

**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 June 30, 2025

or

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

For the Transition Period from _____ to _____

Commission file number: 001-37603

BIORESTORATIVE THERAPIES, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other Jurisdiction of
Incorporation or Organization)

30-1341024

(I.R.S. Employer
Identification No.)

40 Marcus Drive, Melville, New York

(Address of Principal Executive Offices)

11747

(Zip Code)

(631) 760-8100

(Registrant's telephone number, including area code)

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

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of exchange on which registered</u>
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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 August 11, 2025 there were 7,978,117 shares of the registrant's Common Stock outstanding.

BIORESTORATIVE THERAPIES, INC.

FORM 10-Q

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**BIORESTORATIVE THERAPIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS**

	June 30, 2025	December 31, 2024
	(unaudited)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,555,251	\$ 547,890
Investments held in marketable securities	5,825,685	10,184,701
Accounts receivable	15,000	188,400
Prepaid expenses and other current assets	201,871	223,230
Total Current Assets	7,597,807	11,144,221
Deferred offering costs	-	148,697
Property and equipment, net	339,681	362,936
Intangible assets, net	579,071	623,945
Total Assets	\$ 8,516,559	\$ 12,279,799
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 609,931	\$ 483,070
Accrued expenses and other current liabilities	480,925	744,485
Warrant liabilities	2,580,379	2,520,851
Total Current Liabilities	3,671,235	3,748,406
Total Liabilities	3,671,235	3,748,406
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, \$0.01 par value; 20,000,000 shares authorized; Series B Convertible Preferred Stock; 1,543,158 shares designated, 1,398,158 shares issued and outstanding at June 30, 2025 and December 31, 2024	13,982	13,982
Common stock, \$0.0001 par value; 75,000,000 shares authorized; 7,978,117 and 6,919,919 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	797	692
Additional paid-in capital	168,505,322	164,195,434
Accumulated deficit	(163,674,777)	(155,678,715)
Total Stockholders' Equity	4,845,324	8,531,393
Total Liabilities and Stockholders' Equity	\$ 8,516,559	\$ 12,279,799

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

BIORESTORATIVE THERAPIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues	\$ 303,300	\$ 89,100	\$ 328,300	\$ 124,100
Cost of goods sold	8,729	6,490	11,638	6,490
Gross profit	294,571	82,610	316,662	117,610
Operating Expenses:				
Research and development	2,225,882	1,454,000	4,872,782	3,531,278
General and administrative	1,373,976	1,097,417	3,556,701	3,164,391
Total Operating Expenses	3,599,858	2,551,417	8,429,483	6,695,669
Loss From Operations	(3,305,287)	(2,468,807)	(8,112,821)	(6,578,059)
Other (Expense) Income:				
Interest income	73,915	175,945	173,881	338,542
Other income	518	911	2,406	149,932
Gain on exchange of warrants	-	-	-	1,711,698
Change in fair value of warrant liabilities	574,591	(1,736,611)	(59,528)	(1,873,930)
Total Other (Expense) Income	649,024	(1,559,755)	116,759	326,242
Net Loss	<u>\$ (2,656,263)</u>	<u>\$ (4,028,562)</u>	<u>\$ (7,996,062)</u>	<u>\$ (6,251,817)</u>
Net Loss Per Share - Basic and Diluted	<u>\$ (0.30)</u>	<u>\$ (0.50)</u>	<u>\$ (0.94)</u>	<u>\$ (0.84)</u>
Weighted Average Common Shares Outstanding - Basic and Diluted	<u>8,740,382</u>	<u>8,121,499</u>	<u>8,550,889</u>	<u>7,400,446</u>

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

BIORESTORATIVE THERAPIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)

	For the Six Months Ended June 30, 2025						
	Series B Convertible Preferred Stock		Common Stock		Additional Paid-In	Accumulated	Total
	Shares	Amount	Shares	Amount	Capital	Deficit	
Balance - January 1, 2025	1,398,158	\$ 13,982	6,919,919	\$ 692	\$ 164,195,434	\$ (155,678,715)	\$ 8,531,393
Exercise of stock options	-	-	29,249	3	42,408	-	42,411
Issuance and sale of common stock, net of issuance costs [1]	-	-	492,087	49	901,561	-	901,610
Common stock issued in connection with abeyance shares	-	-	63,525	6	(6)	-	-
Stock-based compensation:							
Options	-	-	-	-	2,009,126	-	2,009,126
Net loss	-	-	-	-	-	(5,339,799)	(5,339,799)
Balance - March 31, 2025	1,398,158	13,982	7,504,780	750	167,148,523	(161,018,514)	6,144,741
Issuance and sale of common stock, net of issuance costs [2]	-	-	473,337	47	888,091	-	888,138
Stock-based compensation:							
Options	-	-	-	-	468,708	-	468,708
Net loss	-	-	-	-	-	(2,656,263)	(2,656,263)
Balance - June 30, 2025	<u>1,398,158</u>	<u>\$ 13,982</u>	<u>7,978,117</u>	<u>\$ 797</u>	<u>\$ 168,505,322</u>	<u>\$ (163,674,777)</u>	<u>\$ 4,845,324</u>

