

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended **June 30, 2025**

or

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

For the transition period from _____ to _____.

Commission File Number: **001-40874**

Cingulate Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

86-3825535

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

1901 W. 47th Place
Kansas City, KS
(Address of principal executive offices)

66205
(Zip Code)

(913) 942-2300

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, par value \$0.0001 per share	CING	The Nasdaq Stock Market LLC (Nasdaq Capital Market)
Warrants, exercisable for shares of common stock	CINGW	The Nasdaq Stock Market LLC (Nasdaq Capital Market)

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

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

As of August 15, 2025, 5,412,523 shares of the registrant's common stock, \$0.0001 par value, were issued and outstanding.

Cingulate Inc.
Form 10-Q for the Quarter Ended June 30, 2025

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CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “estimate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other similar expressions intended to identify statements about the future. These statements speak only as of the date of filing this report with the Securities and Exchange Commission (SEC) and involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements include, without limitation, statements about the following:

- our ability to maintain compliance with the continued listing requirements of The Nasdaq Stock Market LLC (Nasdaq);
- our lack of operating history and need for additional capital;
- our plans to develop and commercialize our product candidates;
- the timing of our planned clinical trials for CTx-1301, CTx-1302, and CTx-2103;
- the timing of our New Drug Application (NDA) submissions for CTx-1302 and CTx-2103;
- the timing of and our ability to obtain and maintain regulatory approvals for CTx-1301, CTx-1302, CTx-2103, or any other future product candidate;
- the clinical utility of our product candidates;
- our commercialization, marketing and manufacturing capabilities and strategy;
- our ability to identify strategic partnerships;
- our expected use of cash;
- our competitive position and projections relating to our competitors or our industry;
- our ability to identify, recruit, and retain key personnel;
- the impact of laws and regulations;
- our expectations regarding the time during which we will be an emerging growth company under the Jumpstart Our Business Startups Act of 2012 (JOBS Act);
- our plans to identify additional product candidates with significant commercial potential that are consistent with our commercial objectives; and
- our estimates regarding future revenue and expenses.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. You should refer to the “Risk Factors” section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 27, 2025, for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. We operate in an evolving environment and new risk factors and uncertainties may emerge from time to time. It is not possible for management to predict all risk factors and uncertainties. As a result of these factors, we cannot assure you that the forward-looking statements in this report will prove to be accurate. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. You should review the factors and risks and other information we describe in the reports we will file from time to time with the SEC.

PART I — FINANCIAL INFORMATION

Cingulate Inc.
Consolidated Balance Sheets (unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,900,183	\$ 12,211,321
Other receivables	19,585	26,325
Prepaid expenses and other current assets	1,302,900	423,157
Total current assets	10,222,668	12,660,803
Property and equipment, net	1,798,320	2,104,675
Operating lease right-of-use assets	1,447,220	99,011
Total assets	13,468,208	14,864,489
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	872,853	1,270,280
Accrued expenses	501,786	1,039,625
Note payable, current	5,134,475	2,527,108
Finance lease liability, current	-	4,430
Operating lease liability, current	223,633	130,662
Total current liabilities	6,732,747	4,972,105
Long-term liabilities:		
Operating lease liability, net of current	1,223,587	-
Note payable	-	2,436,879
Total long-term liabilities	1,223,587	2,436,879
Total liabilities	7,956,334	7,408,984
Stockholders' Equity		
Common Stock, \$0.0001 par value; 240,000,000 shares authorized and 4,889,290 and 3,402,306 shares issued and outstanding as of June 30, 2025 and December 31, 2024	488	340
Preferred Stock, \$0.0001 par value; 10,000,000 shares authorized and 0 shares issued and outstanding as of June 30, 2025 and December 31, 2024	-	-
Additional Paid-in-Capital	122,591,992	115,944,345
Accumulated deficit	(117,080,606)	(108,489,180)
Total stockholders' equity	5,511,874	7,455,505
Total liabilities and stockholders' equity	\$ 13,468,208	\$ 14,864,489

See notes to unaudited consolidated financial statements.

Cingulate Inc.
Consolidated Statements of Operations and Comprehensive Loss (unaudited)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Operating expenses:				
Research and development	\$ 2,700,939	\$ 1,881,093	\$ 4,923,565	\$ 3,688,078
General and administrative	1,949,035	1,325,087	3,432,444	2,466,319
Operating loss	(4,649,974)	(3,206,180)	(8,356,009)	(6,154,397)
Interest and other income (expense), net	(138,761)	(3,497)	(235,417)	(27,757)
Loss before income taxes	(4,788,735)	(3,209,677)	(8,591,426)	(6,182,154)
Income tax benefit (expense)	-	-	-	-
Net loss and comprehensive loss	\$ (4,788,735)	\$ (3,209,677)	\$ (8,591,426)	\$ (6,182,154)
Net loss per share of common stock, basic and diluted	\$ (1.09)	\$ (5.47)	\$ (2.14)	\$ (12.28)
Weighted average number of shares used in computing net loss per share of common stock, basic and diluted	4,389,465	586,313	4,020,231	503,598

See notes to unaudited consolidated financial statements.

Cingulate Inc.
Consolidated Statements of Stockholders' Equity (unaudited)

	Common Stock		Additional Paid-in- Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Stockholders' Equity
	Shares	Amount				
Balance January 1, 2024	97,293	10	\$ 86,074,004	\$ (92,943,443)	\$ -	\$ (6,869,429)
Activity for the three months to March 31, 2024:						
Issuance of common stock in connection with At the Market Offering and Purchase Agreement, net of fees	23,650	2	3,115,282	-	-	3,115,284
Issuance of common stock in public offering, net of fees	296,000	30	6,432,862	-	-	6,432,892
Issuance of pre-funded warrants in connection with the conversion of related party note payable	-	-	2,734,739	-	-	2,734,739
Capital contribution in connection with conversion of related party note payable	-	-	586,511	-	-	586,511
Issuance of restricted common stock	596	-	24,024	-	-	24,024
Stock-based compensation expense	-	-	164,575	-	-	164,575
Net loss	-	-	-	(2,972,477)	-	(2,972,477)
Balance March 31, 2024	417,539	\$ 42	\$ 99,131,997	\$ (95,915,920)	\$ -	\$ 3,216,119
Activity for the three months to June 30, 2024:						
Issuance of common stock upon exercise of pre-funded warrants	86,334	9	(9)	-	-	-
Issuance of common stock in connection with At the Market Offering and Purchase Agreement, net of fees	121,279	12	1,109,990	-	-	1,110,002
Warrant inducement	143,958	14	1,614,549	-	-	1,614,563
Issuance of restricted common stock	11,652	1	98,433	-	-	98,434
Stock-based compensation expense	-	-	254,331	-	-	254,331
Net loss	-	-	-	(3,209,677)	-	(3,209,677)
Balance June 30, 2024	780,762	\$ 78	\$ 102,209,291	\$ (99,125,597)	\$ -	\$ 3,083,772
Balance January 1, 2025	3,402,306	\$ 340	\$ 115,944,345	\$ (108,489,180)	\$ -	\$ 7,455,505
Activity for the three months to March 31, 2025:						
Issuance of common stock in connection with At the Market Offering and Purchase Agreement, net of fees	423,893	42	1,920,315	-	-	1,920,357
Stock-based compensation expense	-	-	357,649	-	-	357,649
Net loss	-	-	-	(3,802,691)	-	(3,802,691)
Balance March 31, 2025	3,826,199	\$ 382	\$ 118,222,309	\$ (112,291,871)	\$ -	\$ 5,930,820
Activity for the three months to June 30, 2025:						
Issuance of common stock in connection with At the Market Offering and Purchase Agreement, net of fees	1,038,969	104	4,182,295	-	-	4,182,399
Issuance of restricted common stock	24,122	2	96,667	-	-	96,669
Stock-based compensation expense	-	-	90,721	-	-	90,721
Net loss	-	-	-	(4,788,735)	-	(4,788,735)
Balance June 30, 2025	4,889,290	\$ 488	\$ 122,591,992	\$ (117,080,606)	\$ -	\$ 5,511,874

See notes to unaudited consolidated financial statements.

