Alternative Reporting Standard: Disclosure Guidelines for the OTCID Basic Market

Federal and state securities laws require issuers to provide *current information* to the public markets. With a view to facilitating compliance with these laws, OTC Markets Group has created these OTCID Disclosure Guidelines ("Guidelines")[1] that set forth the disclosure obligations that make up the "Alternative Reporting Standard" for companies on the OTCID™ Basic Market and Pink Limited Market. Companies that do not make disclosure directly to the SEC (via EDGAR), a banking regulator, or a non-U.S. regulatory authority may provide disclosure under our "Alternative Reporting Standard." We use information provided by companies under these Guidelines and in accordance with the OTCID Rules to determine eligibility for the OTCID Market or Pink Limited Market as applicable. [2]

Current Information

To be eligible for the OTCID Market, Alternative Reporting companies make the information listed below publicly available through OTCIQ.com:

1. **Initial Disclosure Obligations**

   Companies must upload the following documents through OTCIQ.com:

   - *Annual Report* for the most recently completed fiscal year.
   - *All Quarterly Reports* for the current fiscal year.

     Annual or Quarterly Reports are composed of:
     - ***Disclosure Statements:*** Disclosure information pursuant to these Guidelines for the applicable period. Available as a fillable form beginning on page 4 of these Guidelines.
     - ***Financial Statements:*** Qualifying Financial Statements in accordance with the Financial Statement Requirements specified in Item 9 of these Guidelines.

     Qualifying Financial Statements include:
     - Audit Letter, if audited
     - Balance Sheet
     - Statement of Income
     - Statement of Cash Flows
     - Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
     - Notes to Financial Statements

2. **Ongoing Requirements**

   On an ongoing basis, companies must publish reports through OTCIQ.com on the following schedule:
   - Quarterly Reports are due within **45 days** of the quarter end
   - Annual Reports are due within **90 days** of the fiscal year end
   - Management Certifications are due within **45 days** of the Annual Report due date

[1] These Guidelines have been designed to encompass the "current information" requirements under state and federal securities laws, such as Rules 10b-5 and 15c2-11 of the Securities Exchange Act of 1934 ("Exchange Act") as well as Rule 144 of the Securities Act of 1933 ("Securities Act"), and state Blue Sky laws. However, these Guidelines have not been reviewed by the U.S. Securities and Exchange Commission or any state securities regulator. These Guidelines do not constitute legal advice, and OTC Markets Group makes no assurance that compliance with our disclosure requirements will satisfy any legal requirements. These Guidelines may be amended from time to time, in the sole and absolute discretion of OTC Markets Group, with or without notice.

[2] OTC Markets Group may require companies with securities designated as "Caveat Emptor" or other compliance flags to make additional disclosures to qualify for the OTCID Basic Market.

Other OTCID Eligibility Requirements:

To remain on the OTCID Market, companies must continue to meet all other eligibility requirements of the OTCID Rules in addition to the disclosure requirements listed above.

Pink Limited Market

Companies that do not meet the requirements of the OTCID Market set forth above may still qualify for the Pink Limited Market by meeting the following minimum disclosure requirements.

1. **Initial Requirements:**

   - **Annual Financial Statements:** Publish a report that includes Qualifying Annual Financial Statements, as outlined in Item 9, which cover the past 2 completed fiscal years, provided the most recently completed fiscal year is within the past 16 months.

   - **Company Verified Profile:** The Company must verify the Company Profile through OTCIQ.com, including, but not limited to, a complete list of officers, directors, and service providers; outstanding shares; a business description; contact information; and the name of all company insiders. “Company Insiders” shall include the beneficial owner of 10% or more of the outstanding units or shares of any class of any equity security of the issuer.

2. **Ongoing Requirements:** To remain qualified for the Pink Limited Market, companies must:

   - Publish Qualifying Annual Financial Statements, as outlined in Item 9, within 120 days of the fiscal year end. Should a change in fiscal year end occur, no more than 16 months may elapse from the fiscal year end of the prior Annual Financial Statement.

   - Review and verify the information on the Company Profile through OTCIQ.com at least once every 12 months.

Current Reporting of Material Corporate Events

In addition to the disclosure requirements above, all companies on the OTCID or Pink Limited market are expected to promptly release to the public any news or information regarding corporate events that may be material to the issuer and its securities (including adverse information). Persons with knowledge of such events are considered to be in possession of material nonpublic information and may not buy or sell the issuer's securities until or unless such information is made public. If not included in the issuer's previous public disclosure documents, or if the material events occurs after the publication of such disclosure documents, the issuer shall publicly disclose such events by disseminating a news release **within four (4) business days** following their occurrence and posting such news release through an Integrated Newswire or the OTC Disclosure & News Service via OTCIQ.com.[4]

Material corporate events may include:

- Changes to the company's shell status. Please refer to our FAQ on Shell Companies
- Changes in control of issuer
- Departure of directors or principal officers; election of directors; appointment of principal officers
- Entry into or termination of a material definitive agreement or material agreement not made in the ordinary course of business
- Completion of an acquisition or disposition of assets, including but not limited to merger transactions
- Creation of a direct financial obligation or an obligation under an off-balance sheet arrangement of an issuer
- Triggering events that accelerate or increase a direct or contingent financial obligation including any default or acceleration of an obligation or an obligation under an off-balance sheet arrangement
- Costs associated with exit or disposal activities including material write-offs and restructuring; Material impairments
- Unregistered sales of equity securities
- Material modification to rights of security holders
- Changes in issuer's certifying accountant
- Non-reliance on previously issued financial statements or a related audit report or completed interim review
- Change in a company's fiscal year; Amendments to articles of incorporation or bylaws that were not previously disclosed in a proxy statement or other such disclosure statement.
- Amendments to the issuer's code of ethics, or waiver of a provision of the code of ethics
- Any changes to litigation the issuer may be involved in, or any new litigation surrounding the issuer
- Officer, director, or insider transactions in the issuer's securities
- Disclosure of investor relations, marketing, brand awareness, and stock promotion activities which might reasonably be expected to materially affect the market for its securities or otherwise deemed material by the issuer
- A company's bankruptcy or receivership
- Termination or reduction of a business relationship with a customer that constitutes a specified amount of the company's revenues
- Any material limitation, restriction, or prohibition, including the beginning and end of lock-out periods, regarding the company's employee benefits, retirement and stock ownership plan
- Earnings releases
- Other materially different information regarding key financial or operation trends from that set forth in periodic reports
- Other events the issuer determines to be material

[4] "Integrated Newswire" shall mean a newswire service that is integrated with the OTC Disclosure & News Service and is included on OTC Markets Group's list of Integrated Newswires, as published on https://www.otcmarkets.com/corporate-services/ir-tools-services

Bio-Path Holdings, Inc

625 Stanwix St. #2407
Pittsburgh, Pennsylvania 15222

(630) 708-0750
www.biopathholdings.com
vgrover@biopathholdings.com

Annual Report

For the period ending December 31, 2025 (the "Reporting Period")

Outstanding Shares
The number of shares outstanding of our Common Stock was:

50,297,451 as of July 24, 2026 *(Current Reporting Period Date or More Recent Date)*

9,242,151 as of December 31, 2025 *(Most Recent Completed Fiscal Year End)*

Shell Status
Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control
Indicate by check mark whether a Change in Control[5] of the company has occurred during this reporting period:

Yes: ☐ No: ☒

[5] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Bio-Path Holdings, Inc.
625 Stanwix St. #2407
Pittsburgh, Pennsylvania 15222

Bio-Path Holdings Inc. (through 6-1-2026)

Ogden Golf Co Corp (through 2-19-2008)

Current State and Date of Incorporation or Registration: Wyoming, March 5, 2026

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

Effective December 31, 2014, the Company changed its state of incorporation from Utah to Delaware. Effective March 5, 2026, the Company re-domesticated to the State of Wyoming.

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

On February 14, 2025, the Nasdaq Stock Market LLC ("Nasdaq") notified the Company that the Nasdaq Hearings Panel (the "Panel") determined to delist the Company's common stock, par value $0.001 per share. On February 19, 2025, trading of our common stock was suspended on The Nasdaq Capital Market and trading of our common stock commenced on the OTCQB Venture Market under the ticker symbol "BPTH."

List any company name change, stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On February 22, 2024, the Company effected a reverse stock split of its outstanding shares of common stock at a ratio of 1-for-20.

On February 21, 2026, our majority shareholder Steel Giants Advisors LLC and our Board of Directors canceled a 1-30 reverse split of our common stock previously approved by our shareholders and Board of Directors on December 12, 2024.