	For the Six Months Ended June 30, 2024						
	Series B Convertible Preferred Stock		Common Stock		Additional Paid-In	Accumulated	Total
	Shares	Amount	Shares	Amount	Capital	Deficit	
Balance - January 1, 2024	1,398,158	\$ 13,982	4,706,917	\$ 471	\$ 156,689,256	\$ (146,699,334)	\$ 10,004,375
Common stock issued in connection with warrant exchange [3]	-	-	2,000,000	200	4,742,043	-	4,742,243
Return and cancellation of shares in lieu of payroll tax withholding	-	-	(34,825)	(4)	(48,406)	-	(48,410)
Stock-based compensation:							
Restricted share units	-	-	97,827	10	985,028	-	985,038
Options	-	-	-	-	1,043,336	-	1,043,336
Net loss	-	-	-	-	-	(2,223,255)	(2,223,255)
Balance - March 31, 2024	1,398,158	13,982	6,769,919	677	163,411,257	(148,922,589)	14,503,327
Common stock issued in connection with abeyance shares	-	-	150,000	15	(15)	-	-
Stock-based compensation:							
Options	-	-	-	-	324,322	-	324,322
Net loss	-	-	-	-	-	(4,028,562)	(4,028,562)
Balance - June 30, 2024	<u>1,398,158</u>	<u>\$ 13,982</u>	<u>6,919,919</u>	<u>\$ 692</u>	<u>\$ 163,735,564</u>	<u>\$ (152,951,151)</u>	<u>\$ 10,799,087</u>

[1] Represents the gross proceeds of \$1,083,915, less issuance costs of \$182,305, resulting in net proceeds of \$901,610. See Note 4 - Stockholders' Equity - ATM Sales for additional details.

[2] Represents the gross proceeds of \$927,335, less issuance costs of \$39,197, resulting in net proceeds of \$888,138. See Note 4 - Stockholders' Equity - ATM Sales for additional details.

[3] Represents the aggregate fair value of 3,351,580 shares of common stock, which includes 2,000,000 shares that were issued at the time of the warrant exchange and 1,351,580 shares that were held in abeyance at the time of the warrant exchange. See Note 4 - Stockholders' Equity - Warrant Exercise and Issuance and Note 5 - Fair Value Measurement for additional details.

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

BIORESTORATIVE THERAPIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the Six Months Ended	
	June 30,	
	2025	2024
Cash Flows From Operating Activities:		
Net loss	\$ (7,996,062)	\$ (6,251,817)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	104,529	90,418
Dividend and interest income	(176,542)	(327,065)
Stock-based compensation	2,477,834	2,352,696
Non-cash lease expense	-	73,301
Gain on exchange of warrants	-	(1,711,698)
Change in fair value of warrant liabilities	59,528	1,873,930
Changes in operating assets and liabilities:		
Accounts receivable	173,400	(8,100)
Prepaid expenses and other current assets	21,359	(39,040)
Accounts payable	126,861	26,531
Accrued expenses and other current liabilities	(263,560)	(264,064)
Deferred revenue	-	80,700
Lease liability	-	(78,737)
Net Cash Used In Operating Activities	(5,472,653)	(4,182,945)
Cash Flows From Investing Activities:		
Sale of marketable securities	6,664,238	10,865,000
Purchase of marketable securities	(2,128,680)	(12,784,535)
Purchases of equipment	(36,400)	(35,296)
Net Cash Provided By (Used In) Investing Activities	4,499,158	(1,954,831)
Cash Flows From Financing Activities:		
Proceeds from issuance of common stock in at-the-market offering	2,011,250	-
Payment of issuance costs	(72,805)	-
Exercise of stock options	42,411	-
Proceeds from exchange and issuance of warrants, net	-	7,528,027
Deferred offering costs	-	(22,381)
Net Cash Provided By Financing Activities	1,980,856	7,505,646
Net Increase In Cash and Cash Equivalents	1,007,361	1,367,870
Cash and Cash Equivalents - Beginning of the Period	547,890	884,377
Cash and Cash Equivalents - End of the Period	\$ 1,555,251	\$ 2,252,247
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
Non-cash investing and financing activities:		
Return and cancellation of shares in lieu of payroll tax withholding	\$ -	\$ 48,410
Issuance of common stock held in abeyance	\$ 6	\$ 15
Reclassification of deferred offering costs	\$ 148,697	\$ -

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

BIORESTORATIVE THERAPIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 – BUSINESS ORGANIZATION, NATURE OF OPERATIONS, BASIS OF PRESENTATION AND LIQUIDITY

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 December 23, 2022, the Company reincorporated from Delaware to Nevada by filing Articles of Incorporation with the state of Nevada. The reincorporation was structured as a statutory merger.

Business Operations

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. The information contained in the website or connected thereto is not intended to be incorporated by reference into this Quarterly Report. 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. In addition, in continuation of BRT’s mission of developing and commercializing cell-based biologics, it is seeking to develop a biologics-based cosmetic products business. Pursuant to such business, BRT would formulate, manufacture and sell products designed for cosmetic and aesthetic uses. 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.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and disclosures required by U.S. GAAP for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) that are considered necessary for a fair presentation of the unaudited condensed consolidated financial statements of the Company as of June 30, 2025 and for the three and six months then ended. The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the operating results for the full year ending December 31, 2025 or any other period. The December 31, 2024 consolidated balance sheet data were derived from audited financial statements but do not include all disclosures required by U.S. GAAP. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related disclosures of the Company as of December 31, 2024 and for the year then ended, which were filed with the Securities and Exchange Commission (“SEC”) on March 28, 2025 (the “Form 10-K”).

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. For the six months ended June 30, 2025, the Company had a net loss of \$8.0 million, and negative cash flows from operations of \$5.5 million, and as of June 30, 2025, the Company had working capital of \$3.9 million. The Company anticipates that it will continue to incur net losses and negative cash flows from operations as it executes its development plans during 2025 and beyond, as well as other potential strategic and business development initiatives. These conditions raise substantial doubt about the Company's ability to continue as a going concern for at least twelve months after the issuance date of these financial statements.

The Company has previously funded, and plans to continue funding, these losses primarily through current cash on hand, investments in marketable securities and additional infusions of cash from equity and debt financing. During the six months ended June 30, 2025, the Company sold 965,424 shares of its common stock under its at-the-market offering agreement (the "2024 ATM") with Rodman & Renshaw LLC ("Rodman") and raised approximately \$2.0 million of gross proceeds.