Cingulate Inc.
Consolidated Statements of Cash Flows (unaudited)

	Six Months Ended June 30,	
	2025	2024
Operating activities:		
Net loss	\$ (8,591,426)	\$ (6,182,154)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	312,280	327,381
Stock-based compensation	545,039	541,349
Accretion of discount on note payable	15,353	-
Amortization of debt issue costs	155,135	-
Changes in operating assets and liabilities:		
Other receivables	6,740	12,375
Prepaid expenses and other current assets	(879,743)	(6,682)
Operating lease right-of-use assets	(1,348,209)	128,662
Trade accounts payable and accrued expenses	(935,266)	(5,137,926)
Current portion of operating lease liability	92,971	(40,742)
Long-term portion of operating lease liability	1,223,587	(130,663)
Net cash used in operating activities	(9,403,539)	(10,488,400)
Investing activities:		
Purchase of property and equipment	(5,925)	(154,133)
Net cash used in investing activities	(5,925)	(154,133)
Financing activities:		
Proceeds from the issuance of common stock and pre-funded common stock purchase warrants, net of fees	6,102,756	10,979,443
Principal payments on finance lease obligations	(4,430)	(8,398)
Net cash provided by financing activities	6,098,326	10,971,045
Cash and cash equivalents:		
Net increase (decrease) in cash and cash equivalents	(3,311,138)	328,512
Cash and cash equivalents at beginning of year	12,211,321	52,416
Cash and cash equivalents at end of period	\$ 8,900,183	\$ 380,928
Property and equipment accrued but not yet paid at end of period	\$ -	\$ 220,370
Cash payments:		
Interest paid	\$ 16,250	\$ 5,975

See notes to unaudited consolidated financial statements

(1) Nature of the Business and Liquidity

Organization

Cingulate Inc. (Cingulate, or the Company), a Delaware corporation, is a biopharmaceutical company focused on the development of products utilizing its drug delivery platform technology that enables the formulation and manufacture of once-daily tablets of multi-dose therapies, with an initial focus on the treatment of Attention Deficit/Hyperactivity Disorder (ADHD). The Company is developing two proprietary, first-line stimulant medications, CTx-1301 (dexamethylphenidate) and CTx-1302 (dextroamphetamine), for the treatment of ADHD intended for all patient segments: children, adolescents, and adults. CTx-1301 and CTx-1302 utilize a flexible core tableting technology with target product profile designed to deliver a rapid onset and last the entire active day with a controlled descent of plasma drug level and have favorable tolerability. In addition, the Company has a third product to treat anxiety, CTx-2103, in a formulation stage.

The consolidated financial statements and notes for the periods ended June 30, 2025 and 2024, represent the full consolidation of Cingulate and its subsidiaries, including Cingulate Therapeutics LLC (CTx) and all references to the Company represent this full consolidation.

Liquidity

The Company has incurred losses and negative cash flows from operations since inception. As a pre-revenue entity, the Company is dependent on the ability to raise capital to support operations until such time as the product candidates under development are U.S. Food and Drug Administration (FDA) approved, manufactured, commercially available to the marketplace and produce revenues. On June 30, 2025, the Company had cash and cash equivalents of approximately \$8.9 million, and an accumulated deficit of approximately \$117.1 million. However, the Company will need additional funding for operations and development. Management is evaluating various strategies to obtain additional funding, which may include additional offerings of equity, issuance of debt, or other capital sources, including potential collaborations with other companies or other strategic transactions. Successful implementation of these plans involves both the Company's efforts and factors that are outside its control, such as market factors and FDA approval of product candidates. The Company can give no assurance that its plans will be effectively implemented in such a way that they will sufficiently alleviate or mitigate the conditions and events noted above, which results in substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The consolidated financial statements do not reflect any adjustments that might result from the outcome of this uncertainty.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). The consolidated financial statements include the accounts of Cingulate and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

(b) Unaudited Interim Financial Information

The accompanying consolidated balance sheets as of June 30, 2025 and December 31, 2024, the consolidated statements of operations and comprehensive loss for the three and six-month periods ended June 30, 2025 and 2024, the consolidated statements of stockholders' equity for the three and six-month periods ended June 30, 2025 and 2024, the consolidated statements of cash flows for the six-month periods ended June 30, 2025 and 2024, and the related interim disclosures are unaudited. These unaudited consolidated financial statements include all adjustments necessary, consisting of only normal recurring adjustments, to fairly state the financial position and the results of operations and cash flows for interim periods in accordance with U.S. GAAP. Interim period results are not necessarily indicative of results of operations or cash flows for a full year or any subsequent interim period. The accompanying consolidated financial statements should be read in conjunction with the Company's 2024 audited consolidated financial statements and the notes thereto.

(e) Concentration of Credit Risk

The Company maintains cash equivalent deposits, which at various times throughout the fiscal year exceeded the amounts insured by the Federal Deposit Insurance Corporation limit of \$250,000 (without regard to reconciling items). Management monitors the soundness of these financial institutions and does not believe the Company is subject to any material credit risk relative to the uninsured portion of the deposits.

(d) Impairment of Long-lived Assets

The Company assesses the carrying value of its long-lived assets, including property and equipment, as well as lease right of use (ROU) assets, when events or circumstances indicate that the carrying value of such assets may not be recoverable. These events or changes in circumstances may include a significant deterioration of operating results, changes in business plans, or changes in anticipated future cash flows. If an impairment indicator is present, the Company evaluates recoverability by a comparison of the carrying amount of the assets to future undiscounted cash flows expected to be generated by the assets. If the sum of the expected future cash flows is less than the carrying amount, the Company would recognize an impairment loss. An impairment loss would be measured by comparing the amount by which the carrying value exceeds the fair value of the long-lived asset groups. No impairment was recognized during the six-month periods ended June 30, 2025 or 2024.

(e) Stock-Based Compensation

The Company measures employee and director stock-based compensation expense for all stock-based awards based on their grant date fair value using the Black-Scholes option-pricing model. For stock-based awards with service conditions, stock-based compensation expense is recognized over the requisite service period using the straight-line method. Forfeitures are recognized as they occur. See additional information in Note 10.

(f) Segments

Operating segments are defined as components of an enterprise for which discrete financial information is available and regularly reviewed by the chief operating decision maker (“CODM”) in deciding how to allocate resources and in assessing performance. The Company manages its business activities on a consolidated basis and operates as a single operating segment dedicated to the research and development and manufacturing of its product candidates. The Company’s CODM is its Chief Executive Officer. The CODM uses net loss, as reported in the Company’s Consolidated Statements of Operations and Comprehensive Loss, in evaluating performance of its segment and determining how to allocate resources of the Company as a whole, including investing in its research and development activities.

The measure used by the CODM for segment assets is reported in the Consolidated Balance Sheets as total consolidated assets.

The following table presents the operating results of the Company's segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating expenses:				
Research and development				
Clinical operations	\$ 763,860	\$ 65,966	\$ 1,871,334	\$ 1,143,156
Drug manufacturing and formulation	1,110,084	1,462,519	1,490,437	1,803,718
Personnel	409,220	343,762	970,554	649,714
Regulatory	417,775	8,846	591,240	91,490
Total research and development	2,700,939	1,881,093	4,923,565	3,688,078
General and administrative				
Personnel	459,336	404,586	1,030,866	817,863
Legal and professional fees	968,987	494,468	1,474,487	810,153
Occupancy	88,359	73,846	149,986	174,533
Insurance	174,449	241,524	370,045	483,048
Other	257,904	110,663	407,060	180,722
Total general and administrative	1,949,035	1,325,087	3,432,444	2,466,319
Operating loss	(4,649,974)	(3,206,180)	(8,356,009)	(6,154,397)
Interest and other income (expense), net	(138,761)	(3,497)	(235,417)	(27,757)
Loss before income taxes	(4,788,735)	(3,209,677)	(8,591,426)	(6,182,154)
Income tax benefit (expense)	-	-	-	-
Net loss and comprehensive loss	\$ (4,788,735)	\$ (3,209,677)	\$ (8,591,426)	\$ (6,182,154)

(3) Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following at June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Materials	\$ 889,185	\$ 29,025
Professional fees	223,918	-
Marketing fees	125,000	-
Dues and subscriptions	26,500	4,575
Insurance	17,597	-
Research and development	-	334,692
Other	20,700	54,865
	<u>\$ 1,302,900</u>	<u>\$ 423,157</u>

(4) Property and Equipment

Property and equipment, net consisted of the following at June 30, 2025 and December 31, 2024:

	Estimated Useful Life (in years)	June 30, 2025	December 31, 2024
Equipment	2-7	\$ 4,358,261	\$ 4,358,261
Furniture and fixtures	7	145,754	145,754
Computer equipment	5	46,994	46,994
Leasehold improvements	5	474,462	474,462
Construction-in-process- equipment	-	381,203	375,278
		5,406,674	5,400,749
Less: accumulated depreciation		(3,608,354)	(3,296,074)
		<u>\$ 1,798,320</u>	<u>\$ 2,104,675</u>

Depreciation expense was \$312,280 and \$327,381, respectively, for the six-month periods ended June 30, 2025 and 2024. Depreciation expense was \$146,989 and \$163,781, respectively, for the three-month periods ended June 30, 2025 and 2024.

