EXHIBIT 5

Form 10-Q for the quarter ended June 30, 2026, filed August 11, 2026 (inducement accounting: $5.9 million value transferred; deemed dividend; first-quarter 2026 ATM sales; strategic alternatives including reverse merger)

Nejmeh v. Theriva Biologics, Inc., No. 3:26-cv-00705-ART-CSD (D. Nev.)
Cited in the First Amended Verified Complaint, paragraph(s) 56, 87, 88

Source

- Form 10-Q filed August 11, 2026, SEC Accession No. 0001104659-26-093786: pages 1, 7, 11, 32, 33, 41, 54, 58 of 71, as printed from the document on sec.gov (https://www.sec.gov/Archives/edgar/data/894158/000110465926093786/tmb-20260630x10q.htm).

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

OR

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

For the transition period from _____ to _____

Commission File Number: 001-12584

THERIVA BIOLOGICS, INC.

(Exact name of registrant as specified in its charter)

Nevada	**13-3808303**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
9605 Medical Center Drive, Suite 270 **Rockville, MD**	**20850**
(Address of principal executive offices)	*(Zip Code)*

(301) 417-4364
(*Registrant's telephone number, including area code*)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	TOVX	NYSE American

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☒
		Emerging growth company	☐

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

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

As of August 7, 2026, the registrant had 45,892,668 shares of common stock, $0.001 par value per share, outstanding.

Theriva Biologics, Inc. and Subsidiaries

Condensed Consolidated Statements of Stockholder's Equity
(In thousands, except share and par value amounts)
(Unaudited)

	Common Stock $0.001 Par Value		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive income	Treasury Stock	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2025	**35,717,159**	**$ 34**	**$ 373,592**	**$ (358,710)**	**$ 755**	**(288)**	**$ 15,383**
Stock-based compensation	—	—	135	—	—	—	135
Stock issued under "at-the-market" offering	10,204,319	11	2,292	—	—	—	2,303
Foreign currency exchange losses	—	—	—	—	(378)	—	(378)
Net loss	—	—	—	(2,044)	—	—	(2,044)
Balance at March 31, 2026	**45,921,478**	**$ 45**	**$ 376,019**	**$ (360,754)**	**$ 377**	**(288)**	**$ 15,399**
Stock-based compensation	—	—	135	—	—	—	135
Foreign currency exchange gains	—	—	—	—	(130)	—	(130)
Net loss	—	—	—	(3,217)	—	—	(3,217)
Balance at June 30, 2026	**45,921,478**	**$ 45**	**$ 376,154**	**$ (363,971)**	**$ 247**	**$ (288)**	**$ 12,187**

	Common Stock $0.001 Par Value		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive income	Treasury Stock	Total Stockholders' Equity
	Shares	Amount					
Balance at December 31, 2024	**2,811,259**	**$ 3**	**$ 355,501**	**$ (334,971)**	**$ (1,178)**	**$ (288)**	**$ 19,067**
Stock-based compensation	—	—	100	—	—	—	100
Foreign currency exchange gains	—	—	—	—	654	—	654
Net loss	—	—	—	(4,324)	—	—	(4,324)
Balance at March 31, 2025	**2,811,259**	**$ 3**	**$ 355,601**	**$ (339,295)**	**$ (524)**	**$ (288)**	**$ 15,497**
Stock-based compensation	—	—	173	—	—	—	173
Issuance of Common Stock and Warrants, net of issuance costs	1,990,900	2	6,688	—	—	—	6,690
Conversion of Warrants to Common	4,285,883	3	1	—	—	—	4
Foreign currency exchange gains	—	—	—	—	1,317	—	1,317
Net loss	—	—	—	(13,058)	—	—	(13,058)
Balance at June 30, 2025	**9,088,042**	**$ 8**	**$ 362,463**	**$ (352,353)**	**$ 793**	**$ (288)**	**$ 10,623**

See accompanying notes to unaudited condensed consolidated financial statements.