The Company's current funds 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 U.S. 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

Reclassifications

Certain prior period statements of operations amounts have been reclassified to conform to the Company's fiscal 2025 presentation. These reclassifications have no impact on the Company's previously reported net loss.

Cash and Cash Equivalents

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution. The Company maintains deposits in its accounts that hold cash and cash equivalents in excess of the Federal Depositary Insurance Corporation ("FDIC") coverage of \$250,000 per banking institution. The Company had deposits in excess of FDIC coverage of \$1,236,484 and \$252,801 as of June 30, 2025 and December 31, 2024, respectively. As of June 30, 2025, the Company has not experienced losses on this account.

Investments Held in Marketable Securities

As of June 30, 2025 and December 31, 2024, investments held in marketable securities consists of U.S. Treasury securities held in a trust account. The Company's investments held in the trust account are presented on the unaudited condensed consolidated balance sheets at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities are included in interest income in the accompanying unaudited condensed consolidated statements of operations.

Customer and Revenue Concentrations

All of the Company's contract service revenue is derived from one customer. Additionally, all of the Company's product sales revenue is derived from one customer.

Accounts Receivable

Accounts receivable are carried at their contractual amounts, less an estimate for credit losses. As of June 30, 2025 and December 31, 2024, no allowances for credit losses were determined to be necessary. Management estimates the allowance for credit losses based on existing economic conditions, the financial conditions of the customers, and the amount and age of past due accounts. Receivables are considered past due if full payment is not received by the contractual due date. Past due accounts are generally written off against the allowance for credit losses only after all collection attempts have been exhausted.

Deferred Contract Costs

The Company defers costs associated with fulfilling its contracts if those costs meet all of the following criteria: (i) the costs relate directly to a contract, (ii) the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future, and (iii) the costs are expected to be recovered. Deferred contract costs are recognized as cost of revenues in the period when the related revenue is recognized. Deferred contract costs consist of consumables and labor costs and are included in prepaid and other current assets in the unaudited condensed consolidated balance sheets. The Company had \$17,276 and \$10,250 deferred contract costs as of June 30, 2025 and December 31, 2024, respectively.

Deferred Offering Costs

Deferred offering costs, which primarily consist of direct, incremental professional fees incurred in connection with a financing, are capitalized as non-current assets on the balance sheet. Upon consummation of a financing, the deferred offering costs would be offset against the offering proceeds. If the completion of a contemplated financing was no longer probable, the related deferred offering costs would be charged to general and administrative expense in the unaudited condensed consolidated financial statements.

Derivative Financial Instruments

The Company evaluates all of its agreements to determine if such instruments have derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the unaudited condensed consolidated statements of operations. For stock-based derivative financial instruments, the Company uses a weighted-average Black-Scholes option pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period.

Fair Value of Financial Instruments

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured using inputs in one of the following three categories:

Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or market data other than quoted prices that are observable for the assets or liabilities.

Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The Company considers cash and cash equivalents, investments held in marketable securities, accounts receivable, accounts payable and warrant liabilities to meet the definition of financial instruments. As of June 30, 2025 and December 31, 2024, the carrying amount of cash and cash equivalents, investments held in marketable securities, accounts receivable, and accounts payable approximate their fair value due to the relatively short period of time between their origination and their expected realization or payment. The warrant liabilities are measured at fair value (see Note 5 – Fair Value Measurement for additional details).

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification (“ASC”) Topic 606, “Revenue from Contracts with Customers” (“ASC 606”). The core principle of ASC 606 requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASC 606 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. The Company recognizes revenue primarily from the following different types of contracts:

- **Product sales** - Revenue is recognized at the point in time the customer obtains control of the goods and the Company satisfies its performance obligation.
- **Royalty revenue** - Revenue is recognized as a usage-based royalty from customers’ usage of intellectual property pursuant to a license agreement at the point in time in which the underlying sale occurs.

The Company recognizes bill-and-hold revenue from its sale of cosmetic vials warehoused at a Company location for a specified period of time in accordance with directions received from the Company's customer. Even though the vials are held at a Company location, a sale is recognized at the point in time when the customer obtains control of the product. Control is transferred to the customer in a bill-and-hold arrangement when: (i) customer acceptance specifications have been met, (ii) legal title has transferred, (iii) the customer has a present obligation to pay for the product and (iv) the risks and rewards of ownership have transferred to the customer. Additionally, all the following bill-and-hold criteria have to be met in order for control to be transferred to the customer:

- the reason for the bill-and-hold arrangement is substantive
- the customer has requested the product be warehoused
- the product has been identified as separately belonging to the customer
- the product is currently ready for physical transfer to the customer
- the Company does not have the ability to use the product or direct it to another customer.

The following table summarizes the Company's revenue recognized in its unaudited condensed consolidated statements of operations:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Product revenue	\$ 300,000	\$ 69,300	\$ 300,000	\$ 69,300
Royalty revenue	3,300	19,800	28,300	54,800
	<u>\$ 303,300</u>	<u>\$ 89,100</u>	<u>\$ 328,300</u>	<u>\$ 124,100</u>

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 year. All outstanding options and warrants are considered potential common stock. For the three and six months ended June 30, 2025 and 2024, the Company had 1,138,055 and 1,201,580 shares, respectively, held in abeyance included in basic loss per share given that they are issuable for no additional consideration (see Note 4 – Stockholders' Equity for additional details). The dilutive effect, if any, of stock options and warrants are calculated using the treasury stock method. All outstanding convertible preferred stock is 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, restricted stock units ("RSUs") and convertible preferred stock have been excluded from the Company's computation of diluted net loss per common share for the three and six months ended June 30, 2025 and 2024.