Address of the issuer's principal executive office:

625 Stanwix St. #2407
Pittsburgh, Pennsylvania 15222

Address of the issuer's principal place of business:
☒ *Check if principal executive office and principal place of business are the same address:*

N/A

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

N/A

2) Security Information

Transfer Agent

Name: Transhare Corp.
Phone: (303) 662-1112
Email: jliu@transhare.com
Address: Bayside Center 1
17555 US Hwy 19 N Suite 140
Clearwater, FL 33764

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	BPTH	
Exact title and class of securities outstanding:	Common	
CUSIP:	09057N409	
Par or stated value:	$0.001	
Total shares authorized:	200,000,000	as of date: August 6, 2026
Total shares outstanding:	51,339,117	as of date: August 6, 2026
Total number of shareholders of record:	127	as of date: August 6, 2026

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

None

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	Preferred	
Par or stated value:	$0.001	
Total shares authorized:	10,000,000	as of date: August 6, 2026
Total shares outstanding:	51	as of date: August 6, 2026
Total number of shareholders of record:	1	as of date: August 6, 2026

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

None

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

   None

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Series S Preferred stock with each of 51 authorized shares each having 1% of the fully diluted voting power of the company and convertible into one common share

3. Describe any other material rights of common or preferred stockholders.

None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

On January 3, 2026, the Company issued 51 shares of Series S Preferred stock to Steel Giants Advisors LLC to facilitate restructuring of its financial obligations and manage its' current and planned corporate actions.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities ***in the past two completed fiscal years and any subsequent interim period****.*

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding Opening Balance: Date 01/01/24 Common: 617,832 Preferred 0:			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g., new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance? (Yes/No)**	**Individual/ Entity Shares were issued to. ***You must disclose the control person(s) for any entities listed.**	**Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**
3/4/24	New Issuance	61,078	Common	(35,459)	No	Cede & Company	Debt/ equity private placement	Unrestricted	144

3/27/24	New Issuance	75,000	Common	(43,541)	No	Cede & Company	Debt/ equity private placement	Unrestricted	144
4/18/24	New Issuance	436,511	Common	1,616.586	No	Cede & Company	Debt/ equity private placement	Unrestricted	144
4/19/24	New Issuance	375,000	Common	1,388.784	No	Cede & Company	Debt/ equity private placement	Unrestricted	144
4/29/24	New Issuance	1,705	Common	6,314	No	Cede & Company	Debt/ equity private placement	Unrestricted	144
5/08/24	New Issuance	30,647	Common	113,499	No	Cede & Company	Debt/ equity private placement	Unrestricted	144
5/09/24	New Issuance	58,577	Common	216,936	No	Cede & Company	Debt/ equity private placement	Unrestricted	144
6/04/24	New Issuance	244,000	Common	906,636	No	Cede & Company	Debt/ equity private placement	Unrestricted	144
6/07/24	New Issuance	180,000	Common	666,617	No	Cede & Company	Debt/ equity private placement	Unrestricted	144
6/18/24	New Issuance	202,955	Common	751,629	No	Armistice Capital Master Fund Ltd	Debt/ equity private placement	Unrestricted	144
7/16/24	New Issuance	225,000	Common	(2,523)	No	Armistice Capital Master Fund Ltd	Debt/ equity private placement	Unrestricted	144
8/01/24	New Issuance	44,000	Common	(493)	No	Armistice Capital Master Fund Ltd	Debt/ equity private placement	Unrestricted	144
8/21/24	New Issuance	1,1158,000	Common	(12,984)	No	Armistice Capital Master Fund Ltd	Debt/ equity private placement	Unrestricted	144
10/23/24	New Issuance	282,702	Common	477,008	No	Armistice Capital Master Fund Ltd	Debt/ equity private placement	Unrestricted	144
11/01/24	New Issuance	314,000	Common	529,818	No	Armistice Capital Master Fund Ltd	Debt/ equity private placement	Unrestricted	144
12/20/24	New Issuance	1,168,000	Common	1,970,789	No	Armistice Capital Master Fund Ltd	Debt/ equity private placement	Unrestricted	144
12/27/24	New Issuance	293,000	Common	494,385	No	Armistice Capital Master Fund Ltd	Debt/ equity private placement	Unrestricted	144

2/04/25	New Issuance	494,000	Common	194	Yes	Armistice Capital Master Fund Ltd	Warrant exercise	Unrestricted	144
2/13/25	New Issuance	566,000	Common	223	Yes	Armistice Capital Master Fund Ltd	Warrant exercise	Unrestricted	144
2/18/25	New Issuance	1,480,000	Common	583	Yes	Armistice Capital Master Fund Ltd	Warrant exercise	Unrestricted	144
9/08/25	New Issuance	228,484	Common	25,193	Yes	1800 Diagonal Lending LLC	Conversion of convertible debt	Unrestricted	144
9/10/25	New Issuance	301,265	Common	33,218	Yes	1800 Diagonal Lending LLC	Conversion of convertible debt	Unrestricted	144
9/12/25	New Issuance	404,395	Common	44,589	Yes	1800 Diagonal Lending LLC	Conversion of convertible debt	Unrestricted	144
1/02/26	New Issuance	51	Series S Preferred	0	No	Steel Giants Advisors LLC	Compensation	Restricted	144
1/24/26	New Issuance	100,000	Common	1,000	Yes	Farrington Capital Group, Inc.	Services	Restricted	144
4/30/26	New Issuance	466,100	Common	13,983	Yes	Quick Capital Group, Inc.	Cash	Unrestricted	144
5/13/26	New Issuance	489,200	Common	14,676	Yes	Quick Capital Group, Inc.	Cash	Unrestricted	144
5/15/26	New Issuances	40,000,000	Common	40,000	Yes	Steel Giants Advisors LLC	Conversion	Restricted	144
8/6/26	New Issuance	1,1041,666	Common	25,000	Yes	Quick Capital Group, Inc.	Cash	Unrestricted	144
Shares Outstanding on Date of This Report: Ending Balance: Date August 6, 2026 Common: 51,339,117 Preferred: 51									

Example: A company with a fiscal year end of December 31st 2025, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2025 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

None

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

[☐] Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance ($)	Outstanding Balance ($) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion[6]	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)
3/6/25	$ 161,000	$ 210,510	12/30/25	65% multiplied by the Market Price for the Common Stock during the 10 Trading Days. "Market Price" means the lowest Trading Price for the Common Stock during the 10 Trading Day period ending on the latest complete Trading Day prior to the Conversion Date.	1,395,140	5,681,781	1800 Diagonal Lending LLC (Curt Kramer)	Loan
3/28/25	$ 100,050	$ 112,056	1/30/26	65% multiplied by the Market Price for the Common Stock during the 10 Trading Days. "Market Price" means the lowest Trading Price for the Common Stock during the 10 Trading Day period ending on the latest complete Trading Day prior to the Conversion Date.	0	2,700,405	1800 Diagonal Lending LLC (Curt Kramer)	Loan
4/28/25	$ 161,000	$ 180,320	2/15/26	65% multiplied by the Market Price for the Common Stock during the 10 Trading Days. "Market Price" means the lowest Trading Price for the Common Stock during the 10 Trading Day period ending on the latest	0	4.345,479	Quick Capital, LLC (Elon Natan)	Loan

6 The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

				complete Trading Day prior to the Conversion Date.				
12/29/25	$ 38,400	$ 38,400	9/30/26	Upon default, 65% multiplied by the Market Price for the Common Stock during the 10 Trading Days. "Market Price" means the lowest Trading Price for the Common Stock during the 10 Trading Day period ending on the latest complete Trading Day prior to the Conversion Date.	0	0	Vanquish Funding Group, Inc. (Curt Kramer)	Loan
1/2/26	$ 38,400	$ 38,400	9/30/26	Upon default, 65% multiplied by the Market Price for the Common Stock during the 10 Trading Days. "Market Price" means the lowest Trading Price for the Common Stock during the 10 Trading Day period ending on the latest complete Trading Day prior to the Conversion Date.	0	0	Quick Capital, LLC (Elon Natan)	Loan
Total Outstanding Balance:		$ 579,686		**Total Shares:**	1,395,140	12,727,665		

Any additional material details, including footnotes to the table are below:

None

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company is a clinical and preclinical stage oncology and obesity-focused RNAi nanoparticle drug development company utilizing a novel technology that achieves systemic delivery for target specific protein inhibition for any gene product that is over-expressed in disease.

B. List any subsidiaries, parent company, or affiliated companies.

Bio-Path Holdings, Inc. (Parent Company)
Bio-Path, Inc. (Subsidiary)

C. Describe the issuers' principal products or services.

The Company is a clinical and preclinical stage oncology and obesity-focused RNAi nanoparticle drug development company utilizing a novel technology that achieves systemic delivery for target specific protein inhibition for any gene product that is over-expressed in disease. he Company's drug delivery and antisense technology, called DNAbilize®, is a platform that uses P-ethoxy, which is a deoxyribonucleic acid (DNA) backbone modification that is intended to protect the DNA from destruction by the body's enzymes when circulating *in vivo,* incorporated inside of a lipid bilayer having neutral charge. The Company believes this combination allows for high efficiency loading of antisense DNA into non-toxic, cell-membrane-like structures for delivery of the antisense drug substance into cells. *In vivo,* the DNAbilize® delivered antisense drug substances are systemically distributed throughout the body to allow for reduction or elimination of target proteins in blood diseases and solid tumors. Through testing in numerous animal studies and dosing in clinical trials, the Company's DNAbilize® drug candidates have demonstrated an excellent safety profile. DNAbilize® is a registered trademark of the Company. Using DNAbilize® as a platform for drug development and manufacturing, the Company currently has four antisense drug candidates in development to treat at least five different cancer disease indications.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company's current office is in Pittsburgh, Pennsylvania which is provided rent free by the Company's CEO.