Theriva Biologics, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements

2. Going Concern – (continued)

The Company continues to experience operating losses and faces significant uncertainties related to its business model, market conditions, and strategic initiatives. These factors raise substantial doubt about the Company's ability to continue as a going concern beyond the next twelve months without additional capital, or other strategic actions. In order to address the Company's capital needs, including its planned clinical trials, the Company is actively pursuing additional equity or debt financing in the form of either a private placement or a public offering as well as partnerships, other collaborations and other strategic alternatives. The Company has been in ongoing discussions with strategic institutional investors and investment banks with respect to such possible offerings and licensing and/or partnership arrangements as well as a range of strategic alternatives that may include a business combination, merger or reverse merger. Such additional financing opportunities might not be available to the Company when and if needed, on acceptable terms or at all. If the Company is unable to obtain additional financing in sufficient amounts or on acceptable terms under such circumstances, the Company's operating results and prospects will be adversely affected.

On September 28, 2025, the Board of Directors of the Company approved a plan to resize and restructure the Company (the "Plan") for purposes of focusing its attention on business development and licensing activities and the Company's upcoming meetings with the U.S. Food and Drug Administration (the "FDA") and the European Medicines Agency (the "EMA") for planned clinical trials in patients with metastatic pancreatic ductal adenocarcinoma ("PDAC") and retinoblastoma.

Pursuant to the Plan, on September 30, 2025, the Company implemented a workforce reduction of seven employees or 32% of the then global Company workforce. The goal of this reduction was to direct the Company's resources towards business development and licensing activities and clinical trial planning and preparation for potential pivotal trials of VCN-01 in PDAC and retinoblastoma patients, which it believes will represent its best opportunity for success. The Company completed the employee reduction immediately and incurred a total of approximately $520,000 in charges in connection with the workforce reduction. These charges consisted primarily of cash severance and benefits over a three-month period, in connection with the workforce reduction. The Plan is expected to save approximately $1.8 million in compensation and benefits annually beginning in 2026 and, together with additional anticipated operating cost reductions, the Company expects that it will extend its cash runway into the first quarter of 2027; however, as described below, the current cash will only be sufficient to run certain clinical trials and no assurances can be provided and the Company's cash could differ materially from its expectations based on various factors, many of which are out of its control.

The Company may also incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur. At June 30, 2026, the Company had cash and cash equivalents of approximately $11.3 million. Based upon the Company's current business plans, management believes that the Company's current cash on hand will be sufficient to fully execute its plans into the first quarter of 2027. Commencement of planned future clinical trials is subject to the Company's successful pursuit of opportunities that will allow it to establish the clinical infrastructure and financial resources necessary to successfully initiate and complete its plan. The Company anticipates its current cash will allow it to cover overhead costs, commence an approved Phase 2a study in metastatic PDAC patients evaluating more frequent VCN-01 dosing for a longer period, conduct exploratory VCN-01 (zabilugene almadenorepvec) manufacturing scale-up activities, complete regulatory interactions regarding a proposed pivotal clinical trial of VCN-01 in retinoblastoma, and undertake limited preclinical studies supporting VCN-01 and VCN-12, the first candidate from the Company's VCN-X discovery program. The Company also believes that the cash will be sufficient to fund its committed obligations under the terms of the Share Purchase Agreement entered into in connection with the Acquisition (the "Purchase Agreement"), but will not be sufficient for additional trials of VCN-01 (other than the Phase 2a study evaluating more frequent VCN-01 dosing for a longer period), or SYN-004, or to complete the last cohort of the Phase 1b/2a clinical trial of SYN-004, which are expected to require significant cash expenditures. Following commencement of a Phase 2a study evaluating more frequent VCN-01 dosing for a longer period, and limited preclinical studies supporting VCN-01 and its VCN-X discovery initiatives, the Company will need to obtain additional funds for future clinical trials. The Company anticipates that its future clinical trials will be much larger in size and require larger cash expenditures than the aforementioned Phase 2a clinical program and limited preclinical research efforts. Currently, the Company does not have commitments from any third parties to provide it with capital. Potential sources of financing include strategic relationships, public or private sales of equity (including through its Amended and Restated At The Market Issuance Sales Agreement, dated February 9, 2021, as amended by Amendment No. 1 thereto, dated May 3, 2021, as further amended by Amendment No. 2 thereto, dated May 2, 2024 (the "ATM Sales Agreement")) or debt and other sources. The Company cannot assure that it will meet the requirements for use of the ATM Sales Agreement or that additional funding will be available on favorable terms or at all. If the Company fails to obtain additional funding for its clinical trials, whether through the sale of securities or a partner or collaborator, and otherwise

