain other terms that are not favorable to our stockholders or us. If we are unable to obtain adequate funds on reasonable terms, we may be required to significantly curtail or discontinue operations or obtain funds by entering into financing agreements on unattractive terms.

Cash Flows

During the three months ended March 31, 2022 and 2021, our sources and uses of cash were as follows:

	Three Months Ended March 31,	
	2022	2021
Net cash used in operating activities	$ (1,594,634)	$ (813,701)
Net cash used in investing activities	(109,573)	-
Net cash provided by financing activities	-	250,000
Net decrease in cash	$ (1,704,207)	$ (563,701)

Operating Activities

Net cash used in operating activities was $1,594,634 for the three months ended March 31, 2022, primarily due to cash used to fund the net loss of $4,816,150 and a non-cash gain of $250,000 on forgiveness of our PPP loan, which were partially offset by non-cash expenses of $3,430,925 related primarily to stock-based compensation and $40,591 of cash provided by changes in the levels of operating assets and liabilities, which was primarily due to increases in accounts payable and accrued expenses and other current liabilities, partially offset by increases in accounts receivable and prepaid and other current assets and a decrease in the lease liability. Net cash used in operating activities was $813,701 for the three months ended March 31, 2021, primarily due to cash used to fund the net loss of $15,653,330, which was partially offset by non-cash expenses of $14,522,963 primarily related to stock-based compensation expense and amortization of debt discount and $316,666 of cash provided by changes in the levels of operating assets and liabilities, primarily as a result of increases in accounts payable, accrued expenses and other current liabilities and decreases in accounts receivable, prepaid expenses and other current assets.

Investing Activities

Net cash used in investing activities consisted of $109,573 of equipment purchases during the three months ended March 31, 2022. There were no cash flows from investing activities during the three months ended March 31, 2021.

Financing Activities

There were no cash flows from financing activities for the three months ended March 31, 2022. Net cash provided by financing activities for the three months ended March 31, 2021 consisted of $250,000 of net proceeds from a loan received under the U.S. Small Business Administration's Paycheck Protection Program.

Effects of Inflation

We do not believe that inflation has had a material impact on our business, revenues or operating results during the periods presented.

Significant Accounting Policies and Estimates

Our significant accounting policies are more fully described in the notes to our unaudited condensed consolidated financial statements included herein for the quarter ended March 31, 2022, and in the notes to our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC on March 30, 2022.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

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

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives.

Under the supervision and with the participation of our management, including our principal executive officer and our principal financial officer, we are required to perform an evaluation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Exchange Act, as of March 31, 2022. Management has not completed such evaluation and, as such, has concluded that our disclosure controls and procedures were not effective to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate to allow timely decisions regarding required disclosures. As a result of the material weaknesses in internal control over financial reporting described below, we concluded that our disclosure controls and procedures as of March 31, 2022 were not effective.

Material Weaknesses in Internal Control over Financial Reporting

Management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2022 based on the framework established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that the Company's internal control over financial reporting as of March 31, 2022 was not effective.

A material weakness, as defined in the standards established by the Sarbanes-Oxley, is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The ineffectiveness of the Company's internal control over financial reporting was due to the following material weaknesses:

- Lack of adherence to formal policies and procedures post-bankruptcy;
- Lack of risk assessment procedures on internal controls to detect financial reporting risks in a timely manner; and
- Lack of sufficient formal procedures and controls to achieve complete and accurate financial reporting and disclosures, including controls over the preparation and review of journal entries and account reconciliations.

Management's Plan to Remediate the Material Weaknesses

Management has been implementing and continues to implement measures designed to ensure that control deficiencies contributing to the material weakness are remediated, such that these controls are designed, implemented, and operating effectively. The remediation actions include:

- New management personnel, including our new Chief Financial Officer, who is overseeing the financial reporting process and implementation of enhanced controls and governance;
- Engagement of external financial consulting firm to continue to enhance financial reporting, financial operations and internal controls; and
- Documentation of key procedures and controls using a risk-based approach.