In April 2014, we entered into a lease agreement for approximately 3,000 square feet of office space for general and administrative purposes in Bellaire, Texas, which is part of the Houston metropolitan area. The term of the lease began on August 1, 2014 and was scheduled to terminate on July 31, 2019. In May 2019, we entered into an amendment to the lease agreement to extend the term of the lease to October 31, 2024. In October 2024, we entered into a second amendment to the lease agreement to extend the term of the lease to October 31, 2025. The lease was terminated in 2025.

In April 2016, we entered into a lease agreement for approximately 2,100 square feet of lab space located in Bellaire, Texas for research and development purposes. The term of the lease began on May 1, 2016 and was scheduled to terminate on April 30, 2019. In December 2018, we entered into an amendment to the lease agreement to extend the term of the lease to April 30, 2022. In January 2022, we exercised an option in the lease agreement amendment to extend the term of the lease to April 30, 2025. The lease was terminated in 2025.

We do not own or lease any other real property that is materially important to our business. We believe that our current facilities are adequate for our current needs and that additional space will be available when and as needed.

6) All Officers, Directors, and 5% Beneficial Owners of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.
If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual

representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Individual Name (First, Last) or **Entity Name** (Include names of control person(s) if a corporate entity)	**Position/Company Affiliation** (ex: CEO, ≥ 5% beneficial owner)	**City and State** (Include Country if outside U.S.)	**Number of Shares Owned** (List common, preferred, warrants and options separately)	**Class of Shares Owned**	**Percentage of Class of Shares Owned** (undiluted)
Vikram Grover	Chief Executive Officer	Pittsburgh, PA	40,000,051	Common and Preferred	79.5%

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, <u>in the past 10 years</u>:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

   <u>None</u>

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

   <u>None</u>

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

   <u>None</u>

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

   <u>None</u>

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

   None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

   None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.
Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name: Eric Newlan
Newlan Law Group, PLLC.
Address 1: 2201 Long Prairie Road, Suite 107-762
Address 2: Flower Mound, Texas 75022
Phone: 940-367-6154
Email: eric@newlanpllc.com

Accountant or Auditor

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): @biopath2000
Discord: _____

LinkedIn ______
Facebook: ______
[Other] ______

Other Service Providers
Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: ______
Firm: ______
Nature of Services: ______
Address 1: ______
Address 2: ______
Phone: ______
Email: ______

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: **Vikram Grover**
Title: **CEO**
Relationship to Issuer: **Management**

B. The following financial statements were prepared in accordance with:

☐ IFRS
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: **Vikram Grover**
Title: **CEO**
Relationship to Issuer: **Management**
Describe the qualifications of the person or persons who prepared the financial statements:[7] ______

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.

[7] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

- Financial statements must be “machine readable.” Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Vikram Grover certify that:

1. I have reviewed this Disclosure Statement for Bio-Path Holdings, Inc;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 6, 2026

/s/ Vikram Grover

(Digital Signatures should appear as “/s/ [OFFICER NAME]”)

Principal Financial Officer:

I, Vikram Grover certify that:

1. I have reviewed this Disclosure Statement for Bio-Path Holdings, Inc.;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 6, 2026

/s/ Vikram Grover

(Digital Signatures should appear as “/s/ [OFFICER NAME]”)

INDEX TO UNAUDITED FINANCIAL STATEMENTS

Contents

The Accompanying Unaudited Consolidated Financial Statements for the Fiscal Years ended December 31, 2024 and December 31, 2025 have been prepared from the books and records of the Company and have not been subject to independent review and audit. The financials reflect all adjustments known to management necessary to fairly reflect the results of operations and financial position of the Company for the periods presented.

BIO-PATH HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)
(Unaudited)

	As of December 31, 2025	As of December 31, 2024
Assets		
Current assets		
Cash	$ —	$ 1,173
Prepaid drug product	474	1,074
Other current assets	193	1,529
Total current assets	667	3,776
Fixed assets		
Furniture, fixtures & equipment	1,010	1,077
Less accumulated depreciation	(1,010)	(1,054)
	—	23
Right of use operating assets	11	84
Total Assets	$ 678	$ 3,883
Liabilities & Shareholders' (Deficit) Equity		
Current liabilities		
Accounts payable	$ 4,910	$ 1,274
Notes payable	452	—
Accrued expenses	3,004	1,938
Derivative liabilities	508	—
Lease liabilities	11	83
Total current liabilities	8,885	3,295
Warrant liability	14	434
Total Liabilities	8,899	3,729
Shareholders' (deficit) equity		
Preferred stock, $.001 par value; 10,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $.001 par value; 200,000 shares authorized; 9,242 and 5,768 shares issued and outstanding, respectively	9	6
Common stock to be issued	1	—
Additional paid in capital	117,944	117,649
Accumulated deficit	(126,175)	(117,501)
Total shareholders' (deficit) equity	(8,221)	154
Total Liabilities & Shareholders' (Deficit) Equity	$ 678	$ 3,883

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BIO-PATH HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except par value)
(Unaudited)

	Year Ended December 31,	
	2025	**2024**
Operating expenses		
Research and development	6,300	7,295
General and administrative	2,032	4,697
Total operating expenses	8,332	11,992
Net operating income (loss)	(8,332)	(11,992)
Other income (expense)		
Change in fair value of derivatives	(88)	2,084
Loss on debt conversions	(43)	—
Interest expense	(211)	14
Total other income (expense)	(342)	2,098
Net loss	$ (8,674)	$ (9,894)
Net loss per share, basic and diluted	$ (1.10)	$ (4.12)
Basic and diluted weighted average number of common shares outstanding	7,906	2,401

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BIO-PATH HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' (DEFICIT) EQUITY
(In thousands, except par value)
(Unaudited)

	Common Stock					
Description	**Shares**	**Amount**	**Common Stock To Be Issued**	**Additional Paid in Capital**	**Accumulated Deficit**	**Total**
Balance at December 31, 2023	**618**	**$ 1**	**$ —**	**108,047**	**$ (107,607)**	**$ 441**
Issuance of common stock and warrants, net of fees and warrant liability	5,150	5	—	9,036	—	9,041
Stock-based compensation	—	—	—	566	—	566
Net loss	—	—	—	—	(9,894)	(9,894)
Balance at December 31, 2024	**5,768**	**$ 6**	**$ —**	**$ 117,649**	**$ (117,501)**	**$ 154**
Exercise of pre-funded warrants, net of fees	2,540	2	—	(1)	—	1
Stock-based compensation	—	—	—	195	—	195
Conversion of convertible debt to common stock	934	1	1	101	—	103
Net loss	—	—	—	—	(8,674)	(8,674)
Balance at December 31, 2025	**9,242**	**$ 9**	**$ 1**	**$ 117,944**	**$ (126,175)**	**$ (8,221)**

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BIO-PATH HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, except par value)
(Unaudited)

	Year Ended December 31,	
	2025	**2024**
Cash flow from operating activities		
Net loss	$ (8,674)	$ (9,894)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation	195	566
Amortization of debt issuance costs	80	—
Amortization of right of use assets	73	106
Default interest on convertible notes	90	—
Loss on debt conversions	43	—
Depreciation	23	53
Change in fair value of warrant liability	(420)	(2,084)
Change in fair value of derivaitve liability	508	—
(Increase) decrease in operating assets		
Prepaid drug product	600	(442)
Other current assets	1,336	(171)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	4,622	1,409
Interest payable	—	—
Lease liabilities	(72)	(118)
Net cash used in operating activities	(1,596)	(10,575)
Cash flow from financing activities		
Net proceeds from sale of common stock	—	10,696
Net proceeds from exercise of pre-funded warrants	1	—
Proceeds from promissory notes	422	—
Net cash provided by financing activities	423	10,696
Net increase (decrease) in cash	**(1,173)**	**121**
Cash, beginning of period	1,173	1,052
Cash, end of period	$ —	$ 1,173
Supplemental disclosure of non-cash activities		
Right of use asset recognized in exchange for lease obligation	$ 73	$ 88

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unless the context requires otherwise, references in these Notes to the Consolidated Financial Statements to "we," "our," "us," "the Company" and "Bio-Path" refer to Bio-Path Holdings, Inc. and its subsidiary. Bio-Path Holdings, Inc.'s wholly-owned subsidiary, Bio-Path, Inc., is sometimes referred to herein as "Bio-Path Subsidiary."