Theriva Biologics, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements

10. Stock Warrants – (continued)

On October 16, 2025, the Company entered into a warrant inducement agreement (the "Inducement Agreement") with certain holders named therein (the "Holders") of existing Common Stock Purchase Warrants to purchase up to an aggregate of 8,092,280 shares of the Common Stock, consisting of (i) Common Stock Purchase Warrants to purchase up to an aggregate of 1,345,000 shares of common stock issued on September 27, 2024 (the "September Warrants") and (ii) Common Stock Purchase Warrants to purchase up to an aggregate of 6,747,280 shares of Common Stock issued on May 8, 2025 (the "May Warrants" and, together with the September Warrants, the "Existing Warrants"). Pursuant to the Inducement Agreement, on October 17, 2025, the Holders exercised for cash the Existing Warrants at a reduced exercise price of $0.54 per share and, in consideration therefor, the Company issued to the Holders new Common Stock Purchase Warrants (the "New Warrants") to purchase an aggregate of 16,184,560 shares of Common Stock, equal to 200% of the number of shares of Common Stock underlying the Existing Warrants, at an exercise price of $0.54 per share, which New Warrants are exercisable for a term of five (5) years from the date of the approval from the stockholders of the Company of the full exercise of the New Warrants and the issuance of all of the shares of Common Stock issuable upon the exercise thereof, which had not occurred as of June 30, 2026.

The Company received aggregate gross proceeds of approximately $4.4 million for the exercise of the Existing Warrants, before deducting placement agent fees of $356,000 and other expenses of $72,000 payable by the Company. AGP served as the Company's exclusive financial advisor in connection with the warrant exercise and other transactions described in the Inducement Agreement. Pursuant to the terms of an engagement letter, dated October 16, 2025, by and between the Company and AGP, the Company agreed to pay to AGP a cash fee equal to 7.0% of the aggregate gross proceeds received from the Holder upon exercise of the Existing Warrants and reimbursement of certain expenses. The Company evaluated the facts and circumstances of the inducement transaction and concluded that the issuance of the new warrants, issued to induce the existing warrant holders to exercise their original warrants, was directly attributable to an equity issuance. Accordingly, the Company recognized the increase in value transferred to the holders as an equity issuance cost. The increase in value transferred to holders was measured as the difference between the fair value of the new warrants and the fair value of the original warrants at the modification date, totaling $5.9 million. The increased value provided by the modification and the issuance of new warrants in excess of the gross proceeds of $1.5 million was accounted for as a deemed dividend and increased net loss available to common shareholders for purposes of calculating loss per share. The Company determined the fair value of the new warrants and original warrants on the modification date through the use of a Black Scholes model. The increase in value transferred to the holders was recognized as a decrease to additional paid in capital, which offset the recording of the new warrants, thereby resulting in no net impact to total equity.

A summary of all warrant activity for the Company for the year ended December 31, 2025 and the six months ended June 30, 2026 is as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Balance at December 31, 2024	1,428,600	$ 2.00	4.74 years
Granted	27,830,020	0.58	4.73 years
Exercised	(12,919,560)	0.78	—
Forfeited	—	—	—
Balance at December 31, 2025	16,339,060	0.55	4.99 years
Granted	—	—	—
Exercised	—	—	—
Forfeited	—	—	—
Balance at June 30, 2026	16,339,060	$ 0.55	4.99 years

Theriva Biologics, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements

11. Net Loss per Share

Basic net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding. Diluted net loss per share is computed by dividing net loss by the weighted average number of common shares outstanding including the effect of common share equivalents. Diluted net loss per share assumes the issuance of potential dilutive common shares outstanding for the period and adjusts for any changes in income and the repurchase of common shares that would have occurred from the assumed issuance, unless such effect is anti-dilutive. Net loss attributable to common stockholders for the three and six months ended June 30, 2026 and was $3.2 million and $5.3 million, respectively. Net loss attributable to common stockholders for the three and six months ended June 30, 2025 was $13.1 million and $17.4 million, respectively. The number of options and warrants for the purchase of Common Stock that were excluded from the computations of net loss per common share for the three and six months ended June 30, 2026 were 2,576,052 and 16,339,060, respectively, and for the three and six months ended June 30, 2025 were 1,126,430 and 8,786,686, respectively, because their effect is anti-dilutive.