(5) Accrued Expenses

Accrued expenses consisted of the following at June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Interest	\$ 267,984	\$ 15,089
State franchise taxes	102,000	200,000
Research and development	96,216	341,956
Employee compensation	-	355,475
Insurance	-	34,469
CIP- Equipment	-	31,160
Professional fees	-	5,000
Other	35,586	56,476
	<u>\$ 501,786</u>	<u>\$ 1,039,625</u>

(6) Contingencies

The Company may, from time to time, be subject to legal proceedings and claims arising in the ordinary course of business and otherwise. A substantial legal liability against us could have an adverse effect on our business, financial condition and results of operations.

The Company records legal costs associated with loss contingencies as incurred and establishes reserves when those matters present material loss contingencies that management determines to be both probable and reasonably estimable in accordance with ASC 450, *Contingencies*. If a range of loss is estimated, and some amount within that range appears to be a better estimate than any other amount within that range, then that amount is accrued. If no amount within the range can be identified as a better estimate than any other amount, we accrue the minimum amount in the range. These amounts are not reduced by amounts that may be recovered under insurance or claims against third parties, but undiscounted receivables from insurers or other third parties may be accrued separately if recovery is considered probable. Management's judgment is required related to loss contingencies because the outcomes are difficult to predict, and the ultimate resolution may differ from our current analysis. The Company revises accruals in light of new information. While it is not possible to predict the outcome of loss contingencies with certainty, management is of the opinion that adequate provision for potential losses associated with any such matters has been made in the financial statements. No accruals for loss contingencies were recorded in the consolidated balance sheets as of June 30, 2025 or December 31, 2024.

In December 2023, the Company implemented salary reductions for all employees and the Board approved a contingent bonus plan in which the Company will pay to each employee three months after the filing date of the New Drug Application for CTx-1301, an amount equal to the base salary that was not paid to the employee plus 20%. Base salaries were reinstated in September 2024. This contingent bonus had not yet been deemed probable as of June 30, 2025 per the requirements of ASC Topic 450, *Contingencies*, thus was not recorded in the financial statements; however, it is reasonably possible that it will become due. The unpaid salary amounts plus 20%, estimated to be \$722,824, may be paid in a combination of cash and equity awards, at the discretion of the Board.

(7) Unsecured Promissory Note

On December 20, 2024, the Company entered into a note purchase agreement with Streeterville Capital, LLC, a Utah limited liability company (Lender), pursuant to which the Company issued and sold to Lender an unsecured promissory note (Promissory Note) in the amount of \$5,480,000. The Promissory Note included an original issue discount of \$450,000 and Lender expenses payable by the Company of \$30,000. In exchange for the Promissory Note, the Lender paid a purchase price of \$5,000,000 in cash. The Promissory Note bears interest at a rate of 9% per annum and matures 18 months after its issuance date.

From time to time, beginning on July 2, 2025, Lender may redeem a portion of the Promissory Note, not to exceed an amount of \$550,000 per month. On the 90-day anniversary of the effective date of the Promissory Note, the Company was charged a monitoring fee equal to the outstanding principal balance on such date divided by 0.85 less the outstanding balance on such date. The monitoring fee and interest accrued on the monitoring fee will be forgiven, on a pro rata basis, each time the Company makes a cash payment on the Promissory Note. Subject to the terms and conditions set forth in the Promissory Note, the Company may prepay all or any portion of the outstanding balance of the Promissory Note at any time.

The Promissory Note provides for customary events of default (each, an Event of Default), including, among other things, the event of nonpayment of principal, interest, fees or other amounts, a representation or warranty proving to have been incorrect when made, failure to perform or observe covenants within a specified cure period, a cross-default to certain other indebtedness and material agreements of the Company, and the occurrence of a bankruptcy, insolvency or similar event affecting the Company. Upon the occurrence of an Event of Default that is deemed a "Major Trigger Event" as defined in the Promissory Note, Lender may increase the outstanding balance of the Promissory Note by 15%, and upon the occurrence of an Event of Default that is deemed a "Minor Trigger Event" as defined in the Promissory Note, Lender may increase the outstanding balance of the Promissory Note by 5%. Lender can exercise its right to increase the outstanding balance upon a Major or Minor Trigger Event three times each. Upon the occurrence of an Event of Default, Lender may declare all amounts owed under the Promissory Note immediately due and payable. In addition, upon the occurrence of an Event of Default, upon the election of Lender, interest shall begin accruing on the outstanding balance of the Promissory Note from the date of the Event of Default equal to the lesser of 22% per annum and the maximum rate allowable under law.

In connection with the Promissory Note, the Company incurred \$46,277 of debt issuance costs. The debt issuance costs, the debt discount of \$450,000 and the expenses payable by the Company of \$30,000 have been recorded as a reduction in the carrying amount of the Promissory Note and are being amortized over the term of the Promissory Note using the effective interest rate method. As of June 30, 2025, the collective amount of unamortized debt discount and debt issuance costs were \$345,525.

As of June 30, 2025, the outstanding principal balance of the Promissory Note plus accrued interest was \$5,747,984.

The following table provides a breakdown of interest expense (income) for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Interest expense - Streeterville Capital	\$ 213,711	\$ -	\$ 423,382	\$ -
Interest expense - other	16,250	5,667	16,295	5,975
Interest expense - WFIA	-	-	-	31,250
Interest income	(93,031)	(2,170)	(205,963)	(9,468)
	<u>\$ 136,930</u>	<u>\$ 3,497</u>	<u>\$ 233,714</u>	<u>\$ 27,757</u>

(8) Stockholders' Equity

The Company has authorized 240,000,000 shares of \$0.0001 par value common stock and 10,000,000 shares of \$0.0001 par value preferred stock at June 30, 2025 and December 31, 2024, of which 4,889,290 and 3,402,306 shares of common stock were issued and outstanding, respectively. The Company has not issued any shares of preferred stock.

The holders of common stock are entitled to one vote for each share of common stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, after the payment or provision for payment of all debts and liabilities of the Company, the holders of common stock shall be entitled to share in the remaining assets of the Company available for distribution, if any. Holders of shares of common stock are entitled to dividends when, as and if declared by the Board of Directors.

Reverse Stock Splits

On November 30, 2023, the Company completed a one-for-twenty reverse stock split (2023 Reverse Stock Split), which reduced the number of shares of the Company's common stock that were issued and outstanding immediately prior to the effectiveness of the 2023 Reverse Stock Split. The number of shares of the Company's authorized common stock was not affected by the 2023 Reverse Stock Split and the par value of the Company's common stock remained unchanged at \$0.0001 per share. No fractional shares were issued in connection with the 2023 Reverse Stock Split.

On August 9, 2024, the Company completed a one-for-twelve reverse stock split (2024 Reverse Stock Split), which reduced the number of shares of the Company's common stock that were issued and outstanding immediately prior to the effectiveness of the 2024 Reverse Stock Split. The number of shares of the Company's authorized common stock was not affected by the 2024 Reverse Stock Split and the par value of the Company's common stock remained unchanged at \$0.0001 per share. No fractional shares were issued in connection with the 2024 Reverse Stock Split.

Except where disclosed, all amounts related to number of shares and per share amounts have been retrospectively restated in these financial statements to reflect the 2023 Reverse Stock Split and the 2024 Reverse Stock Split.

(9) Securities Issuances

At the Market Offering

The Company entered into the At-the-Market Agreement (ATM Agreement) with H.C. Wainwright & Co., LLC (HCW) in January 2023, as amended in May 2023, pursuant to which the Company can issue and sell, from time to time, shares of the Company's common stock having an aggregate offering price of up to \$23.5 million in at-the-market offerings sales. HCW acts as sales agent and is paid a 3% commission on each sale under the ATM Agreement. The Company's common stock is sold at prevailing market prices at the time of the sale, and, as a result, prices will vary.

During the three months ended June 30, 2025 and 2024, the Company sold 364,963 and 31,858 shares of common stock, respectively, under the ATM Agreement, for net proceeds of \$1,578,731 and \$354,259. During the six months ended June 30, 2025 and 2024, the Company sold 565,447 and 55,858 shares of common stock, respectively, under the ATM Agreement, for net proceeds of \$2,599,099 and \$3,469,543.