1. Organization and Business

The Company is a clinical and preclinical stage oncology and obesity-focused RNAi nanoparticle drug development company utilizing a novel technology that achieves systemic delivery for target specific protein inhibition for any gene product that is over-expressed in disease. The Company's drug delivery and antisense technology, called DNAbilize®, is a platform that uses P-ethoxy, which is a deoxyribonucleic acid (DNA) backbone modification that is intended to protect the DNA from destruction by the body's enzymes when circulating *in vivo,* incorporated inside of a lipid bilayer having neutral charge. The Company believes this combination allows for high efficiency loading of antisense DNA into non-toxic, cell-membrane-like structures for delivery of the antisense drug substance into cells. *In vivo,* the DNAbilize® delivered antisense drug substances are systemically distributed throughout the body to allow for reduction or elimination of target proteins in blood diseases and solid tumors. Through testing in numerous animal studies and dosing in clinical trials, the Company's DNAbilize® drug candidates have demonstrated an excellent safety profile. DNAbilize® is a registered trademark of the Company. Using DNAbilize® as a platform for drug development and manufacturing, the Company currently has four antisense drug candidates in development to treat at least five different cancer disease indications.

The Company was incorporated in May 2000 as a Utah corporation. In February 2008, Bio-Path Subsidiary completed a reverse merger with the Company, which at the time was traded over the counter and had no current operations. The prior name of the Company was changed to Bio-Path Holdings, Inc. and the directors and officers of Bio-Path Subsidiary became the directors and officers of Bio-Path Holdings, Inc. Effective December 31, 2014, the Company changed its state of incorporation from Utah to Delaware through a statutory conversion pursuant to the Utah Revised Business Corporation Act and the Delaware General Corporation Law. Effective March 5, 2026 the Company re-domesticated to the State of Wyoming, which was approved by the Wyoming Secretary of State.

On February 22, 2024, the Company effected a reverse stock split of its outstanding shares of common stock at a ratio of 1-for-20, and its common stock began trading on the spilt-adjusted basis on the Nasdaq Capital Market at the commencement of trading on February 23, 2024. All common stock share and per share amounts in this Annual Report on Form 10-K have been adjusted to give effect to the 1-for-20 reverse stock split.

The Company's operations to date have been limited to organizing and staffing the Company, acquiring, developing and securing its technology and undertaking product development for a limited number of product candidates. As the Company has not begun its planned principal operations of commercializing a product candidate, the Company's activities are subject to significant risks and uncertainties, including the potential requirement to secure additional funding, the outcome of the Company's clinical trials and failing to operationalize the Company's current drug candidates before another company develops similar products.

OTCQB Venture Market – On February 14, 2025, the Nasdaq Stock Market LLC ("Nasdaq") notified the Company that the Nasdaq Hearings Panel (the "Panel") determined to delist the Company's common stock, par value $0.001 per share. On February 19, 2025, trading of our common stock was suspended on The Nasdaq Capital Market and trading of our common stock commenced on the OTCQB Venture Market under the ticker symbol "BPTH." In connection with the Nasdaq delisting notice, Nasdaq will complete the delisting by filing a Form 25 Notification of Delisting with the SEC after applicable appeal periods have lapsed.

On October 22, 2025, the Board of Directors (the "Board") of the Company elected and appointed Vikram Grover as President, Chief Executive Officer, Chief Financial Officer, and member of the Board.

On October 22, 2025, the Board of the Company accepted the resignation of Douglas Morris as Interim Chief Executive Officer and Interim Chief Financial Officer.

On October 22, 2025, the Board of the Company accepted the resignation of Paul Aubert as Director.

On November 13, 2025, the Board of the Company accepted the resignation of Douglas Morris as member of the Board of Directors which was provided electronically to us on November 4, 2025.

2. Summary of Significant Accounting Policies

Principles of Consolidation **—** The consolidated financial statements include the accounts of Bio-Path Holdings, Inc. and its wholly owned subsidiary Bio-Path, Inc. All intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents **—** The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Concentration of Credit Risk **—** Financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash. The Company maintains its cash balances with one major commercial bank, JPMorgan Chase Bank. The balances are insured by the Federal Deposit Insurance Corporation (the "FDIC") up to $250,000. As a result, as of December 31, 2025 and 2024, approximately $0.0 million and $0.9 million, respectively, of its cash balance was not covered by the FDIC.

Furniture, fixtures and equipment **—** Furniture, fixtures and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense was $0.1 million for each of the years ended December 31, 2025 and 2024, respectively.

The estimated useful lives are as follows:
Computers and equipment – 3 years
Furniture and fixtures – 7 years
Scientific equipment –7 years
Leasehold improvements – Lesser of useful life or lease term

Major additions and improvements are capitalized, while costs for minor replacements, maintenance and repairs that do not increase the useful life of an asset are expensed as incurred.

Long-Lived Assets — The Company's long-lived assets consist of furniture, fixtures and equipment, leasehold improvements and right-of-use operating assets. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the asset is measured by a comparison of the asset's carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Research and Development Costs **—** Costs and expenses that can be clearly identified as research and development are charged to expense. Advance payments, including nonrefundable amounts, for goods or services that will be used or rendered for future research and development activities are deferred and capitalized. Such amounts will be recognized as an expense as the related goods are delivered or the related services are performed. If the goods will not be delivered, or services will not be rendered, then the capitalized advance payment is charged to expense.

The Company estimates its clinical trial expense each period based on a cost per patient calculation which is derived from estimated start-up costs, clinical trial costs based on the number of patients and length of treatment and clinical study report costs. These services are performed by the Company’s third-party clinical research organizations, laboratories and clinical investigative sites. The expense is recorded in research and development expense each period. Amounts that have been prepaid in advance of work performed are recorded in other current assets.

***Stock-Based Compensation* —** The Company records stock-based compensation expense measured using the fair value method. The Company uses the Black-Scholes option valuation model to calculate stock-based compensation at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. The Company's policy is to estimate forfeitures at the grant date and revise, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Changes in these assumptions can materially affect the fair value estimate.

***Warrants* —** The Company determines whether warrants should be classified as a liability or equity. For warrants classified as liabilities, the Company estimates the fair value of the warrants at each reporting period using Level 3 inputs with changes in fair value recorded in the Consolidated Statement of Operations as change in fair value of warrant liability. The estimates in valuation models are based, in part, on subjective assumptions, including but not limited to stock price volatility, the expected life of the warrants, the risk-free interest rate and the fair value of the common stock underlying the warrants, and could differ materially in the future. The Company will continue to adjust the fair value of the warrant liability at the end of each reporting period for changes in fair value from the prior period until the earlier of the exercise or expiration of the applicable warrant.

***Net Loss Per Share* —** Basic net loss per common share is computed by dividing net loss attributable to common stockholders for the period by the weighted average number of common shares outstanding during the period. Although there were warrants and stock options outstanding during 2025 and 2024, they were not included in the computation of any diluted per-share amount when a loss exists, as it would be anti-dilutive. Consequently, diluted net loss per share as presented in the financial statements is equal to basic net loss per share for the years 2025 and 2024.

***Use of Estimates* —** The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States (“U.S.”) requires management to make estimates and assumptions that affect the amounts reported in the Company’s consolidated financial statements and accompanying notes. On an ongoing basis, the Company evaluates its estimates and judgments, which are based on historical and anticipated results and trends as well as on various other assumptions that the Company believes to be reasonable under the circumstances. By their nature, estimates are subject to an inherent degree of uncertainty and, as such, actual results may differ from the Company’s estimates. These estimates include prepaid and accrued clinical trial costs, stock-based compensation expense, valuation of warrants and valuation of deferred tax assets.

***Income Taxes* —** Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

***Liquidity* —** Since its inception, the Company has devoted substantially all of its efforts to product development, raising capital and building infrastructure, and has not generated significant revenues from its planned principal operations. The Company does not anticipate generating significant revenues for the foreseeable future. The Company’s activities are subject to significant risks and uncertainties.

The Company has experienced significant losses since its inception, including net losses of $8.7 million and $9.9 million for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, the Company had an accumulated deficit of $126.2 million and $0.0 million in cash and cash equivalents. The Company has debt commitments of $452 million, which is in default. Substantially all of the Company’s net losses have resulted from costs incurred in connection with its research and development activities and its general and administrative expenses to support operations. The Company’s net losses may fluctuate significantly from quarter to quarter and year to year.