The following table summarizes the securities that were excluded from the diluted per share calculation because the effect of including these potential shares was antidilutive due to the Company's net loss position even though the exercise or conversion price could be less than the average market price of the common shares:

	For the Three and Six Months Ended June 30,	
	2025	2024
Stock options	5,262,973	3,401,608
Warrants	3,951,384	3,952,511
Convertible Preferred Stock	1,398,158	1,398,158
	<u>10,612,515</u>	<u>8,752,277</u>

Segment Reporting

Operating segments are defined as components of an enterprise about 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 has one operating and reporting segment (BioRestorative Therapies, Inc.) which develops therapeutic products and medical therapies using cell and tissue protocols, primarily involving adult stem cells. The Company’s Chief Executive Officer serves as the CODM and reviews financial information presented on a consolidated basis to make operational decisions and evaluate financial performance. The CODM reviews profit and loss information on a consolidated basis, as presented in the statement of operations. Disaggregated expense data beyond what is included in the unaudited condensed consolidated statements of operations is not provided to the CODM. Since the Company’s operations consist of a single reporting segment, the segment assets are presented on the accompanying unaudited condensed consolidated balance sheets as total assets.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures,” (“ASU 2023-09”). The amendments in ASU 2023-09 are designed to enhance the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments in ASU 2023-09 should be applied on a prospective basis. Retrospective application is permitted. The Company is currently evaluating the impact of this update on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU No. 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,” (“ASU 2024-03”), which is intended to require more detailed disclosures about specified categories of expenses (including employee compensation, depreciation, and amortization) included in certain expense captions presented on the face of the income statement. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The amendments may be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of ASU 2024-03 or (2) retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the potential impact of this update on its consolidated financial statements and related disclosures.

Tax Law Change

On July 4th, 2025, the President signed into law significant federal tax legislation, H.R.1 (the “Tax Reform Act of 2025”). The legislation includes numerous changes to U.S. corporate income tax law, including but not limited to: permanent 100% bonus depreciation for qualified property, immediate expensing of domestic research and experimental expenditures, modifications to the limitation on business interest expense, increased Section 179 expensing limits, changes to the international tax regime, and expanded limitations on the deductibility of executive compensation under IRC Section 162(m). Most provisions are effective for tax years beginning after December 31, 2024, with certain transition rules and exceptions.

The Company is currently evaluating the impact of the Tax Reform Act of 2025 on its unaudited condensed consolidated financial statements. The effects of the new law, including remeasurement of deferred tax assets and liabilities and changes to current and future tax expense, will be reflected in the period of enactment and in future periods as additional guidance is issued and the Company completes its analysis.

NOTE 3 - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of:

	June 30 , 2025	December 31, 2024
Accrued bonuses	\$ 359,250	\$ 704,000
Accrued general and administrative expenses	121,675	40,485
Total accrued expenses and other current liabilities	<u>\$ 480,925</u>	<u>\$ 744,485</u>

NOTE 4 - STOCKHOLDERS' EQUITY

Warrant Exercise and Issuance

On February 6, 2024, the Company entered into agreements with certain holders of its existing warrants exercisable for an aggregate of 3,351,580 shares of its Common Stock (collectively, the "Existing Warrants"), to exercise their warrants at a reduced exercise price of \$2.33 per share, in exchange for the issuance of new warrants (the "New Warrants") as described below (the "Warrant Exercise and Issuance"). The aggregate gross proceeds from the exercise of the Existing Warrants and the payment of the New Warrants, as described below, was approximately \$8.1 million, before deducting cash issuance costs in the amount of \$595,364. The reduction of the exercise price of the Existing Warrants and the issuance of the New Warrants was structured as an at-market transaction under Nasdaq rules. Of the 3,351,580 shares of Common Stock underlying the Existing Warrants, 1,201,580 shares issuable to Auctus Fund, LLC ("Auctus") were held in abeyance as of December 31, 2024, due to Auctus' maximum beneficial ownership limitation (the "Abeyance Shares"). On March 20, 2025, the Company issued 63,525 of these shares, reducing the remaining Abeyance Shares to 1,138,055. As of June 30, 2025, the Company had issued an aggregate of 2,213,525 shares of Common Stock. Such Abeyance Shares have been fully paid for and are issuable upon notice from Auctus to the Company.

In consideration for the immediate exercise of the Existing Warrants for cash and the payment of \$0.125 per share underlying the New Warrants, the exercising holders received the New Warrants to purchase shares of Common Stock in a private placement pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). The New Warrants will be exercisable for a period of five years into an aggregate of 2,513,686 shares of Common Stock at an exercise price of \$2.43 per share. The securities offered in the private placement have not been registered under the Securities Act or applicable state securities laws. Accordingly, the securities may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act and such applicable state securities laws. As part of the transaction, the Company agreed to file a resale registration statement with the SEC to register the resale of the shares of Common Stock underlying the New Warrants issued in the private placement. Such resale registration statement was filed and was declared effective by the SEC on April 18, 2024. In connection with the transaction described above, the Company entered into a financial advisory services agreement, dated February 5, 2024, with Roth Capital Partners, LLC ("Roth"), pursuant to which the Company has paid Roth a cash fee of approximately \$528,000 for its services, in addition to reimbursement for certain expense. During the six months ended June 30, 2024, the Company incurred an aggregate of \$595,364 of cash issuance costs related to the Warrant Exercise and Issuance.

Prior to the Warrant Exercise and Issuance, the Existing Warrants were classified as derivative liabilities. Additionally, the Company analyzed the form of the New Warrants and determined that they should be classified as derivative liabilities in accordance with ASC 815-40, Derivatives and Hedging — Contracts in Entity's Own Equity. Under the New Warrants, the Company does not control the occurrence of events, such as a tender offer or exchange, that may trigger cash settlement of the New Warrants and not result in a change of control of the Company. As a result, such New Warrants do not meet the criteria for equity treatment. Additionally, certain New Warrants contain adjustments to the settlement amount based on a variable that is not an input to the fair value of a "fixed-for-fixed" option as defined under ASC 815-40 and, accordingly, such New Warrants are not considered indexed to the Company's own stock and are not eligible for an exception from derivative accounting. See Note 5 – Fair Value Measurement for details regarding the valuation of warrants accounted for as derivative liabilities.