12. Common Stock

At-the-Market Issuance Sales Agreement

On May 2, 2024, the Company and A.G.P./Alliance Global Partners ("A.G.P") entered into the ATM Sales Agreement, pursuant to which the Company may offer and sell, from time to time, at its option, shares of the Common Stock through A.G.P, as sales agent, in an "at the market offering" as defined in Rule 415(a)(4) under the Securities Act of 1933, as amended. Sales in the "at the market offering" may occur under the Company's current effective registration statement on Form S-3 (File No. 333-279077), which was originally filed on May 2, 2024, as amended and declared effective on September 25, 2024, utilizing a prior prospectus and related prospectus supplements thereto or a newly filed registration statement on Form S-3. In addition, on May 1, 2024, the Company and B. Riley Securities, Inc. mutually agreed to enter into a notice of termination whereby B. Riley Securities, Inc. would no longer be a party to the ATM Sales Agreement. During the six months ended June 30, 2026, the Company sold 10,204,319 shares of the Company's Common Stock pursuant to the ATM Sales Agreement and received net proceeds of approximately $2.3 million. During the six months ended June 30, 2025, there were no shares sold under the ATM Sales Agreement. During the three months ended June 30, 2026 and 2025 there were no shares sold under the ATM Sales Agreement.

13. Loans Payable

As a result of the Acquisition of VCN, the Company acquired interest-free or below-market interest rate loans (0%-1%) extended by Spanish governmental institutions of Ministerio de Ciencia, Innovacion y Universidades (RETOS loan) and ACC10 Generalitat de Catalunya (NEBT loan). The maturities of these loans are between 2024 and 2028. As a result of the Acquisition, the Company maintains a restricted cash collateral account of $44,000 relating to the RETOS loan, which is reflected as a non-current asset on the balance sheet.

During September 2024, the Company announced that its THERICEL project had been awarded €2.28 million (approximately $2.54 million) from the National Knowledge Transfer Program of the Spanish government's Ministry of Science, Innovation & Universities to support a collaboration between the Company and the Universitat Autònoma de Barcelona ("UAB") to advance the Company's THERICEL suspension cell platform for the clinical manufacture of adenovirus- and adeno-associated virus ("AAV") therapies. Under the award, the Company (via its wholly owned subsidiary, Theriva Biologics SL) received an unsecured loan (the "Loan") of €1.3 million (approximately $1.4 million) as a lump sum payment on January 17, 2025 which bears interest at a rate of 4.015% and is to be repaid over 7 years commencing three years from the date of award.

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

The following discussion should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto included in this Quarterly Report on Form 10-Q, and our audited consolidated financial statements and notes thereto for the year ended December 31, 2025 included in our 2025 Form 10-K. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. See "Note Regarding Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements. Our actual results and the timing of events could differ materially from those expressed or implied by the forward-looking statements due to important factors and risks including, but not limited to, those set forth below under "Risk Factors" and elsewhere herein, and those identified under Part I, Item 1A of our 2025 Form 10-K.

Overview

We are a diversified clinical-stage company developing therapeutics designed to treat cancer and related diseases in areas of high unmet need. As a result of our acquisition of Theriva Biologics, S.L. ("VCN", formerly named VCN Biosciences, S.L.) (the "Acquisition") in March 2022, we transitioned our strategic focus to oncology through the development of VCN's new oncolytic adenovirus platform designed for intravenous and intravitreal delivery to trigger tumor cell death, to improve access of co-administered cancer therapies to the tumor, and to promote a robust and sustained anti-tumor response by the patient's immune system. Our lead product candidate, VCN-01 (zabilugene almadenorepvec), is a clinical stage oncolytic human adenovirus that is modified for tumor-selective replication and to express an enzyme, PH20 hyaluronidase. VCN-01 has been evaluated in a Phase 2b clinical study for the treatment of pancreatic cancer ("VIRAGE"), a Phase 1 clinical study for the treatment of retinoblastoma, as well as various other Phase 1 clinical studies for the treatment of other solid tumors including head and neck squamous cell carcinoma.