Purchase Agreement with Lincoln Park

In April 2023, the Company entered into a purchase agreement (the Original LP Purchase Agreement) and a registration rights agreement (the Registration Rights Agreement) with Lincoln Park Capital Fund, LLC (Lincoln Park). Pursuant to the terms of the Original LP Purchase Agreement, Lincoln Park has agreed to purchase from the Company up to \$12 million of the Company's common stock subject to certain limitations and satisfaction of the conditions set forth in the Original LP Purchase Agreement. Pursuant to the terms of the Registration Rights Agreement, the Company filed with the SEC registration statements to register for resale under the Securities Act 2,685,417 shares of common stock that have been or may be issued to Lincoln Park under the Original LP Purchase Agreement.

During the three months ended June 30, 2025 and 2024, the Company sold 674,006 and 89,420 shares of common stock under the Original LP Purchase Agreement, for net proceeds of \$2,613,247 and \$755,703. During the six months ended June 30, 2025 and 2024, the Company sold 897,415 and 89,420 shares of common stock under the Original LP Purchase Agreement, for net proceeds of \$3,513,236 and \$755,703. As of June 30, 2025, the Company sold to Lincoln Park the maximum dollar value worth of common stock pursuant to the Original LP Purchase Agreement, and the Original LP Purchase Agreement thereupon expired in accordance with its terms.

(10) Stock-Based Compensation

In September 2021, the Company's board of directors and stockholders adopted the 2021 Equity Incentive Plan (the 2021 Plan), which provides for the grant of incentive stock options and non-qualified stock options to purchase shares of the Company's common stock, stock appreciation rights, restricted stock units, restricted or unrestricted shares of common stock, performance shares, performance units, incentive bonus awards, other stock-based awards and other cash-based awards. No awards may be made under the 2021 Plan on or after September 24, 2031, but the 2021 Plan will continue thereafter while previously granted awards remain outstanding.

At the Company's 2024 annual meeting, shareholders approved an amendment to the 2021 Plan to increase the number of shares of common stock authorized for issuance thereunder by 104,167 shares to 125,577. At the Company's 2025 annual meeting, shareholders approved an amendment to the 2021 Plan to increase the number of shares of common stock authorized for issuance thereunder by 800,000 shares to 1,141,826. As of June 30, 2025, 743,000 shares of common stock were available for issuance under the 2021 Plan. The number of shares of common stock available for issuance under the 2021 Plan will automatically increase on January 1st of each year until the expiration of the 2021 Plan, in an amount equal to 5% percent of the total number of shares of our common stock outstanding on December 31st of the preceding calendar year, on a fully diluted basis, unless the board of directors takes action prior thereto to provide that there will not be an increase in the share reserve for such year or that the increase in the share reserve for such year will be of a lesser number of shares of common stock than would otherwise occur. The shares of common stock underlying any awards that are forfeited, cancelled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, repurchased or are otherwise terminated by the Company under the 2021 Plan will be added back to the shares of common stock available for issuance under the 2021 Plan.

The Company recorded stock-based compensation expense of \$448,370 and \$418,906 during the six months ended June 30, 2025 and 2024, respectively. The Company recorded stock-based compensation expense of \$90,721 and \$254,331 during the three months ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and December 31, 2024, there was \$1,152,647 and \$343,612, respectively, of unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the 2021 Plan, which is expected to be recognized over the next one to four years.

A summary of option activity under the 2021 Plan during the six-month periods ended June 30, 2025 and 2024 is as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding at January 1, 2024	4,821			
Granted	15,994	\$ 14.15	9.93	-
Exercised	-			
Forfeitures or expirations	(628)			
Outstanding at March 31, 2024	<u>20,187</u>			
Granted	69,038	13.44	9.95	
Exercised	-			
Forfeitures or expirations	-			
Outstanding at June 30, 2024	<u>89,225</u>			
Vested and expected to vest at June 30, 2024	<u>89,225</u>			
Exercisable at June 30, 2024	<u>2,643</u>			
Outstanding at January 1, 2025	89,406			
Granted	248,428	\$ 4.44	9.87	-
Exercised	-			
Forfeitures or expirations	-			
Outstanding at March 31, 2025	<u>337,834</u>			
Granted	61,005	4.14	9.98	
Exercised	-			
Forfeitures or expirations	-			
Outstanding at June 30, 2025	<u>398,839</u>			
Vested and expected to vest at June 30, 2025	<u>398,839</u>			
Exercisable at June 30, 2025	<u>131,986</u>			

The Company's stock options issued qualify for equity accounting treatment under ASC 718, *Compensation- Stock Compensation*, and are measured at fair value as of their grant date accordingly. The fair value of the options were estimated using a Black-Scholes model. The assumptions that the Company used to estimate the grant-date fair value of stock options granted to employees and directors during the six-month periods ending June 30, 2025 and 2024 were as follows, shown on a weighted average basis:

	June 30, 2025	June 30, 2024
Risk-free interest rate	4.35%	4.32%
Expected term (in years)	5.73	5.42
Expected volatility	1.58	1.44
Expected dividend yield	0%	0%

Risk-Free Interest Rate: The Company based the risk-free interest rate over the expected term of the options based on the constant maturity of U.S. Treasury securities with similar maturities as of the date of grant.

Expected Term: The expected term represents the period that the options granted are expected to be outstanding and is determined using the simplified method (based on the mid-point between the vesting dates and the end of the contractual term.)

Expected Volatility: The Company uses an average historical stock price volatility of comparable public companies within the biotechnology and pharmaceutical industry that were deemed to be representative of future stock price trends as the Company does not have sufficient trading history for its common stock. The Company will continue to apply this process until a sufficient amount of historical information regarding volatility of its own stock price becomes available.

Expected Dividend Yield: The Company has not paid and does not anticipate paying any dividends in the near future. Therefore, the expected dividend yield was zero.

The grant-date fair value of options granted during the three months ended June 30, 2025 ranged from \$3.56 to \$3.73 and the grant-date fair value of options granted during the six months ended June 30, 2025 ranged from \$3.56 to \$4.22.

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock. Because there were no stock options with exercise prices lower than the fair value of the Company's common stock, the aggregate intrinsic value is zero as of June 30, 2025 and December 31, 2024.

(11) Common Stock Purchase Warrants

The following table summarizes the Company's outstanding common stock purchase warrants as of June 30, 2025:

	Number of Warrants	Exercise Price	Issuance Date Fair Value per Warrant	Issuance Date Fair Value Total
December 2021 Initial Public Offering Warrants	19,965	\$ 1,440.00	\$ 1,144.80	\$ 22,855,932
December 2021 Placement Agent Warrants	868	\$ 1,800.00	\$ 1,113.48	966,501
September 2023 Public Offering Series A Warrants	28,855	\$ 13.56	\$ 129.84	3,746,533
September 2023 Public Offering Series B Warrants	14,428	\$ 13.56	\$ 101.04	1,457,805
September 2023 Placement Agent Warrants	1,443	\$ 172.80	\$ 127.56	184,069
February 2024 Public Offering Series A Warrants	135,417	\$ 24.00	\$ 14.04	1,901,255
February 2024 Public Offering Series B Warrants	67,708	\$ 24.00	\$ 11.88	804,371
February 2024 Placement Agent Warrants	12,500	\$ 30.00	\$ 13.80	172,500
June 2024 Series C Warrants	354,167	\$ 7.020	\$ 3.24	1,147,501
June 2024 Series D Warrants	177,083	\$ 7.020	\$ 2.40	424,999
July 2024 Placement Agent Warrants	21,250	\$ 8.780	\$ 2.23	47,388
Balance- June 30, 2025	<u>833,684</u>			<u>\$ 33,708,854</u>

(12) Income Taxes

Cingulate Inc. is taxed as a C corporation under the Internal Revenue Code. Cingulate Inc. records deferred income taxes to reflect the impact of temporary differences between the recorded amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations. CTx is a wholly-owned disregarded entity of Cingulate Inc., and all of the activity for CTx, along with its wholly-owned subsidiary Cingulate Works Inc., is included in the calculation of the current and deferred tax assets and liabilities for Cingulate Inc. No deferred income tax benefit or expense was recorded for the three-month periods ended June 30, 2025 and 2024 or the six-month periods ended June 30, 2025 and 2024, for federal or state income taxes.