The Company's available cash at December 31, 2025 will not be sufficient to fund current liabilities and capital expenditure requirements. Therefore, substantial doubt exists about the Company's ability to continue operating. The Company expects to continue to incur significant operating expenses for the foreseeable future in connection with its ongoing activities, including conducting clinical trials, manufacturing development and seeking regulatory approval of its drug candidates, prexigebersen, BP1002, BP1003 and BP1001-A. Accordingly, the Company will continue to require substantial additional capital to fund its projected operating requirements. Such additional capital may not be available when needed or on terms favorable to the Company. In addition, the Company may seek additional capital due to favorable market conditions or strategic considerations, even if it believes it has sufficient funds for its current and future operating plan. There can be no assurance that the Company will be able to continue to raise additional capital through the sale of securities in the future. If the Company is not able to secure adequate additional funding, the Company may be forced to make reductions in spending, extend payment terms with suppliers and/or suspend or curtail planned programs. Any of these actions could materially harm the Company's business, results of operations, financial condition and future prospects.

***Recent Accounting Pronouncements* —** From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) that are adopted by the Company as of the specified effective date. There are no recent accounting pronouncements that have a material impact on the Company's consolidated financial statements.

3. Prepaid Drug Product

Advance payments, including nonrefundable amounts, for goods or services that will be used or rendered for future clinical development activities are deferred and capitalized. Such amounts will be recognized as an expense as the related goods are delivered or the related services are performed. The Company recognized certain expenses and incurred installment costs for its contract drug manufacturing and raw material suppliers with prepayments totaling $0.5 million and $1.1 million, respectively, as of December 31, 2025 and 2024 pursuant to drug supply contracts for the manufacture and delivery of prexigebersen for testing in a Phase 2 clinical trial and BP1001-A for testing in a Phase 1 clinical trial.

4. Other Current Assets

As of December 31, 2025, other current assets included prepaid insurance and other current assets of $0.3 million. As of December 31, 2024, other current assets included prepaid expenses of $1.5 million, comprised primarily of prepayments of $1.2 million made for the Company's clinical trials for BP1001-A in solid tumors and BP1002 in AML as well as prepaid insurance of $0.3 million.

5. Property and Equipment

The following table summarizes property and equipment as of December 31, 2025 and 2024:

	Estimated Useful Lives	December 31, 2025	December 31, 2024
	(in years)	(in thousands)	
Leasehold improvements	2 to 5	$ 463	$ 463
Computers and office equipment	3	83	83
Furniture and fixtures	7	50	50
Scientific equipment	7	481	481
Total		1,077	1,077
Less: Accumulated depreciation		(1,077)	(1,054)
Net property and equipment		$ —	$ 23

6. Accounts Payable

As of December 31, 2024, current liabilities included accounts payable of $4.9 million, comprised primarily of expenses related to the Company's clinical trials of $3.3 million, drug manufacturing development and testing services of $0.4 million and legal and patent fees of $0.6 million. As of December 31, 2024, current liabilities included accounts payable of $1.3 million, comprised primarily of expenses related to the Company's clinical trials of $0.8 million, drug manufacturing development and testing services of $0.4 million and legal and patent fees of $0.1 million.

7. Accrued Expense

As of December 31, 2025, current liabilities included accrued expenses of $3.0 million, comprised primarily of expenses related to the Company's clinical trial for prexigebersen in AML of $2.9 million, and other accrued expenses of $0.1 million. As of December 31, 2024, current liabilities included accrued expenses of $1.9 million, comprised primarily of expenses related to the Company's clinical trial for prexigebersen in AML of $1.5 million, accrued employee vacation of $0.1 million, professional and consulting fees of $0.1 million, legal and patent fees of $0.1 million and other accrued expenses of $0.1 million.

8. Notes Payable

As of December 31, 2025, current liabilities included notes payable of $0.4 million related to the March 2025 Promissory Notes and the April 2025 Promissory Note (each as defined below). As of December 31, 2024, the Company did not have any notes payable.

On March 6, 2025, the Company entered into a securities purchase agreement with 1800 Diagonal Lending LLC, a Virginia limited liability company (the "First Lender"), an accredited investor, for the issuance and sale of a promissory note in the aggregate principal amount of $161,000 (the "First Promissory Note") for a purchase price of $140,000 after deducting the original issue discount of $21,000. The First Promissory Note bears a one-time interest charge of twelve percent that was applied on the date of issuance, March 6, 2025. The First Promissory Note shall be paid in five payments with the first payment of $90,160 due on August 30, 2025 and subsequent payments of $22,540 due on September 30, 2025, October 30, 2025, November 30, 2025 and December 30, 2025.

On March 28, 2025, the Company entered into a securities purchase agreement with the First Lender, an accredited investor, for the issuance and sale of a promissory note in the aggregate principal amount of $100,050 (the "Second Promissory Note" and together, with the First Promissory Note, the "March 2025 Promissory Notes") for a purchase price of $87,000 after deducting the original issue discount of $13,050. The Second Promissory Note bears a one-time interest charge of twelve percent that was applied on the date of issuance, March 28, 2025. The Second Promissory Note shall be paid in five payments with the first payment of $56,028 due on September 30, 2025 and subsequent payments of $14,007 due on October 30, 2025, November 30, 2025, December 30, 2025 and January 30, 2026.

On April 28, 2025, the Company entered into a securities purchase agreement with Quick Capital, LLC, a Wyoming limited liability company (the "Second Lender" and together with the First Lender, the "Lenders"), an accredited investor, for the issuance and sale of a promissory note in the aggregate principal amount of $161,000 (the "April 2025 Promissory Note" and together with the March 2025 Promissory Notes, the "Promissory Notes") for a purchase price of $140,000 after deducting the original issue discount of $21,000. The April 2025 Promissory Note bears a one-time interest charge of twelve percent that was applied on the date of issuance, April 28, 2025. The April 2025 Promissory Note shall be paid in five payments with the first payment of $90,160 due on October 15, 2025 and subsequent payments of $22,540 due on November 15, 2025, December 15, 2025, January 15, 2026 and February 15, 2026.

Upon the occurrence and during any continuation of any Event of Default (as defined in the Promissory Notes), the Promissory Notes shall become immediately due and payable and, with respect to each Promissory note, the Company shall pay to the Lenders, in full satisfaction of such Promissory Note, an amount equal to 150% times the sum of (i) the then outstanding principal amount of such applicable Promissory Notes plus (ii) accrued and unpaid interest on the unpaid principal amount of such applicable Promissory Notes to the date of payment plus (iii) default interest, if any, at a rate of 22% per annum on the amounts referred to in clauses (i) and/or (ii) plus (iv) any amounts owed to the Lenders, as applicable, pursuant to the Conversion Right (as defined below). In addition, only upon an Event of Default and during any continuation thereof, the Lenders may elect to convert all or any part of the outstanding principal and interest on the Promissory Notes, as applicable, in fully paid and non-assessable shares of the Company's common stock at a conversion price per share equal to 65% of the lowest closing bid price of the Company's common stock for the ten trading days prior to the date of conversion (the "Conversion Right"). The Lenders, together with their affiliates, may not convert any portion of such Promissory Notes to the extent that the Lenders would own more than 4.99% of the Company's outstanding common stock immediately after the conversion.

As of December 31, 2025, the Promissory Notes were in default and became convertible under the default provisions. As a result, the Company incurred a default penalty of $.1 million. As such, The Company analyzed the conversion option for derivative accounting consideration under ASC 815, "*Derivatives and Hedging,"* and determined that the convertible notes should be classified as a liability since the conversion option becomes effective at issuance resulting in there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options. The Company accounted for conversion feature of the March 2025 Promissory Notes as a derivative liability due to there being no explicit limit to the number of shares to be delivered upon settlement of all conversion options. The conversion features of the March 2025 Promissory Notes were recorded at fair value using the Black-Scholes valuation model. At December 31, 2025, the Derivative liabilities related to the Promissory Notes were $0.5 million.

9. Warrant Liability

In connection with the 2023 Public Offering, the 2024 March Registered Direct Offering and the 2024 April Registered Direct Offering (each as defined in Note 10), the Company issued the 2023 Warrants (as defined in Note 10) as well as warrants under the 2024 March Private Placement and the 2024 April Private Placement (each as defined in Note 10 and collectively the “2024 Warrants”). The 2023 and 2024 Warrants contain a provision applicable in the event of a fundamental transaction whereby the volatility used to calculate the warrant exercise terms is fixed and meets the definition of a derivative.

Due to this provision and in accordance with Accounting Standard Codification (“ASC 815”) Derivatives and Hedging, the 2023 and 2024 Warrants were classified as a liability and recorded at fair value using the Black-Scholes valuation model. The estimated fair value of the warrant liability for the 2024 Warrants on the closing dates of the 2024 March Registered Direct Offering and 2024 April Registered Direct Offering, March 27, 2024 and April 19, 2024, respectively, was $1.7 million. As of December 31, 2025, the fair value of the warrant liability was $0.1 million. The net change in fair value during the year of $0.4 million, comprised of a decrease in fair value of the warrant liability for the 2023 and 2024 Warrants. As of December 31, 2024, the fair value of the warrant liability was $0.4 million. The net change in fair value during the year of $2.1 million, comprised of an increase in fair value of the warrant liability for the 2023 and 2024 Warrants is shown as other income on the Company’s Consolidated Statements of Operations. The Company will continue to measure the fair value of the 2023 and 2024 Warrants each quarter until they are exercised or expire, and any change will be adjusted accordingly on the Company’s financial statements.