Warrants

See Note 5 – Fair Value of Financial Instruments for details regarding the valuation of warrants accounted for as derivative liabilities.

A summary of the Company's warrant activity and related information follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life In Years
Outstanding, January 1, 2025	3,951,634	\$ 5.22	
Expired	(250)	60.00	
Outstanding, June 30, 2025	3,951,384	\$ 5.21	2.80
Exercisable, June 30, 2025	3,951,384	\$ 5.21	2.80

Stock Options

On February 14, 2025, the Company granted options to purchase an aggregate of 2,152,908 shares of the Company's common stock at an exercise price of \$2.46 per share to employees, the Company's board of directors and a member of the Company's Scientific Advisory Board. The options had an aggregate grant date fair value of \$4,044,250 and vest as follows: (i) options to purchase an aggregate 323,459 shares of common stock vest monthly over one year, and (ii) options to purchase an aggregate of 1,829,449 shares of common stock vest to the extent of 50% immediately with the remainder vesting quarterly over two years commencing one year from the date of grant. The Company is recognizing the grant date fair value of the options proportionate to the vesting period.

On June 5, 2025, the Company granted an option to purchase an aggregate of 25,000 shares of the Company's common stock at an exercise price of \$1.78 per share to an employee. The option had a grant date fair value of \$34,250 and vests as follows: to the extent of 50% immediately with the remainder vesting quarterly over two years commencing one year from the date of grant. The Company is recognizing the grant date fair value of the option proportionate to the vesting period.

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Risk free interest rate	4.03%	N/A	4.03 - 4.40%	4.14 - 4.30%
Expected term (years)	5.38	N/A	2.77 - 5.38	2.77 - 5.27
Expected volatility	98.14%	N/A	98.14 - 99.22%	101 - 102%
Expected dividends	0.00%	N/A	0.00%	0.00%

Options granted during the three and six months ended June 30, 2025 had a weighted average grant date fair value per share of \$1.37 and \$1.87 per share, respectively. Options granted during the six months ended June 30, 2024 had a weighted average grant date fair value per share of \$1.11 per share. There were no options granted during the three months ended June 30, 2024.

A summary of the stock option activity during the six months ended June 30, 2025 is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Intrinsic Value
Outstanding, January 1, 2025	3,263,467	\$ 2.63		
Granted	2,177,908	2.45		
Exercised	(29,249)	1.45		
Forfeited	(149,153)	2.23		
Outstanding, June 30, 2025	5,262,973	\$ 2.58	8.0	\$ 369,844
Exercisable, June 30, 2025	3,630,530	\$ 2.75	7.5	\$ 272,682

Stock-Based Compensation Expense

The following table presents information related to stock-based compensation expense:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,		Unrecognized at June 30, 2025	Weighted Average Remaining Amortization Period (Years)
	2025	2024	2025	2024		
General and administrative	\$ 268,357	\$ 162,504	\$ 1,344,910	\$ 1,171,731		
Research and development	\$ 200,351	\$ 161,818	\$ 1,132,924	\$ 1,180,965		
Total	\$ 468,708	\$ 324,322	\$ 2,477,834	\$ 2,352,696	\$ 2,278,544	\$ 1.89

The following table presents stock-based compensation by award type:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Options	\$ 468,708	\$ 324,322	\$ 2,477,834	\$ 1,367,658
RSUs	-	-	-	985,038
Total	\$ 468,708	\$ 324,322	\$ 2,477,834	\$ 2,352,696

ATM Sales

During the six months ended June 30, 2025, the Company sold 965,424 shares of its common stock under the 2024 ATM, generating gross proceeds of \$2,011,250. For the six months ended June 30, 2025, the total commissions and related legal accounting fees incurred were \$72,805, resulting in net proceeds of \$1,938,445. During the six months ended June 30, 2025, the Company reclassified previously capitalized deferred offering costs of \$148,697 to additional paid-in capital.

Common Stock Repurchase Program

On June 16, 2025, the Company's Board of Directors authorized a common stock repurchase program under which the Company may repurchase up to \$2,000,000 of its outstanding common stock through June 16, 2026. No repurchases have been made as of June 30, 2025.

Common Stock Issuances

During the six months ended June 30, 2025, the Company issued 63,525 shares of common stock to Auctus Fund, LLC in partial satisfaction of shares held in abeyance.

During the six months ended June 30, 2025, the Company issued 29,249 shares of common stock related to the exercise of an option at an exercise price of \$1.45 per share, which resulted in gross cash proceeds to the Company of \$42,411.