Income tax expense differed from the expected expense computed by applying the U.S. Federal income tax rate as follows:

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Federal income tax benefit at statutory rate	\$ (1,004,778)	\$ (709,986)	\$ (1,803,354)	\$ (1,298,252)
State income tax benefit	(245,082)	(191,142)	(439,546)	(346,052)
Permanent differences	3,346	2,420	6,650	6,074
Change in valuation allowance	1,247,371	897,439	2,237,364	1,667,878
Other	(857)	1,269	(1,114)	(29,648)
Total income tax expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Evaluating the need for, and amount of, a valuation allowance for deferred tax assets often requires significant judgment and extensive analysis of all available evidence on a jurisdiction-by-jurisdiction basis. Such judgments require the Company to interpret existing tax law and other published guidance as applied to its circumstances. As part of this assessment, the Company considers both positive and negative evidence about its profitability and tax situation. A valuation allowance is provided if, based on available evidence, it is more likely than not that all or some portion of a deferred tax asset will not be realized. The Company determined that it was more likely than not that it would not realize its deferred tax assets, based on historical levels of income and future forecasts of taxable income, among other items. The Company recorded a valuation allowance of its net deferred tax assets totaling \$19,670,515 as of June 30, 2025 and \$17,405,569 at December 31, 2024, the current year portion which was recorded as a component of income tax expense on the accompanying consolidated statements of operations and other comprehensive loss.

The Company files income tax returns in the U.S. federal and various state jurisdictions. The Companies are not subject to U.S. federal and state income tax examinations by tax authorities for years before 2018.

The Company follows the provisions of FASB ASC 740, *Income Taxes*, to evaluate uncertain tax positions. This topic prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company has not identified any material uncertain tax positions requiring recognition in the consolidated financial statements as of June 30, 2025 or December 31, 2024.

(13) Leases

In May 2025, the Company executed a lease agreement to renew the office space for its headquarters in Kansas City, Kansas. The lease has a five-year term that commenced on June 1, 2025 with total rent of \$33,145 per month over the lease term. The operating lease right-of-use asset was \$1,447,220, the current portion of the operating lease liability was \$223,633 and the long-term portion of the lease liability was \$1,223,587 as of June 30, 2025.

(14) Subsequent Events

Management evaluated events that occurred subsequent to June 30, 2025, through August 19, 2025, which is the date the interim financial statements were issued.

Subsequent to June 30, 2025, the Company entered into five separate agreements with Lender to exchange an aggregate of \$1,225,000 in principal for 268,738 shares of common stock, thereby extinguishing that portion of the Promissory Note. See Note 7 for additional information regarding the Promissory Note.

On July 21, 2025, the Company entered into a new purchase agreement with Lincoln Park (2025 LP Purchase Agreement), pursuant to which Lincoln Park has agreed to purchase from the Company up to an aggregate of \$25.0 million of common stock (subject to certain limitations and satisfaction of the conditions set forth in the 2025 LP Purchase Agreement) from time to time and at the Company's sole discretion over the 36-month term of the 2025 LP Purchase Agreement. Pursuant to the terms of the 2025 LP Purchase Agreement, on July 21, 2025, the Company issued 120,424 shares of common stock to Lincoln Park as consideration for its commitment to purchase shares of common stock under the 2025 LP Purchase Agreement. In August 2025, the Company sold 69,389 shares of common stock under the 2025 LP Purchase Agreement, for net proceeds of \$349,998.

On July 31, 2025, the Company submitted the New Drug Application for CTx-1301 to the FDA.

Subsequent to June 30, 2025, the Company sold 64,682 shares of common stock under the ATM Agreement, for net proceeds of \$340,253.

On August 7, 2025, the employment of Laurie A. Myers, the Company's former Executive Vice President and Chief Operating Officer, terminated.

On August 14, 2025, the Board (i) placed Shane Schaffer, Chairman and Chief Executive Officer, on administrative leave pending the resolution of personal legal proceedings, (ii) appointed Jennifer Callahan, the Company's current Chief Financial Officer, to serve as interim Chief Executive Officer, effective immediately and (iii) appointed John A. Roberts, a current member of the Board, to serve as Executive Chairman of the Board, effective immediately. Ms. Callahan will continue to serve as Chief Financial Officer while serving as interim Chief Executive Officer until further action by the Board. In his role as Executive Chairman, Mr. Roberts will among other services, provide operational support to the Company's executive management team.

On July 4, 2025, the U.S. President signed into law the "One Big Beautiful Bill Act" ("OBBBA"). The OBBBA imposes various changes to U.S. federal income tax regulation, including restoring bonus depreciation, removing the requirement to capitalize and amortize domestic research and development expenditures, increasing interest deductibility and reducing certain international deductions. The OBBBA also included certain modifications to the Inflation Reduction Act of 2022, including extending the clean fuel production tax credit from 2027 through 2029. Effects of changes in tax laws, including retroactive changes, are recognized in the financial statements in the period that the changes are enacted. The Company is currently evaluating the potential impact of the OBBBA on its deferred tax balances and other changes required to its financial statements, which will be reflected in the third quarter 10-Q as the enactment date was after period end.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this report. Some of the information contained in this discussion and analysis or set forth elsewhere in this report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2024 (Form 10-K) and in this report, as well as disclosures in this report and our other reports filed with the SEC, for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a biopharmaceutical company using our proprietary Precision Timed Release™ (PTR™) drug delivery platform technology to build and advance a pipeline of next-generation pharmaceutical products designed to improve the lives of patients suffering from frequently diagnosed conditions characterized by burdensome daily dosing regimens and suboptimal treatment outcomes. With an initial focus on the treatment of Attention Deficit/Hyperactivity Disorder (ADHD) and anxiety, we are identifying and evaluating additional therapeutic areas where our PTR technology may be employed to develop future product candidates. Our PTR platform incorporates a proprietary Erosion Barrier Layer (EBL) designed to allow for the release of drug substance at specific, pre-defined time intervals, unlocking the potential for once-daily, multi-dose tablets. We believe there remains a significant, unmet need within the current treatment paradigm for true once-daily ADHD stimulant medications with lasting duration and a superior side effect profile to better serve the needs of patients throughout their entire active-day.

Since inception in 2012, our operations have focused on developing our product candidates, primarily CTx-1301, organizing and staffing our company, business planning, raising capital, establishing our intellectual property portfolio and conducting clinical trials. We do not have any product candidates approved for sale and have not generated any revenue. We have funded our operations through public and private capital raised. Cumulative capital raised from these sources, including debt financing, was approximately \$113.5 million as of June 30, 2025.

We have incurred significant losses since our inception. Our ability to generate product revenue sufficient to achieve profitability will depend on the successful development and commercialization of one or more of our product candidates. Our net losses were \$4.8 million and \$3.2 million for the three months ended June 30, 2025 and 2024, respectively. See “Results of Operations” below for an explanation of the fluctuations in our net losses. As of June 30, 2025, we had an accumulated deficit of \$117.1 million.

We expect to continue to incur significant expenses and operating losses in the near term, as we:

- seek regulatory approval for CTx-1301;
- continue research and development activities for our existing and new product candidates, primarily for CTx-1301;
- continue manufacturing activities, primarily relating to CTx-1301;
- advance commercialization efforts for CTx-1301; and
- operate as a public company.

We filed our NDA for CTx-1301 with the FDA on July 31, 2025 and believe our cash will satisfy our capital needs into late 2025 under our current business plan. To advance our commercialization efforts for CTx-1301 into early 2026, we will need to raise approximately \$1.5 million of additional capital. We will also need additional capital to advance our other programs. See “Liquidity and Capital Resources” below.

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

Management Update

On August 7, 2025, the employment of Laurie A. Myers, our former Executive Vice President and Chief Operating Officer, terminated.

On August 9, 2025, Shane Schaffer, Chairman and Chief Executive Officer, was charged with one count of aggravated domestic battery. On August 14, 2025, the Board (i) placed Shane Schaffer on administrative leave pending the resolution of the legal proceedings, (ii) appointed Jennifer Callahan, our current Chief Financial Officer, to serve as interim Chief Executive Officer, effective immediately and (iii) appointed John A. Roberts, a current member of the Board, to serve as Executive Chairman of the Board, effective immediately. Ms. Callahan will continue to serve as Chief Financial Officer while serving as interim Chief Executive Officer until further action by the Board. In his role as Executive Chairman, Mr. Roberts will among other services, provide operational support to our executive management team.

Clinical, Manufacturing and Business Update

CTx-1301: We designed our clinical program for CTx-1301 (dexamethylphenidate), our lead, investigational product candidate for the treatment of ADHD, based on U.S. Food and Drug Administration (FDA) feedback regarding our CTx-1301 clinical plan, and longstanding guidance on the streamlined approval pathway under Section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act.

In order to meet the pharmacology requirement for the CTx-1301 NDA submission, we completed a food effect study in October 2022 (25mg dose) and December 2024 (50mg dose). Each study demonstrated that CTx-1301 can be taken with or without food.