VCN-01 has been administered to 144 patients in multiple Company- and Investigator-sponsored Phase 1 clinical trials and the Phase 2b VIRAGE trial, including patients with pancreatic cancer (in combination with chemotherapy), head and neck squamous cell carcinoma (with an immune checkpoint inhibitor), ovarian carcinoma (with CAR-T cell therapy), colorectal cancer, and retinoblastoma (by intravitreal injection). VCN-01 has also been made available for compassionate use in retinoblastoma patients, and 2 patients have been treated in this program.

Prior to the Acquisition, our focus was on developing therapeutics designed to treat gastrointestinal (GI) diseases which included our clinical development candidates: (1) SYN-004 (ribaxamase) which is designed to degrade certain commonly used intravenous (IV) beta-lactam antibiotics within the GI tract to prevent microbiome damage, thereby preventing overgrowth and infection by pathogenic organisms such as *Clostridioides difficile* infection (CDI) and vancomycin resistant Enterococci (VRE), and reducing the incidence and severity of acute graft-versus-host-disease (aGVHD) in allogeneic hematopoietic cell transplant (HCT) recipients, and (2) SYN-020, a recombinant oral formulation of the enzyme intestinal alkaline phosphatase (IAP) produced under cGMP conditions and intended to treat both local GI and systemic diseases, which we have out-licensed as described below.

Additionally, as part of our strategic transformation into an oncology focused company, we are exploring value creation options for our SYN-004 asset, including out-licensing or partnering as we do not intend to continue clinical trial activities or further develop SYN-004 without receipt of grant funding or funding through a partnership or other collaboration.

Financial Developments

During the six months ended June 30, 2026, we sold 10,204,319 shares of our Common Stock pursuant to the Amended and Restated At The Market Issuance Sales Agreement, dated February 9, 2021, as amended by Amendment No. 1 thereto, dated May 3, 2021, as further amended by Amendment No. 2 thereto, dated May 2, 2024 (the "ATM Sales Agreement") and received net proceeds of approximately $2.3 million. On January 22, 2026, we received $1.6 million for the 2024 Research and Development rebate program sponsored by the Spanish government. The program provides for reimbursement of certain expenses incurred in research and development efforts we incur in Spain. The reimbursements can be through either tax credits or direct refunds.

with the recognition of revenue being contingent on successful phase 3 clinical trials and requisite approvals by the FDA or foreign equivalents and the success of our licensee.

Our cash and cash equivalents totaled $11.3 million as of June 30, 2026, a decrease of $1.7 million from December 31, 2025. During the year ended December 31, 2025 and six months ended June 30, 2026, the primary use of cash was for working capital requirements and operating activities, which resulted in a net loss of $23.7 million and $5.3 million for the year ended December 31, 2025 and the six months ended June 30, 2026, respectively.

With our cash position of $9.6 million as of early August 2026, we believe we will be able to fund our operations into the first quarter of 2027; however, the current cash will only be sufficient to conduct certain limited clinical, regulatory, manufacturing, and preclinical activities as described herein and our cash runway could differ materially from our expectations based on various factors, many of which are out of our control. We continue to experience operating losses and face significant uncertainties related to our business model, market conditions, clinical trial outcomes, FDA review timelines and strategic initiatives. These factors raise substantial doubt about our ability to continue as a going concern beyond the next twelve months without additional capital or other strategic actions. Management has developed plans intended to mitigate these uncertainties, including pursuing strategic collaborations, securing additional financing, prioritizing key development programs and pursuing other strategic alternatives, that may include a business combination, merger or reverse merger. There can be no assurance that such actions will be sufficient to alleviate the going concern uncertainty.

We are devoting substantial time and resources to the strategic review. Despite devoting significant efforts to identify and evaluate potential strategic alternatives, there can be no assurance that this strategic review process will result in us pursuing any transaction or that any transaction, if pursued, will be completed on attractive terms or at all. We have not set a definitive timeline for completion of this strategic review process, and our board of directors has not approved a definitive course of action. Additionally, there can be no assurances that any particular course of action, business arrangement or transaction, or series of transactions, will be pursued, successfully consummated or lead to increased stockholder value.