10. Fair Value Measurements

In accordance with ASC 820 Fair Value Measurement, the Company uses various inputs to measure the 2023 and 2024 Warrants on a recurring basis to determine the fair value of the liability. ASC 820 also establishes a hierarchy categorizing inputs into three levels used to measure and disclose fair value. The hierarchy gives the highest priority to quoted prices available in active markets and the lowest priority to unobservable inputs. An explanation of each level in the hierarchy is described below:

Level 1 – Unadjusted quoted prices in active markets for identical instruments that are accessible by the Company on the measurement date.

Level 2 – Quoted prices in markets that are not active or inputs which are either directly or indirectly observable.

Level 3 – Unobservable inputs for the instrument requiring the development of assumptions by the Company.

The following table summarizes the Company's Warrants measured at fair value within the hierarchy on a recurring basis as of December 31, 2025:

	Fair Value Measurements at December 31, 2025 (In thousands)			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Warrant liability	$ —	$ —	$ 14	$ 14
Derivative liability	—	—	508	508
	$ —	$ —	$ 522	$ 522

The following table summarizes the Company's 2023 and 2024 Warrants measured at fair value within the hierarchy on a recurring basis as of December 31, 2024:

The following table summarizes changes to the fair value of the Level 3 2023 and 2024 Warrants for the year ended December 31, 2024:

	Fair Value Measurements at December 31, 2024 (In thousands)			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Warrant liability	$ —	$ —	$ 434	$ 434

The following table summarizes changes to the fair value of the Level 3 Warrants for the year ended December 31, 2025:

	Fair Value of Warrant Liability (In thousands)
Balance at December 31, 2024	$ 434
Change in fair value	(420)
Balance at December 31, 2025	$ 14

	Fair Value of Warrant Liability (in thousands)
Balance at December 31, 2023	$ 863
Issuance	1,655
Exercises	—
Change in fair value	(2,084)
Balance at December 31, 2024	$ 434

The Company utilized the Black-Scholes valuation model for estimating the fair value of the 2024 and 2025 Warrants using the following assumptions:

	2025	2024
Risk-free interest rate	3.92%	4.37%
Expected volatility	152 – 180%	117%
Expected term in years	1 - 3.9	4.1
Dividend yield	— %	— %

11. Stockholders' Equity

Issuances of Common Stock – On August 3, 2023, the Company entered into a placement agency agreement with Roth Capital Partners, LLC relating to a best efforts public offering of an aggregate of 175,000 shares of our common stock, together with warrants to purchase up to 175,000 shares of the Company's common stock ("the 2023 Warrants"), for gross proceeds of approximately $2.1 million (the "2023 Public Offering"). The 2023 Public Offering was made pursuant to a registration statement on Form S-1, as amended (File No. 333-272879), which was declared effective by the Securities and Exchange Commission ("SEC") on August 2, 2023. The 2023 Public Offering closed on August 7, 2023. The net proceeds from the offering, after deducting the placement agent's fees and expenses and the Company's offering expenses, and excluding the proceeds, if any, from the exercise of the warrants issued in the offering, were approximately $1.7 million.

On March 25, 2024, the Company entered into a securities purchase agreement with a certain institutional and accredited investor pursuant to which the Company agreed to sell, in a registered direct offering, an aggregate of 75,000 shares of its common stock for gross proceeds of approximately $0.3 million under the base prospectus contained in the 2022 Shelf Registration Statement and a related prospectus supplement filed with the SEC on March 27, 2024 (the "March 2024 Registered Direct Offering"). In a concurrent private placement, the Company also agreed pursuant to the securities purchase agreement to issue to such investor warrants to purchase up to 75,000 shares of its common stock at an exercise price of $3.865 per share (the "March 2024 Private Placement"). The March 2024 Registered Direct Offering and the March 2024 Private Placement closed on March 27, 2024. The net proceeds from the offerings, after deducting the placement agent's fees and expenses and the Company's offering expenses, and excluding the proceeds, if any, from the exercise of the warrants issued in the offerings, were approximately $0.2 million.

On April 4, 2024, the Company entered into the At The Market Offering Agreement with H.C. Wainwright & Co., as sales agent, pursuant to which the Company may offer and sell, from time to time, through Wainwright, shares of its common stock. Under the At The Market Offering Agreement, Wainwright may sell shares by any method deemed to be an "at the market" offering as defined in Rule 415 under the Securities Act, as amended, or any other method permitted by law, including in privately negotiated transactions. The Company or Wainwright may suspend or terminate the offering of shares upon notice to the other party and subject to other conditions. The Company will pay Wainwright a commission of 3.0% of the aggregate gross proceeds from each sale of shares under the At The Market Offering Agreement and have agreed to provide Wainwright with customary indemnification and contribution rights. The Company has also agreed to reimburse Wainwright for certain specified expenses. The Company is subject to certain restrictions on its ability to offer and sell shares of its common stock under the At The Market Offering Agreement. On April 4, 2024, in connection with the execution of the At The Market Offering Agreement, the Company filed with the SEC a prospectus supplement (the "Initial ATM Prospectus Supplement") to the base prospectus contained in the 2022 Shelf Registration Statement, which Initial ATM Prospectus Supplement related to the offering of up to $2.0 million of shares of the Company's common stock under the At The Market Offering Agreement. Subsequent to entering into the Offering Agreement, the Company offered and sold 436,511 shares of common stock for gross proceeds of approximately $2.0 million and terminated the offering under the Initial ATM Prospectus Supplement on April 19, 2024. The net proceeds from such offering, after deducting commissions and the Company's offering expenses, were approximately $1.8 million. The ATM Offering Agreement was terminated on [ ].

On April 18, 2024, the Company entered into a securities purchase agreement with certain institutional and accredited investors pursuant to which the Company agreed to sell, in a registered direct offering, an aggregate of 375,000 shares of its common stock for gross proceeds of approximately $1.2 million under the base prospectus contained in the 2022 Shelf Registration Statement and a related prospectus supplement filed with the SEC on April 19, 2024 (the "April 2024 Registered Direct Offering"). In a concurrent private placement, the Company also agreed pursuant to the securities purchase agreement to issue to such investors warrants to purchase up to 375,000 shares of its common stock at an exercise price of $3.10 per share (the "April 2024 Private Placement"). The April 2024 Registered Direct Offering and the April 2024 Private Placement closed on April 19, 2024. The net proceeds from the offerings, after deducting the placement agent's fees and expenses and the Company's offering expenses, and excluding the proceeds, if any, from the exercise of the warrants issued in the offerings, were approximately $0.9 million.

On April 19, 2024, the Company determined to increase the number of shares available for sale under the At The Market Offering Agreement, up to an additional aggregate offering price of approximately $1.1 million, which shares were being offered and sold pursuant to the 2022 Shelf Registration Statement and a prospectus supplement and accompanying prospectus filed with the SEC on April 19, 2024 (the "Subsequent ATM Prospectus Supplement"). As of December 31, 2024, the Company has offered and sold 334,929 shares of common stock under the Subsequent ATM Prospectus Supplement for gross proceeds of approximately $1.1 million and after deducting commissions and the Company's offering expenses, the net proceeds from such offering were approximately $1.0 million.

On June 3, 2024, the Company entered into a securities purchase agreement with a certain institutional and accredited investor pursuant to which the Company agreed to sell, in a private placement, an aggregate of (i) 180,000 shares of its common stock, (ii) pre-funded warrants to purchase up to 1,629,955 shares of its common stock at an exercise price of $0.001 per share, (iii) Series A warrants to purchase up to 1,809,955 shares of its common stock at an exercise price of $2.00 per share and (iv) Series B warrants to purchase up to 1,809,955 shares of its common stock at an exercise price of $2.00 per share for gross proceeds of approximately $4.0 million (the "June 2024 Private Placement"). The June 2024 Private Placement closed on June 5, 2024. The net proceeds from the offering, after deducting the placement agent's fees and expenses and the Company's offering expenses, and excluding the proceeds, if any, from the exercises of the warrants issued in the offering, were approximately $3.3 million.