We initiated two CTx-1301 Phase 3 clinical studies in pediatric and adolescent patients- a fixed dose study and a dose-optimized onset and duration study in a laboratory classroom setting in the third quarter of 2023. Based upon written communication with the FDA that further conduct of these pediatric and adolescent studies is not required for the submission of an NDA, we closed enrollment on both Phase 3 trials. Analysis of the safety data from the two closed Phase 3 trials and the 50mg dose food effect study revealed that no subjects experienced a serious treatment emergent adverse event (TEAE), a serious TEAE or a TEAE leading to death and there were no clinically relevant trends in TEAEs overall. A final analysis that combines both adult and pediatric safety and efficacy data was included in the NDA submission for CTx-1301.

On July 29, 2025, we received a PDUFA (Prescription Drug User Fee Act) fee waiver from the FDA for our NDA for CTx-1301. On July 31, 2025, we submitted the NDA for CTx-1301 to the FDA.

CTx-2103: We have embarked on a program to develop CTx-2103 (buspirone), for the treatment of anxiety, the most common mental health disorder in the United States. We completed a formulation study in which the pharmacokinetics were evaluated for this trimodal tablet providing three precisely timed doses of buspirone versus one immediate release dose. In addition, scintigraphic imaging visualized transit of the tablets through the gastrointestinal tract to confirm both the site and onset of release, which will then be correlated with pharmacokinetic data to establish the full release profile of the CTx-2103 formulation. Based on the pharmacokinetic profile seen in the data, CTx-2103 achieved a triple release of buspirone. These results provided the critical information required to allow us to request a Pre-IND meeting with the FDA to discuss the design of our clinical and regulatory program for CTx-2103 which occurred in the fourth quarter of 2023. We received input from the FDA regarding the regulatory pathway for CTx-2103, and the design of clinical studies for filing of an IND. Based on this FDA feedback, we believe that we can seek and win approval of CTx-2103 under the 505(b)(2) pathway, which typically requires less time and resources than the 505(b)(1) full NDA pathway. Additional capital resources will be required to continue the development of this product candidate.

CTx-1302: We plan to initiate the clinical plan for CTx-1302 (dextroamphetamine), our second investigational asset for the treatment of ADHD, pending additional capital resources.

We entered into a master services agreement with Indegene, Inc. (Indegene) to partner in the commercialization of CTx-1301 in the United States. Indegene's comprehensive commercialization infrastructure includes marketing, sales, market access and pricing, commercial operations, pharmacovigilance, and an unparalleled omnichannel platform. We continue to negotiate potential international licensing agreements while remaining open to a strategic partnership in the United States.

Securities Issuances

We entered into an At The Market Offering Agreement (ATM Agreement) with H.C. Wainwright & Co., LLC (HCW), as sales agent, in January 2023 as amended in May 2023, pursuant to which we may offer and sell, from time to time through HCW, shares of our common stock for aggregate proceeds of up to \$23.5 million based on prospectus supplements filed with the SEC through the date of this report (upon the terms and subject to the conditions and limitations set forth in the ATM Agreement). In the three months ended June 30, 2025, we sold 364,963 shares of common stock under the ATM Agreement, for net proceeds of \$1,578,731, after deducting \$54,363 of compensation to HCW and other administration fees. Subsequent to June 30, 2025, we sold 64,682 shares of common stock under the ATM Agreement, for net proceeds of \$340,253, after deducting \$12,527 of compensation to HCW and other administration fees.

In April 2023, we entered into a purchase agreement (Original LP Purchase Agreement) with Lincoln Park Capital Fund LLC (Lincoln Park). Pursuant to the Original LP Purchase Agreement, Lincoln Park agreed to purchase from us up to an aggregate of \$12.0 million of common stock (upon the terms and subject to the conditions and limitations set forth in the Original LP Purchase Agreement) from time to time and at our sole discretion over the 36-month term of the Original LP Purchase Agreement. During the quarter ended June 30, 2025, we sold 674,006 shares of common stock under the Original LP Purchase Agreement, for net proceeds of \$2,613,247. As of June 30, 2025, the Company sold to Lincoln Park the maximum dollar value worth of common stock pursuant to the Original LP Purchase Agreement, and the Original LP Purchase Agreement thereupon expired in accordance with its terms.

On July 21, 2025, we entered into a new purchase agreement with Lincoln Park (2025 LP Purchase Agreement), pursuant to which Lincoln Park has agreed to purchase from the Company up to an aggregate of \$25.0 million of common stock (subject to certain limitations and satisfaction of the conditions set forth in the 2025 LP Purchase Agreement) from time to time and at the Company's sole discretion over the 36-month term of the 2025 LP Purchase Agreement. Pursuant to the terms of the 2025 LP Purchase Agreement, the Company issued 120,424 shares of common stock to Lincoln Park as consideration for its commitment to purchase shares of common stock under the 2025 LP Purchase Agreement. In August 2025, we sold 69,389 shares of common stock to Lincoln Park, under the 2025 LP Purchase Agreement, for net proceeds of \$349,998.

Subsequent to June 30, 2025, the Company entered into five separate agreements with Streeterville Capital, LLC to exchange an aggregate of \$1,225,000 in principal for 268,738 shares of common stock, thereby extinguishing that portion of the promissory note with Streeterville Capital.

Components of Operating Results

Revenue

Since inception, we have not generated any revenue and do not expect to generate any revenue from the sale of products in the near future. If our development efforts for our product candidates are successful and result in regulatory approval, or if we enter into collaboration or license agreements with third parties, we may generate revenue in the future from a combination of product sales or payments from collaboration of license agreements.

Operating Expenses

Research and Development Expenses

Research and development expenses consist of costs incurred in the discovery and development of our product candidates, and primarily include:

- expenses incurred under third party agreements with contract research organizations (CROs), and investigative sites, that conducted or will conduct our clinical trials and a portion of our pre-clinical activities;
- costs of raw materials, as well as manufacturing cost of our materials used in clinical trials and other development testing;
- expenses, including salaries and benefits of employees engaged in research and development activities;
- costs of manufacturing equipment, depreciation and other allocated expenses; and
- fees paid for contracted regulatory services as well as fees paid to regulatory authorities including the FDA for review and approval of our product candidates.

We expense research and development costs as incurred. Costs for external development activities are recognized based on an evaluation of the progress to completion of specific tasks using information provided to us by our vendors. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and are reflected in our consolidated financial statements as prepaid or accrued costs.

Research and development activities are central to our business model. We expect that our research and development expenses will continue to increase for the foreseeable future as we continue clinical development for our product candidates, as well as adding additional PTR product candidates to our pipeline. As products enter later stages of clinical development, they will generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. Historically, our research and development costs have primarily related to the development of CTx-1301. As we advance CTx-1301, CTx-1302, and CTx-2103, as well as identify any other potential product candidates, we will continue to allocate our direct external research and development costs to the products. We expect to fund our research and development expenses from our current cash and cash equivalents and any future equity or debt financings, or other capital sources.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs for our employees in administrative, executive and finance functions. General and administrative expenses also include professional fees for legal, accounting, audit, tax and consulting services, insurance, office, and travel expenses.

We expect that our general and administrative expenses will increase in the future as we increase our general and administrative headcount to support our growing operations including the potential commercialization of our product candidates. We have experienced, and will continue to experience, increased expenses associated with being a public company, including costs of accounting, audit, legal, regulatory and tax compliance services; director and officer insurance; and investor and public relations costs.

Interest and other income (expense), net

Interest and other income (expense), net consisted of interest expense on our related party notes payable until the last of those obligations were converted to equity in the first quarter of 2024, and interest expense on the promissory note executed in December of 2024, offset by interest earned on our cash and cash equivalents, including money market funds. The primary objective of our investment policy is liquidity and capital preservation.

Critical Accounting Policies and Significant Judgments and Estimates

Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of expenses during a reporting period. Actual results could differ from estimates.

A discussion of these policies can be found in the “Critical Accounting Policies and Significant Judgments and Estimates” section of our Form 10-K. There have been no changes in our application of critical accounting policies since December 31, 2024.