NOTE 5 – FAIR VALUE MEASUREMENT

On June 30, 2025, the Company estimated the aggregate fair value of warrants that are accounted for as warrant liabilities to be \$2,580,379 using the Black-Scholes option price model (Level 3 inputs) and, accordingly, recognized a gain on the change in fair value of these warrant liabilities of \$574,591 and a loss on the change in fair value of these warrant liabilities of \$59,528 for the three and six months ended June 30, 2025, respectively. The following table shows the detail of the valuation assumptions used:

	June 30, 2025
Risk free interest rate	3.71%-3.89%
Expected term (years)	1.36 - 3.61
Expected volatility	82% - 98%
Expected dividends	0.00%

The following table sets forth a summary of the changes in the fair value of Level 3 liabilities that are measured at fair value on a recurring basis during the six months ended June 30, 2025:

Balance, January 1, 2025	\$ 2,520,851
Change in fair value of warrant liability	59,528
Balance, June 30, 2025	<u>\$ 2,580,379</u>

Assets and liabilities measured at fair value on a recurring basis are as follows:

Assets and liabilities measured at fair value on a recurring basis are as follows:					
	Fair value measurements at reporting date using:				
	Quoted prices in active markets for identical liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total Fair Value	
Assets:					
Marketable securities as of June 30, 2025	\$ 5,825,685	\$ -	\$ -	\$ 5,825,685	
Marketable securities as of December 31, 2024	\$ 10,184,701	\$ -	\$ -	\$ 10,184,701	
Liabilities:					
Warrant liabilities as of June 30, 2025	\$ -	\$ -	\$ 2,580,379	\$ 2,580,379	
Warrant liabilities as of December 31, 2024	\$ -	\$ -	\$ 2,520,851	\$ 2,520,851	

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated interim financial statements and related notes included in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2024 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, which was filed with the Securities and Exchange Commission (the "SEC") on March 28, 2025.

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 "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, as filed with the SEC on March 28, 2025, 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 and commercial biocosmeceuticals platform;
- 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;
- our ability to attract and retain customers;
- our ability to navigate through the increasingly complex therapeutic regulatory environment;
- our ability to successfully engage in any new business lines that we pursue; and
- risks related to the restatement of our previously issued financial statements.

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 Nevada 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*, *ThermoStem*, and *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 TM 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 June 30, 2025, our accumulated deficit was \$163,674,777. 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 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 have received authorization from the FDA to commence a Phase 2 clinical trial investigating the use of *BRTX-100* in the treatment of chronic lower back pain arising from degenerative disc disease. We have commenced such clinical trial through the execution of a CRO agreement with Professional Research Consulting, Inc., d/b/a PRC Clinical, the execution of clinical trial site agreements, patient enrollment, the commencement of patient procedures, the purchase of manufacturing equipment and the expansion of our laboratory to include capabilities for clinical production. We have received a license from the New York State Department of Health to act as a tissue bank for mesenchymal stem cell processing. In June 2023, we received a unanimous recommendation from the Data Safety Monitoring Board to continue our Phase 2 clinical trial without any changes. We have obtained a worldwide (excluding Asia and Argentina) exclusive 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 investigating the expansion of the clinic application of *BRTX-100* to other indications within the body.

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, July 2021, June 2023 and December 2023; 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, June 2021, February 2022, June 2023, and July 2024; Israeli patents related to our *ThermoStem Program* were issued in October 2019, May 2020, March 2022, and March 2025; European patents related to the *ThermoStem Program* were issued in April 2020, January 2021, July 2023, and March 2025.

We have obtained a license for 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 Phase 2 clinical trial with regard to *BRTX-100*.

In addition, in continuation of our mission of developing and commercializing cell-based biologics, we are seeking to develop a biologics-based cosmetic products business. Pursuant to such business, we would formulate, manufacture and sell products designed for cosmetic and aesthetic uses. In April 2024, we announced that we entered into a five-year exclusive supply agreement with Cartessa Aesthetics, LLC (“Cartessa”), a leading North American based aesthetic company, to supply to Cartessa our first commercial product.

Revenue

We derive revenue pursuant to a license agreement with a stem cell treatment company (the “SCTC”) entered into in January 2012, as amended in November 2015 and November 2022. Pursuant to the license agreement, the SCTC has granted to us an exclusive 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 sublicense, the SCTC has agreed to pay us royalties on a per disc procedure basis.

We have also derived product revenue from our five-year exclusive supply agreement with Cartessa entered into in April 2024.

Common Stock Repurchase Program

On June 16, 2025, our Board of Directors authorized a common stock repurchase program under which we may repurchase up to \$2,000,000 of our outstanding common stock through June 16, 2026. No repurchases have been made as of June 30, 2025.

Results of Operations

Comparison of the Three Months Ended June 30, 2025 to the Three Months Ended June 30, 2024

Our financial results for the three months ended June 30, 2025 are summarized as follows in comparison to the three months ended June 30, 2024:

	For the Three Months Ended June 30,	
	2025	2024
Revenues	\$ 303,300	\$ 89,100
Cost of goods sold	8,729	6,490
Gross profit	294,571	82,610
Operating Expenses:		
Research and development	2,225,882	1,454,000
General and administrative	1,373,976	1,097,417
Total Operating Expenses	3,599,858	2,551,417
Loss From Operations	(3,305,287)	(2,468,807)
Other (Expense) Income:		
Interest income	73,915	175,945
Other income	518	911
Change in fair value of warrant liabilities	574,591	(1,736,611)
Total Other (Expense) Income	649,024	(1,559,755)
Net Loss	<u>\$ (2,656,263)</u>	<u>\$ (4,028,562)</u>

Revenues

For the three months ended June 30, 2025 and 2024, we generated \$3,300 and \$19,800, respectively, of royalty revenue in connection with our sublicense agreement with the SCTC. The decrease was primarily due to a decrease in disc procedures.

For the three months ended June 30, 2025 and 2024, we generated \$300,000 and \$69,300, respectively, of cosmetic product sales revenue in connection with our exclusive supply agreement with Cartessa.

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 and Biocosmeceuticals program. Research and development expenses are expensed as they are incurred. For the three months ended June 30, 2025, research and development expenses increased by \$771,882 or 53.1%, as compared to the three months ended June 30, 2024. The increase was primarily the result of an increase in recruitment and other costs for our Phase 2 clinical trial of \$640,379, an increase in lab supply expense of \$83,768 and an increase in stock-based compensation expense of \$38,533, partially offset by a decrease in bonus expense of \$30,132. We expect that our research and development expenses will continue to increase in subsequent fiscal periods.