On October 8, 2024, the Company entered into a securities purchase agreement with a certain institutional and accredited investor pursuant to which the Company agreed to sell, in a private placement, an aggregate of (i) pre-funded warrants to purchase up to 4,597,702 shares of its common stock at an exercise price of $0.001 per share, (ii) Series A warrants to purchase up to 6,407,657 shares of its common stock at an exercise price of $1.00 per share and (iii) Series B warrants to purchase up to 6,407,657 shares of its common stock at an exercise price of $1.00 per share for gross proceeds of approximately $4.0 million (the "October 2024 Private Placement"). The October 2024 Private Placement closed on October 10, 2024 (the "Closing Date"). In connection with the October 2024 Private Placement, the Company and the investor agreed to cancel such investor's Series A warrants to purchase 1,809,955 shares of common stock at an exercise price of $2.00 and Series B warrants to purchase 1,809,955 shares of common stock at an exercise price of $2.00 issued to such investor in connection with the June 2024 Private Placement, effective as of the Closing Date. The net proceeds from the offering, after deducting the placement agent's fees and expenses and the Company's offering expenses, and excluding the proceeds, if any, from the exercises of the warrants issued in the offering, were approximately $3.5 million.

During the year ended December 31, 2025, the Company issued an aggregate of 2,540,000 shares of its common stock pursuant to the exercise of pre-funded warrants at a weighted average exercise price of approximately $0.001 per share. The Company did not issue any common stock pursuant to the exercise of warrants during the year ended December 31, 2024.

During the year ended December 31, 2025, convertible debt of $0.1 million was converted into 1,395,000 shares of common stock, of which 461,000 shares have yet to be issued.

Stockholders' (Deficit) Equity totaled ($8.2) million as of December 31, 2025 compared to $0.2 million as of December 31, 2024. There were 9,242,151 shares of common stock issued and outstanding as of December 31, 2025. There were no shares of preferred stock issued and outstanding as of December 31, 2025.

12. Stock-Based Compensation Plan

The 2022 Plan – On December 15, 2022, the Company's stockholders approved the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan (the "2022 Plan"), which replaced the 2017 Stock Incentive Plan, as amended (the "2017 Plan," and together with the 2022 Plan, the "Plans"). As of stockholder approval of the 2022 Plan on December 15, 2022, no further awards will be made under the 2017 Plan. The 2022 Plan provides for the grant of Incentive Stock Options, Non-Qualified Stock Options, Restricted Shares, Restricted Share Units, Stock Appreciation Rights and other stock-based awards, or any combination of the foregoing, to the Company's employees, non-employee directors and consultants. As of December 31, 2024, there were 1,200,948 shares of common stock reserved for future issuance of awards under the 2022 Plan. Under the 2022 Plan, the exercise price of awards is determined by the Board of Directors or the compensation committee of the Board of Directors, and for options, may not be less than the fair market value as determined by the closing stock price at the date of the grant. Each option and award under the 2022 Plan shall vest and expire as determined by the Board of Directors or the compensation committee. Options expire no later than ten years from the date of grant. All grants provide for accelerated vesting if there is a change in control, as defined in the 2022 Plan.

The Company did not issue and stock options in 2025. Stock option awards granted for the year 2024were estimated to have a weighted average fair value per share of $1.55. The fair value calculation is based on stock options granted during the year using the Black-Scholes option-pricing model on the date of grant. In addition, for all stock options granted, exercise price was determined based on the fair value as determined by the closing stock price at the date of the grant. For stock options granted during 2024 the following weighted average assumptions were used in determining fair value:

	2024
Risk-free interest rate	4.00%
Expected volatility	134%
Expected term in years	6.0
Dividend yield	— %

The Company determines the expected term of its stock option awards using the simplified method based on the weighted average of the length of the vesting period and the term of the exercise period. Expected volatility is determined by the volatility of the Company's historical stock price over the expected term of the grant. The risk-free interest rate for the expected term of each option granted is based on the U.S. Treasury yield curve in effect at the time of grant.

The following summary represents option activity under the Company's stock-based compensation plans for the year ended December 31, 2025:

	Options	Weighted-Average Exercise Price
	(In thousands)	
Outstanding at December 31, 2024	96	$ 71.40
Forfeited	(36)	5.99
Outstanding at December 31, 2025	60	$ 107.50
Vested and expected to vest December 31, 2025	60	$ 108.18
Exercisable at December 31, 2025	42	$ 150.44

Option activity under the Plans for the year ended December 31, 2024 was as follows (in thousands, except as noted):

	Options	Weighted-Average Exercise Price	Average Remaining Contractual Term	Aggregate Intrinsic Value
	(in thousands)			
Outstanding at December 31, 2023	43	$ 161.20	7.6	$ —
Granted	53	$ 1.55	9.6	
Outstanding at December 31, 2024	96	$ 71.40	8.2	$ —
Vested and expected to vest December 31, 2024	95	$ 72.57	8.2	$ —
Exercisable at December 31, 2024	37	$ 172.06	6.5	$ —

The aggregate intrinsic value represents the total pretax intrinsic value (the difference between the Company's closing stock price on December 31, 2024 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on December 31, 2024. This amount changes based on the fair value of the Company's stock.

Stock-Based Compensation Expense – Total stock-based compensation expense for the year ended December 31, 2025 was $0.2 million, which consisted of research and development expense of $0.1 million and general and administrative expense of $0.1 million. Total stock-based compensation expense for the year ended December 31, 2024 was $0.6 million, which consisted of research and development expense of $0.2 million and general and administrative expense of $0.4 million. As of December 31, 2025, unamortized stock-based compensation expense for all outstanding options was $0.2 million, which is expected to be recognized over a weighted average vesting period of 1.4 years.

13. Warrants

A summary of warrants outstanding and exercisable as of December 31, 2024 is as follows (in thousands, except as noted):

	Warrants Outstanding				Warrants Exercisable		
Year Issued	**Number Outstanding**	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price**		**Number Exercisable**	**Weighted Average Exercise Price**	
		(in years)	**(per share)**			**(per share)**	
2022	40	3.4		15.20	40		15.20
2023	130	3.6		12.00	130		12.00
2024	13,780	3.5		1.10	13,780		1.10
	13,950	3.5	$	1.24	13,950	$	1.24

In addition to the warrants listed in the table above, the Company had 2,540,000 pre-funded warrants outstanding and exercisable with a weighted average exercise price of $0.001 and no expiration date as of December 31, 2024.

On October 24, 2025, the Company engaged Steel Giants Advisors LLC ("SGA") to advise it on restructuring its' operations, raise capital, and updating financial statements and maintaining books and records for a period of one year. As part of the engagement, the Company agreed to pay SGA $10,000 cash per month and issue SGA two million common stock purchase warrants with a cashless exercise price of $0.0001 and a five-year expiration and anti-dilution rights. The warrants were valued utilizing the Black-Scholes option pricing model at $0.2 million.

14. Commitments and Contingencies

Drug Supplier Project Plan – Total commitments for the Company's drug supplier project plan were $0.2 million as of December 31, 2024, comprised of $0.1 million for the manufacture of prexigebersen and BP1001-A drug product as well as $0.1 million for testing services. The Company expects to incur $0.1 million of these commitments over the next 12 months.

15. Leases

In April 2014, the Company entered into a five-year lease agreement for administrative office space located in Bellaire, Texas. The term of the lease began on August 1, 2014 and was set to expire on July 31, 2019; however, in May 2019, the Company entered into an amendment to the lease agreement to extend the term of the lease for a period of five years, beginning on August 1, 2019 and ending on October 31, 2024. On October 23, 2024, the Company entered into a second amendment to the lease agreement to extend the term of the lease for a period of one year, beginning on November 1, 2024 and ending on October 31, 2025.

In April 2016, the Company entered into a three-year lease agreement for lab space located in Bellaire, Texas. The term of lease began on May 1, 2016 and was set to expire on April 30, 2019; however, in December 2018, the Company entered into an amendment to the lease agreement to extend the term for a period of three years, beginning on May 1, 2019 and ending on April 30, 2022. In January 2022, the Company exercised an option in the lease agreement amendment to extend the term of the lease to April 30, 2025.

At the inception of an agreement, the Company determines if the agreement is a lease based on the unique facts and circumstances in each agreement. Lease classification, recognition, and measurement are then determined at the lease commencement date. For agreements that contain a lease, the Company identifies lease and non-lease components, determines the consideration in the contract, determines whether the lease is an operating or financing lease and recognizes right of use ("ROU") assets and lease liabilities. Lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the expected lease term. The interest rate implicit in lease contracts is typically not readily determinable so the Company uses an incremental borrowing rate based on the information available at the lease commencement date, which represents an estimated rate that would be incurred to borrow over a similar term in a similar economic environment. The weighted average incremental borrowing rate utilized on its lease liabilities as of December 31, 2024 was 8.0%.

The Company's current leases include options to renew which can impact the lease term. The exercise of these options is at its discretion and the Company does not include any of these options within the expected lease term as there is no reasonable certainty these options will be exercised. Fixed lease payments on operating leases are recognized over the expected term of the lease on a straight-line basis within its consolidated financial statements. The Company's leases are included in ROU assets, current portion of lease liabilities and noncurrent lease liabilities in its consolidated balance sheet for the year ended December 31, 2025 and 2024.