Results of Operations

Comparison of the three months ended June 30, 2025 and 2024

The following table summarizes our results of operations for the three months ended June 30, 2025 and 2024:

(in thousands)	Three Months Ended		Increase	% Increase
	2025	June 30, 2024		
Operating Expenses:				
Research and development	\$ 2,701	\$ 1,881	\$ 820	43.6%
General and administrative	1,949	1,325	624	47.1%
Operating Loss	(4,650)	(3,206)	1,444	45.0%
Interest and other income (expense), net	(139)	(3)	136	NM
Net Loss	<u>\$ (4,789)</u>	<u>\$ (3,209)</u>	<u>\$ 1,580</u>	<u>49.2%</u>

Research and development expenses

The following table summarizes our research and development (R&D) expenses for the three months ended June 30, 2025 and 2024:

(in thousands)	Three Months Ended June 30,		Increase	% Increase
	2025	2024		
Clinical operations	\$ 764	\$ 66	\$ 698	NM
Drug manufacturing and formulation	1,110	1,462	(352)	(24.1)%
Personnel expenses	409	344	65	18.9%
Regulatory costs	418	9	409	NM
Total research and development expenses	<u>\$ 2,701</u>	<u>\$ 1,881</u>	<u>\$ 820</u>	<u>43.6%</u>

R&D expenses were \$2.7 million for the three months ended June 30, 2025, an increase of \$0.8 million or 43.6% from the three months ended June 30, 2024. This change was primarily the result of an increase in clinical operations and regulatory costs in the three months ended June 30, 2025 as compared to the same period in 2024, which was partially offset by a decrease in manufacturing costs. The increase in clinical operations costs is the result of the close-out and analytical activities required for NDA submission related to two Phase 3 studies for CTx-1301, the fixed dose pediatric and adolescent safety and efficacy study and the pediatric does optimization and duration study. Regulatory costs increased in the three months ended June 30, 2025 as compared to the same period in 2024 due to preparation for the pre-NDA meeting with the FDA and NDA submission during the first quarter of 2025. The decrease in manufacturing costs in the three months ended June 30, 2025 as compared to the same period in 2024 was due to more significant manufacturing costs in 2024 related to the completion of registration batches of CTx-1301.

General and administrative expenses

The following table summarizes our general and administrative (G&A) expenses for the three months ended June 30, 2025 and 2024:

(in thousands)	Three Months Ended June 30,		Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Personnel expenses	\$ 459	\$ 404	\$ 55	13.6%
Legal and professional fees	969	494	475	96.2%
Occupancy	88	74	14	18.9%
Insurance	175	241	(66)	(27.4)%
Other	258	112	146	130.4%
Total general and administrative expenses	<u>\$ 1,949</u>	<u>\$ 1,325</u>	<u>\$ 624</u>	<u>47.1%</u>

Total G&A expenses were \$1.9 million for the three months ended June 30, 2025, an increase of \$0.6 million or 47.1% from the three months ended June 30, 2024. This is primarily the result of an increase in legal and professional fees. The increase in legal and professional fees was due to an increase in certain legal, financial and accounting fees.

Interest and other income (expense), net

The following table summarizes interest and other income (expense), net for the three months ended June 30, 2025 and 2024:

(in thousands)	Three Months Ended June 30,		Increase	% Increase
	2025	2024		
Interest and other income (expense), net	\$ (139)	\$ (3)	\$ 136	NM

Total interest and other income (expense), net for the three months ended June 30, 2025 and June 30, 2024 relates to interest incurred on the outstanding notes payable, offset by interest earned on invested balances. The increase in interest expense for the period ended June 30, 2025 is related to interest expense incurred on the promissory note which was executed in December 2024.

Comparison of the six months ended June 30, 2025 and 2024

The following table summarizes our results of operations for the six months ended June 30, 2025 and 2024:

(in thousands)	Six Months Ended June 30,		Increase	% Increase
	2025	2024		
Operating Expenses:				
Research and development	\$ 4,924	\$ 3,688	\$ 1,236	33.5%
General and administrative	3,432	2,466	966	39.2%
Operating Loss	(8,356)	(6,154)	2,202	35.8%
Interest and other income (expense), net	(236)	(28)	208	NM
Net Loss	\$ (8,592)	\$ (6,182)	\$ 2,410	39.0%

Research and development expenses

The following table summarizes our R&D expenses for the six months ended June 30, 2025 and 2024:

(in thousands)	Six Months Ended June 30,		Increase	% Increase
	2025	2024		
Clinical operations	\$ 1,872	\$ 1,143	\$ 729	63.8%
Drug manufacturing and formulation	1,490	1,803	(313)	(17.4)%
Personnel expenses	970	650	320	49.2%
Regulatory costs	592	92	500	NM
Total research and development expenses	\$ 4,924	\$ 3,688	\$ 1,236	33.5%

R&D expenses were \$4.9 million for the six months ended June 30, 2025, an increase of \$1.2 million or 33.5% from the six months ended June 30, 2024. This change was primarily the result of an increase in clinical operations, personnel expenses and regulatory costs in the six months ended June 30, 2025 as compared to the same period in 2024, which were partially offset by a decrease in manufacturing costs. The increase in clinical operations costs is the result of the close-out and analytical activities required for NDA submission related to two Phase 3 studies for CTx-1301, the fixed dose pediatric and adolescent safety and efficacy study and the pediatric does optimization and duration study. Regulatory costs increased in the six months ended June 30, 2025 as compared to the same period in 2024 due to preparation for the pre-NDA meeting with the FDA and NDA submission. Personnel costs increased in the six months ended June 30, 2025 as compared to the same period in 2024 due to the reinstatement of base salaries in September 2024 following salary reduction measures which had been implemented in late 2023. The decrease in manufacturing costs in the six months ended June 30, 2025 as compared to the same period in 2024 was due to more significant manufacturing costs in 2024 related to the completion of registration batches of CTx-1301.

General and administrative expenses

The following table summarizes our G&A expenses for the six months ended June 30, 2025 and 2024:

(in thousands)	Six Months Ended June 30,		Increase (Decrease)	% Increase (Decrease)
	2025	2024		
Personnel expenses	\$ 1,030	\$ 817	\$ 213	26.1%
Legal and professional fees	1,474	810	664	82.0%
Occupancy	150	175	(25)	(14.3)%
Insurance	371	482	(111)	(23.0)%
Other	407	182	225	123.6%
Total general and administrative expenses	<u>\$ 3,432</u>	<u>\$ 2,466</u>	<u>\$ 966</u>	<u>39.2%</u>

Total G&A expenses were \$3.4 million for the six months ended June 30, 2025, an increase of \$1.0 million or 39.2% from the six months ended June 30, 2024. This is primarily the result of an increase in legal and professional fees. The increase in professional fees was due to an increase in certain financial, accounting and legal fees.

Interest and other income (expense), net

The following table summarizes interest and other income (expense), net for the six months ended June 30, 2025 and 2024:

(in thousands)	Six Months Ended June 30,		Increase	% Increase
	2025	2024		
Interest and other income (expense), net	\$ (236)	\$ (28)	\$ 208	NM

Total interest and other income (expense), net for the six months ended June 30, 2025 and June 30, 2024 relates to interest incurred on outstanding notes payable, offset by interest earned on invested balances. The increase in interest expense for the period ended June 30, 2025 is related to interest expense incurred on the promissory note which was executed in December 2024.

Cash Flows

	Six Months Ended	
	June 30,	
	2025	2024
Net cash (used in) operating activities	\$ (9,500)	\$ (10,488)
Net cash (used in) investing activities	(6)	(154)
Net cash provided by financing activities	6,195	10,971
Net increase (decrease) in cash and cash equivalents	<u>\$ (3,311)</u>	<u>\$ 329</u>

Cash Flows from Operating Activities

Net cash used in operating activities was \$9.5 million for the six months ended June 30, 2025. Cash used in operating activities was primarily due to the use of funds in our operations and to develop CTx-1301 resulting in a net loss of \$8.6 million, prior to the effects of two noncash items, stock-based compensation expense of \$0.4 million and depreciation expense of \$0.3 million. Changes in operating assets and liabilities included a decrease in trade accounts payable and accrued expenses of \$0.9 million primarily due to the payment of vendor balances in the first quarter of 2025 and an increase in prepaid expenses and other current assets of \$0.9 million primarily due to payments for professional and marketing fees.

Net cash used in operating activities was \$10.5 million for the six months ended June 30, 2024. Cash used in operating activities was primarily due to the use of funds in our operations to develop our product candidates resulting in a net loss of \$6.2 million, prior to the effects of two noncash items, stock-based compensation expense of \$0.5 million and depreciation expense of \$0.3 million. Changes in operating assets and liabilities included a decrease in trade accounts payable and accrued expenses of \$5.3 million due to the payment of vendor balances in the first quarter of 2024 with the cash proceeds from the issuance of common stock pursuant to our ATM Agreement in January 2024 and the issuance of equity in February 2024.

Cash Flows from Investing Activities

Net cash used in investing activities for both the six-month periods ended June 30, 2025 and June 30, 2024 was primarily related to the purchase of equipment to support our research and development.

Cash Flows from Financing Activities

Net cash provided by financing activities for the six-month period ended June 30, 2025 was related to the cash proceeds from the issuance of common stock pursuant to the ATM Agreement and the Original LP Purchase Agreement.