General and Administrative

General and administrative expenses consist primarily of salaries, bonuses, payroll taxes and stock-based compensation to employees, as well as corporate expenses such as legal and professional fees, investor relations and occupancy-related expenses. For the three months ended June 30, 2025, general and administrative expenses increased by \$276,559, or 25.2%, as compared to the three months ended June 30, 2024, primarily driven by an increase in consulting expense of \$122,777, an increase in stock-based compensation expense of \$105,853, and an increase in payroll of \$36,409 all partially offset by a decrease in professional fees of \$13,754.

Interest Income

For the three months ended June 30, 2025, interest income was \$73,915 as compared to interest income of \$175,945 for the three months ended June 30, 2024. The change was primarily due to a decrease in interest income from the investments held in marketable securities.

Other Income

For the three months ended June 30, 2025, other income was \$518, as compared to other income of \$911 for the three months ended June 30, 2024. The change was primarily due to a decrease in dividend income from investments held in marketable securities.

Change in Fair Value of Warrant Liabilities

For the three months ended June 30, 2025, we recognized a gain on the change in fair value of warrant liabilities of \$574,591, related to the decrease in fair value of warrants that are accounted for as warrant liabilities. For the three months ended June 30, 2024, we recognized a loss on the change in fair value of warrant liabilities of \$1,736,611, related to the increase in fair value of warrants that are accounted for as warrant liabilities.

Comparison of the Six Months Ended June 30, 2025 to the Six Months Ended June 30, 2024

Our financial results for the six months ended June 30, 2025 are summarized as follows in comparison to the six months ended June 30, 2024:

	For the Six Months Ended June 30,	
	2025	2024
Revenues	\$ 328,300	\$ 124,100
Cost of goods sold	11,638	6,490
Gross profit	316,662	117,610
Operating Expenses:		
Research and development	4,872,782	3,531,278
General and administrative	3,556,701	3,164,391
Total Operating Expenses	8,429,483	6,695,669
Loss From Operations	(8,112,821)	(6,578,059)
Other (Income) Expense:		
Interest income	173,881	338,542
Other income	2,406	149,932
Gain on exchange of warrants	-	1,711,698
Change in fair value of warrant liabilities	(59,528)	(1,873,930)
Total Other (Income) Expense	116,759	326,242
Net Loss	\$ (7,996,062)	\$ (6,251,817)

Revenues

For the six months ended June 30, 2025 and 2024, we generated \$28,300 and \$54,800, respectively, of royalty revenue in connection with our sublicense agreement with the SCTC. The decrease was primarily due to a decrease in disc procedures.

For the six months ended June 30, 2025 and 2024, we generated \$300,000 and \$69,300, respectively, of cosmetic product sales revenue in connection with our exclusive supply agreement with Cartessa.

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 and Biocosmeceuticals program. Research and development expenses are expensed as they are incurred. For the six months ended June 30, 2025, research and development expenses increased by \$1,341,504, or 38.0%, as compared to the six months ended June 30, 2024. The increase was primarily the result of an increase in recruitment and other costs for our Phase 2 clinical trial of \$1,180,237, an increase in lab supply expense of \$190,519, and an increase in cash compensation to employees of \$45,315, partially offset by a decrease in bonus expense of \$68,747 and a decrease in stock-based compensation expense of \$48,041. We expect that our research and development expenses will continue to increase in subsequent fiscal periods.

General and Administrative

General and administrative expenses consist primarily of salaries, bonuses, payroll taxes and stock-based compensation to employees, as well as corporate expenses such as legal and professional fees, investor relations and occupancy-related expenses. For the six months ended June 30, 2025, general and administrative expenses increased by \$392,310, or 12.4%, as compared to the six months ended June 30, 2024, primarily driven by an increase in stock-based compensation expense of \$173,179 related to the vesting of awards, an increase in consulting expense of \$110,966, an increase in professional fees of \$38,844, and an increase in payroll of \$32,728.

Interest Income

For the six months ended June 30, 2025, interest income was \$173,881, as compared to interest income of \$338,542 for the six months ended June 30, 2024. The change was primarily due to interest income from the investments held in marketable securities.

Other Income

For the six months ended June 30, 2025, other income was \$2,406, as compared to other income of \$149,932 for the six months ended June 30, 2024. The change was primarily due to a decrease in dividend income from investments held in marketable securities.

Gain on Exchange of Warrants

For the six months ended June 30, 2024, we recognized a gain on exchange of \$1,711,698 related to the issuance of warrants and common stock in exchange for the cancellation of existing warrants. There was no gain on exchange of warrants for the six months ended June 30, 2025.

Change in Fair Value of Warrant Liabilities

For the six months ended June 30, 2025 and 2024, we recognized a loss on the change in fair value of warrant liabilities of \$59,528 and \$1,873,930, respectively, related to the increase in fair value of warrants that are accounted for as warrant liabilities.

Liquidity and Capital Resources

Liquidity

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Cash and cash equivalents	\$ 1,555,251	\$ 547,890
Investments held in marketable securities	\$ 5,825,685	\$ 10,184,701
Working capital	\$ 3,926,572	\$ 7,395,815

Working capital decreased by \$3,469,243 primarily due to \$5,472,653 of cash used to fund our operations and the \$4,359,016 decrease in marketable securities, offset by \$4,499,158 of cash provided by investing activities and the \$1,980,856 of cash provided by financing activities.

Availability of Additional Funds

For the six months ended June 30, 2025, we had a net loss of \$8.0 million and negative cash flows from operations of \$5.5 million, and as of June 30, 2025, we had working capital of \$3.9 million. We anticipate that we will continue to incur net losses and negative cash flows from operations as we execute our development plans during 2025 and beyond, as well as other potential strategic and business development initiatives. Based on these conditions, we believe we may not have sufficient cash for at least twelve months after the issuance date of the financial statements included in this Quarterly Report which raises substantial doubt about our ability to continue as a going concern.