Based on our current plans, we expect that our cash and cash equivalents will be sufficient to cover overhead costs, commence an approved Phase 2a study evaluating more frequent VCN-01 dosing for a longer period, exploratory VCN-01 manufacturing scale-up activities, regulatory interactions regarding a proposed pivotal clinical trial of VCN-01 in retinoblastoma, and limited preclinical studies supporting VCN-01 and VCN-12, the first candidate from our VCN-X discovery program. We believe that the cash will also be sufficient to fund our committed obligations under the terms of the Share Purchase Agreement entered into in connection with the Acquisition (the “Purchase Agreement”), however, payment of the $5.0 million owed to Grifols Innovation and New Technologies Limited will significantly deplete our cash and cash equivalents, which could materially and adversely affect our liquidity and limit our ability to fund operations or meet other financial obligations. Our current cash will not be sufficient for additional trials of VCN-01 (other than the Phase 2a study evaluating more frequent VCN-01 dosing for a longer period), or additional trials of SYN-004 (ribaxamase), or to complete the last cohort of the Phase 1b/2a clinical trial of SYN-004, which are expected to require significant cash expenditures. Following the completion of our ongoing Phase 1 and Phase 2b clinical trials for VCN-01, and limited preclinical studies supporting VCN-01 and our discovery initiatives, we will need to obtain additional funds for future clinical trials. We anticipate that our future clinical trials will be much larger in size and require larger cash expenditures than the aforementioned clinical programs. We do not have any committed sources of financing for future clinical trials at this time, and it is uncertain whether additional funding will be available when we need it on terms that will be acceptable to us, or at all. Management believes its plan, which is focused on the advancement of VCN-01, will allow us to meet our financial obligations, further advance key products, and maintain our planned operations. Based upon our current available funding and our focus on our clinical development of VCN-01 we do not anticipate that we will fund the last cohort of the Phase 1b/2a clinical trial of SYN-004 and enrollment in this cohort will not commence unless we obtain grant funding, or find a licensee or partner for the SYN-004 development program. However, the amount of additional capital needed by us will also depend upon the costs to advance our VCN-01 clinical programs.

We are actively pursuing additional equity or debt financing opportunities, in the form of either a private placement or a public offering and have been engaged in ongoing discussions with strategic institutional investors and investment banks with respect to such possible offerings as well as other strategic alternatives. Potential sources of financing that we are pursuing include strategic relationships, licensing arrangements, public or private sales of our equity or debt and other sources. Such additional financing opportunities might not be available to us when and if needed, on acceptable terms or at all. We may attempt to utilize the ATM Sales Agreement or seek to raise additional capital in other financing transactions, neither of which is guaranteed. We cannot assure that we will meet the requirements for use of the ATM Sales Agreement especially in light of the fact that we are currently limited by rules of the SEC as to the number of shares of Common Stock

Cash Provided by Financing Activities

Cash provided by financing activities during the six months ended June 30, 2026 included at the market offering proceeds of $2.3 million from sales of 10,204,319 shares of our Common Stock under the ATM Sales Agreement, and $1.6 million received for the research and development tax credit offset by payments of loans payable of $60,000. Cash provided by financing activities during the six months ended June 30, 2025 included $1.8 million received for the research and development tax credit, $1.4 million in loan proceeds from the THERICEL project loan and $6.9 million in net proceeds from the sale of Common Stock, offset by payments of loans in the amount of $67,000.

Off-Balance Sheet Arrangements

During the three months ended June 30, 2026, we did not have, and we do not currently have, any off-balance sheet arrangements, as defined under SEC rules.

Contractual Obligations

Leases

At the inception of a contract we determine if the arrangement is, or contains, a lease. Right of use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term.

We have made certain accounting policy elections whereby we (i) do not recognize ROU assets or lease liabilities for short-term leases (those with original terms of 12-months or less) and (ii) combine lease and non-lease elements of our operating leases. As of June 30, 2026, we did not have any material finance leases.