Management will continue to monitor and evaluate the effectiveness of our internal controls and procedures over financial reporting on an ongoing basis and is committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

Changes in Internal Control Over Financial Reporting

Other than described above there have been no changes in our internal control over financial reporting that occurred during our first quarter of 2022 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1A. RISK FACTORS

An investment in our common stock involves a number of very significant risks. You should carefully consider the risk factors included in the "Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors That May Affect Future Results and Financial Condition" section of our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC on March 30, 2022, in addition to other information contained in those reports and in this quarterly report in evaluating the Company and its business before purchasing shares of our common stock. The Company's business, operating results and financial condition could be adversely affected due to any of those risks.

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

During the three months ended March 31, 2022, we issued the following securities in transactions not involving any public offering. For each of the following transactions, we relied upon Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), as transactions by an issuer not involving any public offering. For each such transaction, we did not use general solicitation or advertising to market the securities, the securities were offered to a limited number of persons, the investors had access to information regarding us (including information contained in our Annual Report on Form 10-K for the year ended December 31, 2020, Quarterly Reports on Form 10-Q for the periods ended March 31, 2021, June 30, 2021 and September 30, 2021, and Current Reports on Form 8-K filed with the Securities and Exchange Commission and press releases made by us), and we were available to answer questions by prospective investors. We reasonably believe that each of the investors is an accredited investor.

		Warrants				
Date Issued	**Common Stock**	**Shares**	**Exercise Price**	**Term (Years)**	**Purchaser(s)**	**Consideration[1]**
2/28/2022	3,000	-	-	-	(2)	$ 16,680(3)
2/28/2022	2,500				(2)	$ 13,900(3)
2/28/2022	2,500	-	-	-	(2)	$ 13,900(3)
3/29/2022	2,500	-	-	-	(2)	$ 12,650(3)
3/31/2022	3,000	-	-	-	(2)	$ 15,690(3)

(1) The value of the non-cash consideration was estimated to be the fair value of our restricted common stock. Since our shares are thinly traded in the open market, the fair value of our equity instruments was estimated by management based on observations of the cash sale prices of both restricted shares and freely tradeable shares.

(2) Accredited investor.

(3) Issued in lieu of cash for consulting services rendered.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Certificate of Incorporation, as amended	10-K	3.1	3/30/22
3.2	Certificate of Designations of Preferred Stock (Series A)	8-K	3.1	11/15/2021
3.3	Bylaws	8-K	3.4	12/23/2014
31.1*	Certification of Principal Executive Officer			
31.2*	Certification of Principal Financial Officer			
32.1**	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer			
101.INS	Inline XBRL Instance Document			
101.SCH	Inline XBRL Taxonomy Extension Schema Document			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document			
104	Cover Page Interactive Date File (embedded within the Inline XBRL document)			

* *Filed herewith.*

** *In accordance with SEC Release 33-8238, Exhibit 32.1 is being furnished and 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.

BIORESTORATIVE THERAPIES, INC.

By: */s/ Lance Alstodt*

Lance Alstodt
Chief Executive Officer, President, and Chairman of the Board
(Principal Executive Officer)

Date: May 13, 2022

By: */s/ Robert E. Kristal*

Robert E. Kristal
Chief Financial Officer
(Principal Financial Officer)

Date: May 13, 2022

Exhibit 31.1

BIORESTORATIVE THERAPIES, INC.
PRINCIPAL EXECUTIVE OFFICER CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lance Alstodt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BioRestorative Therapies, Inc.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 16a–15(f) and 15d–15(f)) for the registrant and have:

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

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

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

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

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

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

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

By: *s/ Lance Alstodt*
Lance Alstodt
Principal Executive Officer
Date: May 13, 2022

Exhibit 31.2

BIORESTORATIVE THERAPIES, INC.
PRINCIPAL FINANCIAL OFFICER CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert E. Kristal, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BioRestorative Therapies, Inc.;

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

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

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

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

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

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

    (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter 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/ Robert E. Kristal*
Robert E. Kristal
Principal Financial Officer
Date: May 13, 2022

Exhibit 32.1

BIORESTORATIVE THERAPIES, INC.
CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER 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, 2022, of BioRestorative Therapies, Inc. (the “Company”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, in the capacities and on the date indicated below, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their 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 operation of the Company.

By:	*/s/ Lance Alstodt*
	Lance Alstodt
	Principal Executive Officer
Date:	May 13, 2022
By:	*/s/ Robert E. Kristal*
	Robert E. Kristal
	Principal Financial Officer
Date:	May 13, 2022