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 six months ended June 30, 2025 and 2024, our sources and uses of cash were as follows:

	Six Months Ended June 30,	
	2025	2024
Net Cash Used In Operating Activities	\$ (5,472,653)	\$ (4,182,945)
Net Cash Provided By (Used In) Investing Activities	\$ 4,499,158	\$ (1,954,831)
Net Cash Provided By Financing Activities	\$ 1,980,856	\$ 7,505,646
Net Increase in Cash	\$ 1,007,361	\$ 1,367,870

Operating Activities

Net cash used in operating activities was \$5,472,653 for the six months ended June 30, 2025, primarily due to cash used to fund the net loss of \$7,996,062, adjusted for net non-cash expenses of \$2,465,349, and \$58,060 of cash provided by changes in operating assets and liabilities. Net cash used in operating activities was \$4,182,945 for the six months ended June 30, 2024, primarily due to cash used to fund the net loss of \$6,251,817, adjusted for net non-cash expenses of \$2,351,582, and \$282,710 of cash used in changes in operating assets and liabilities.

Investing Activities

Net cash provided by investing activities was \$4,499,158 for the six months ended June 30, 2025 primarily due to a sale of marketable securities which provided \$6,664,238 of cash, offset by a purchase of marketable securities which used \$2,128,680 of cash and a purchase of equipment which used \$36,400 of cash. Net cash used in investing activities was \$1,954,831 for the six months ended June 30, 2024 primarily due to a purchase of marketable securities which used \$12,784,535 of cash, offset by a sale of marketable securities which provided \$10,865,000 of cash.

Financing Activities

Net cash provided by financing activities was \$1,980,856 for the six months ended June 30, 2025 due to net proceeds of \$1,938,445 received in connection with the issuance of common stock for the 2024 ATM offering and \$42,411 due to the exercise of stock options, compared to \$7,505,646 net cash provided by financing activities for the six months ended June 30, 2024 due to net proceeds received in connection with the exercise and issuance of warrants.

Effects of Inflation

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

Critical Accounting Policies and Estimates

We prepare our unaudited condensed consolidated financial statements in accordance with U.S. generally accepted accounting principles, which require our management to make estimates that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet dates, as well as the reported amounts of revenues and expenses during the reporting periods. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on our own historical experience and other assumptions that we believe are reasonable after taking account of our circumstances and expectations for the future based on available information. We evaluate these estimates on an ongoing basis.

We consider an accounting estimate to be critical if: (i) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (ii) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. There are items within our unaudited condensed consolidated financial statements that require estimation but are not deemed critical, as defined above.

For a detailed discussion of our significant accounting policies and related judgments, see Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements in “Item 1. Financial Statements” of this report.

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 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 June 30, 2025.

Management has completed such evaluation and 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 appropriate to allow timely decisions regarding required disclosures. As a result of the material weaknesses in internal controls over financial reporting described below, we concluded that our disclosure controls and procedures as of June 30, 2025 were not effective.

Material Weaknesses in Internal Control over Financial Reporting

A material weakness, as defined in the standards established by 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.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP. The following material weaknesses in our internal control over financial reporting were present as of December 31, 2024 and continued to exist as of June 30, 2025:

- Lack of adherence to formal policies and procedures;
- Lack of risk assessment procedures on internal controls to detect financial reporting risks in a timely manner;
- Lack of design and implementation of effective controls to achieve complete and accurate financial reporting and disclosures, including documented controls over the preparation and review of journal entries, account reconciliations and income taxes; and
- Lack of design and implementation of effective controls over the accounting for warrants issued in connection with equity financings.

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 weaknesses are remediated, such that these controls are designed, implemented, and operating effectively. The remediation actions include:

- Management personnel, including our Chief Financial Officer, are overseeing the financial reporting process and implementation of enhanced controls and governance;
- Engagement of external financial consulting firm with expertise in accounting for significant and complex non-routine transactions to continue to enhance financial reporting, financial operations and internal controls; and
- Documentation of key procedures and controls using a risk-based approach.

Management is committed to maintaining a strong internal controls environment and implementing measures designed to help ensure that control deficiencies contributing to the material weaknesses are remediated as soon as possible. We have documented key procedures and controls using a risk-based approach and have, therefore, made progress toward remediation. We continue to implement our remediation plan, which includes continued engagement of an external financial consulting firm to enhance financial reporting and operations as well as design and implementation of controls. We will consider the material weaknesses remediated after the applicable controls operate for a sufficient period of time, and management has concluded, through testing, that the controls are operating effectively.

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 second quarter of 2025 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 “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on March 28, 2025, and the other information contained in that report and in this quarterly report in evaluating the Company and its business before purchasing shares of our common stock. Our 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 June 30, 2025, we did not have any unregistered sales of equity securities.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Amended and Restated Articles of Incorporation	8-K	3.3	1/5/2023
3.2	Certificate of Designations of Preferred Stock (Series B)	8-K	3.4	1/5/2023
3.3	Bylaws	8-K	3.5	1/5/2023
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 Data 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: August 12, 2025

By: /s/ Robert E. Kristal
Robert E. Kristal
Chief Financial Officer
(Principal Financial Officer)

Date: August 12, 2025

SECTION 302 CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

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 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.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2025

/s/ Lance Alstodt

Lance Alstodt
Principal Executive Officer

SECTION 302 CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Robert 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 (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.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2025

/s/ Robert Kristal

Robert Kristal

Principal Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
AND PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. § 1350, the undersigned officers of BioRestorative Therapies, Inc. (the “Company”) hereby certify that the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2025

/s/ Lance Alstodt

Lance Alstodt
Principal Executive Officer

/s/ Robert Kristal

Robert Kristal
Principal Financial Officer

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