The following table summarizes the Company's operating lease assets and liabilities:

	December 31,	
	2025	2024
	(in thousands)	
Assets:		
Operating lease assets	$ 11	$ 84
Liabilities:		
Current portion of lease liabilities	11	83
Noncurrent lease liabilities	—	10
Total operating lease liabilities	$ 11	$ 83

The following table summarizes the Company's lease related costs:

	December 31,	
	2025	2024
	(in thousands)	
Operating lease costs	$ 73	$ 123
Variable lease costs	—	8
Total lease costs	$ 73	$ 131

The Company made cash payments for its operating leases of $0.1 million for the year ended December 31, 2024.

The following table summarizes the Company's expected minimum lease payments:

	As of December 31, 2025
	(in thousands)
2025	$ 11
Future minimum lease payments	11
Less: Interest	—
Present value of operating lease liabilities	$ 11

As of December 31, 2025, the weighted average remaining lease term was 0.3 years.

16. Benefit Plan

The Company initiated a contribution savings plan under Section 401(k) of the Internal Revenue Code in 2016. Under the plan, all eligible employees may contribute up to the statutory allowable amount governed by the Internal Revenue Service for any calendar year. The Company makes matching contributions equal to 100% of the first 3% and 50% of the next 2% of each employee's base salary up to the allowable amount, which is fully vested on the date the matching contributions are made. For the years ended December 31, 2025 and 2024, matching contributions totaled $14,000 and $34,000, respectively.

17. Income Taxes

At December 31, 2025, the Company had a net operating loss carryforward for federal income tax purposes of $100.8 million, $35.8 million of which begins to expire in varying amounts in tax years 2026 through 2037. Approximately $64.9 million of net operating losses, incurred after December 31, 2017, carryforward indefinitely. Additionally, the Company has a research and development tax credit carryforward of $7.8 million for federal income tax purposes that begins to expire in varying amounts in tax year 2028. In connection with the Company's equity transactions in 2007 and 2019, the Company determined that the utilization of net operating losses in future years may be subject to limitations by reason of an "ownership change" as defined under Section 382 of the Internal Revenue Code (IRC) ("Section 382 Limitation"). As a result of the Section 382 Limitation, the Company may not be able to fully utilize its net operating loss carry forwards and other tax credit carry forwards to offset future taxable income. Based on the Company's estimated impact of the ownership change and Section 382 Limitation as of December 31, 2024, the net operating loss was reduced to $91.7 million, and the tax credits were reduced to $6.0 million for credits earned after the 2019 ownership change. During the year ended December 31, 2024, the Company raised additional equity capital and has yet to determine whether an ownership change occurred. If an ownership change is determined to have occurred in 2024, additional limitations on the Company's net operating losses incurred prior to the ownership change may apply. Based on operations through December 31, 2024, the Company has estimated that the net operating loss and tax credits should be further reduced by providing a full valuation allowance against both.

In assessing the ability to realize its deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers evidence such as the reversal of deferred tax liabilities, projected future results of operations, and tax planning strategies in making this assessment. Based upon the level of historical taxable income, significant book losses during the current and prior periods, and projections for future results of operations over the periods in which the deferred tax assets are deductible, among other factors, management continues to conclude that the Company does not meet the "more likely than not" requirement of ASC 740 Income Taxes in order to recognize deferred tax assets. As such, a valuation allowance has been recorded to offset the Company's net deferred tax assets at December 31, 2025 and 202. The Company recorded an increase in the valuation allowance of $0.1 and $3.5 million, respectively.

Due to the uncertainty surrounding the realization of the benefits of its deferred assets, including NOL carryforwards, the Company has provided a 100% valuation allowance on its net deferred tax assets at December 31, 2025 and 2024. The valuation allowance was $27.7 million and $27.6 million as of December 31, 2025 and 2024, respectively.

The components of the Company's deferred tax asset are as follows:

	December 31,	
	2025	2024
	(in thousands)	
Deferred tax assets – non-current		
Accrued bonuses	$ —	$ —
Accrued vacation	24	24
Net operating loss (NOL) carryover	19,263	19,263
Capitalized research expenses	1,440	1,440
Research & development tax credits	6,035	6,035
Share based expense	808	808
Other	3	3
Right of use lease liability	3	18
Fixed asset depreciation	52	52
Total deferred tax asset	27,628	27,643
Less: valuation allowance	(27,626)	(27,626)
Net deferred tax asset	2	17
Right of use asset	(2)	(17)
Net deferred tax asset	$ —	$ —

Reconciliation between income taxes at the statutory tax rate (21%) and the actual income tax provision for continuing operations follows:\

	December 31,	
	2025	2024
	(in thousands)	
Loss before income taxes	$ (8,674)	$ (9,894)
Tax (benefit) at statutory tax rate	(1,822)	(2,078)
Effects of:		
Exclusion of incentive stock option expense	163	61
R&D tax credits	(1,266)	(1,266)
Increase in valuation allowance	3097	3,455
FMV of warrants	—	(438)
Other	—	266
Provision for income taxes	$ —	$ —

As of December 31, 2025, the Company had no unrecognized income tax benefits. The Company's policy for classifying interest and penalties associated with unrecognized income tax benefits is to include such items as tax expense. No interest or penalties have been recorded as of the year ended December 31, 2025, and no interest or penalties have been accrued as of December 31, 2025 and 2024, respectively.

The Company's open years for Internal Revenue Service (IRS) examination purposes due to normal statute of limitation are 2021, 2022 and 2023. However, since the Company has operating loss carryforwards, the IRS has the ability to make adjustments to items that originate in a year otherwise barred by the statute of limitations under Section 6501 of the IRC of 1986, as amended, in order to redetermine tax for an open year to which those items are carried. Therefore, in a year in which a net operating loss deduction was claimed, the IRS may examine the year in which the net operating loss was generated and adjust it accordingly for purposes of assessing additional tax in the year the net operating loss was claimed. The Company is not currently under examination by the IRS or any other taxing authorities.

18. Subsequent Events

On January 2, 2026, we issued Steel Giants Advisors LLC two million common stock purchase warrants with a cashless exercise price of $0.0001 and a five-year expiration and anti-dilution rights. under a previously signed advisory agreement

On January 2, 2026, we created a new class of Series S Preferred stock with 51 authorized shares each having 1% of the fully diluted voting power of the corporation and convertible into one common share. On January 3, 2026, we issued 51 shares of Series S Preferred stock to Steel Giants Advisors LLC to facilitate restructuring of our financial obligations and manage our current and planned corporate actions including domestication of our corporation in Wyoming.

On December 29, 2025, the Company entered into a securities purchase agreement with the First Lender, an accredited investor, for the issuance and sale of a promissory note in the aggregate principal amount of $38,400 for a purchase price of $32,000 after deducting the original issue discount of $7,000. The Promissory Note bears a one-time interest charge of fifteen percent that was applied on the date of issuance, The Promissory Note shall be paid in five payments with the first payment of $22,080 due on June 30 2026 and subsequent payments of $7,360 due on July 30, 2026, August 30, 2026, and September 30, 2026. The financing closed on January 8, 2026.

On January 2, 2026, the Company entered into a securities purchase agreement with the Second Lender, an accredited investor, for the issuance and sale of a promissory note in the aggregate principal amount of $38,400 for a purchase price of $32,000 after deducting the original issue discount of $7,000. The Promissory Note bears a one-time interest charge of fifteen percent that was applied on the date of issuance, The Promissory Note shall be paid in five payments with the first payment of $22,080 due on June 30, 2026, and subsequent payments of $7,360 due on July 30, 2026, August 30, 2026, and September 30, 2026. The financing closed on January 8, 2026.

On January 24, 2026 the Company engaged Farrington Capital Group, Inc. to enhance its online and technological platforms, make introductions to strategic advisors, and review operations. As compensation, Farrington Capital Group received $1,000 in cash and 100,000 restricted common shares.

On February 10, 2026, we created a Scientific Advisory Board to guide the Company through its planned restarts of clinical trials for treatments and cures for AML, solid cancer tumors, and other rare diseases. To support this effort, we have approved the issuance of up to 1.5 million stock options to be issued at or above market prices over the next three years. As of today, we have made bonafide offers to four professionals with significant experience in the medical research, academia and business fields. These candidates need their respective employers' approval to join our Advisory Board. At this time, three individuals: 1) Wendy Charles , PhD, a digital health scientist and Global Speaker University of Colorado Anschutz Medical Campus, 2) Michael Hickey, V.P. of Clinical Operations to Processa Pharmaceuticals and our former V.P. of Clinical Operations, and 3) Rick Silva, PhD, a biomedical research professional with expertise in large research collaborations, consortia, R&D alliances, IP asset portfolio management, medical product development partnerships, venture development, and seed funding, have accepted and been appointed to our Scientific Advisory Board. Other other candidates' offers are pending reviews by their advisors and respective employers.