Net cash provided by financing activities for the six-month period ended June 30, 2024 was related to the cash proceeds from the issuance of common stock pursuant to the ATM Agreement, the Original LP Purchase Agreement and the issuance of equity in February 2024.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception in 2012 through June 30, 2025, we have not generated any revenue and have incurred significant operating losses and negative cash flow from our operations.

In the three months ended June 30, 2025, we sold 364,963 shares of common stock under the ATM Agreement, for net proceeds of \$1,578,731, after deducting \$54,363 of compensation to HCW and other administration fees. Subsequent to June 30, 2025, we sold 64,682 shares of common stock under the ATM Agreement, for net proceeds of \$340,252, after deducting \$12,527 of compensation to HCW and other administration fees.

During the three months ended June 30, 2025, we sold 674,006 shares of common stock under the Original LP Purchase Agreement, for net proceeds of \$2,613,247. Subsequent to June 30, 2025, we sold 69,389 shares of common stock under the 2025 LP Purchase Agreement, for net proceeds of \$349,998.

As of June 30, 2025, we had cash and cash equivalents of \$8.9 million. We believe our cash will satisfy our capital needs into late 2025 under our current business plan. To advance our commercialization efforts for CTx-1301 into early 2026 we will need to raise approximately \$1.5 million of additional capital. Changing circumstances may cause us to expend cash significantly faster than we currently anticipate, and we may need to spend more cash than currently expected because of circumstances beyond our control. Our policy is to invest any cash in excess of our immediate requirements in investments designed to preserve the principal balance and provide liquidity while producing a modest return on investment. Accordingly, our cash equivalents are invested primarily in money market funds which are currently providing only a minimal return given the current interest rate environment.

We expect to continue to incur substantial additional operating losses for the near term as we continue to develop our product candidates, primarily CTx-1301 and seek marketing approval and, subject to obtaining such approval, the eventual commercialization of our product candidates. If we obtain marketing approval for our product candidates, we will incur significant sales, marketing and outsourced manufacturing expenses. In addition, we expect to incur additional expenses to add operational, financial and information systems and personnel, including personnel to support our planned product commercialization efforts. We also expect to incur significant costs to comply with corporate governance, internal controls and similar requirements applicable to us as a public company.

Our future use of operating cash and capital requirements will depend on many forward-looking factors, including the following:

- the cost and timing of manufacturing the clinical supply of our product candidates;
- the initiation, progress, timing, costs and results of clinical trials for our product candidates;
- the clinical development plans we establish for each product candidate;
- the number and characteristics of product candidates that we develop or may in-license;
- the terms of any collaboration or license agreements we may choose to execute;
- the outcome, timing and cost of meeting regulatory requirements established by the FDA or other comparable foreign regulatory authorities;
- the cost of filing, prosecuting, defending and enforcing our patent claims and other intellectual property rights;
- the cost of defending intellectual property disputes, including patent infringement actions brought by third parties against us;
- the cost and timing of the implementation of commercial scale manufacturing activities; and
- the cost and timing of outsourcing our commercialization efforts, including, sales, marketing and distribution capabilities for any product candidates for which we may receive regulatory approval in regions where we choose to commercialize our products.

To continue to grow our business over the longer term, we plan to commit substantial resources to research and development, including clinical trials of our product candidates, and other operations and potential product acquisitions and in-licensing. We have evaluated and expect to continue to evaluate a wide array of strategic transactions as part of our plan to acquire or in-license and develop additional products and product candidates to augment our internal development pipeline. Strategic transaction opportunities that we may pursue could materially affect our liquidity and capital resources and may require us to incur additional indebtedness, seek equity capital or both. In addition, we may pursue development, acquisition or in-licensing of approved or development products in new or existing therapeutic areas or continue the expansion of our existing operations. Accordingly, we expect to continue to opportunistically seek access to additional capital to license or acquire additional products, product candidates or companies to expand our operations, or for general corporate purposes.

If we raise additional funds by issuing equity securities, our stockholders will experience dilution. Debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

For example, pursuant to the Note Purchase Agreement with Streeterville Capital, LLC, we are subject to certain restrictions on our ability to issue securities during the term of the promissory note. Specifically, we have agreed, among other things, to refrain from entering into any agreement or covenant that locks up, restricts or otherwise prohibits us from entering into a variable rate transaction with Lender or any of its affiliates, or from issuing common stock or other equity or debt securities to Lender or any of its affiliates. If we breach the Note Purchase Agreement, we may be obligated to indemnify Lender for loss or damage arising as a result of any breach or alleged breach by us of the Note Purchase Agreement, which may affect our business operations and financial condition. Additionally, the promissory note provides that following an event of default under the promissory note, Lender has the right to seek and receive injunctive relief from a court or an arbitrator prohibiting us from issuing any of our common stock or preferred stock to any party unless fifty percent of the gross proceeds received by us in connection with such issuance are simultaneously used to make a payment under the promissory note. Lender also has the right to seek and receive injunctive relief from a court or arbitrator to prevent the consummation of any fundamental transaction, as defined in the promissory note, unless it contains a closing condition that the promissory note is paid in full upon consummation of the transaction or the lender has provided its written consent to such transaction.

Any debt financing or additional equity that we raise may contain terms, such as liquidation and other preferences that are not favorable to us or our existing stockholders. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish valuable rights to our technologies, future revenue streams or product candidates or to grant licenses on terms that may not be favorable to us. Adequate funding may not be available to us on acceptable terms, or at all. If we fail to raise capital or enter into such agreements as and when needed, we may have to significantly delay, scale back or discontinue the development and commercialization of our product candidates.

Contractual Obligations

The following summarizes our contractual obligations as of June 30, 2025 that will affect our future liquidity.

We entered into a patent and know-how licensing agreement with BDD Pharma Limited in August 2018. See “Item 1. Business – Material Agreements” section of our Form 10-K for a description of this agreement. We are required to pay BDD Pharma certain amounts in connection with clinical trial and regulatory milestones. The first milestone payment of \$250,000 was paid in February 2023 upon dosing of the first patient in the Phase 3 adult onset and duration study for CTx-1301. Additional payments will become due upon completion of certain milestones as defined in the agreement. The next milestone payment of \$250,000 is due upon submission of the NDA.

We entered into agreements with Societal, our CMO, for both the manufacturing of pre-process validation batches of our lead asset, CTx-1301 and active pharmaceutical ingredients and materials to be used in process validation batches with a total estimated cost of approximately \$2.4 million.

In May 2025, the Company executed a lease to renew the office space for its headquarters in Kansas City, Kansas. The lease has a five-year term that commenced on June 1, 2025 with total rent of \$33,145 per month over the lease term. The operating lease right-of-use asset was \$1,447,220, the current portion of the operating lease liability was \$223,633 and the long-term portion of the lease liability was \$1,223,587 as of June 30, 2025.

Going Concern

Since inception we have been engaged in organizational activities, including raising capital and research and development activities. We have not generated revenues and have not yet achieved profitable operations, nor have we ever generated positive cash flow from operations. There is no assurance that profitable operations, if achieved, could be sustained on a continuing basis. We are subject to those risks associated with any pre-clinical stage pharmaceutical company that has substantial expenditures for research and development. There can be no assurance that our research and development projects will be successful, that products developed will obtain necessary regulatory approval, or that any approved product will be commercially viable. In addition, we operate in an environment of rapid technological change that is largely dependent on the services of our employees and consultants. Further, our future operations are dependent on the success of our efforts to raise additional capital. These uncertainties raise substantial doubt about our ability to continue as a going concern for one year after the issuance date of our financial statements. The accompanying consolidated financial statements have been prepared on a going concern basis. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the company to continue as a going concern, which contemplates the continuation of operations, realization of assets and liquidation of liabilities in the ordinary course of business. We have incurred a net loss for the three months ended June 30, 2025 and 2024 and had accumulated losses of \$117.1 million since inception to June 30, 2025. We anticipate incurring additional losses until such time, if ever, that we can generate significant revenue from our product candidates currently in development. Our sources of capital have included private capital raises in various classes of units of CTx prior to the Reorganization Merger, the issuance of equity securities in connection with our initial public offering (IPO), follow-on public offerings in September 2023 and February 2024, sales of common stock under our ATM Agreement, Original LP Purchase Agreement and 2025 LP Purchase Agreement, a private placement with WFIA, the WFIA Note, which was subsequently converted to equity, the June 2024 warrant inducement and the issuance of the promissory note in December 2024. Additional capital will be needed by us to fund our operations, to complete development of and to commercially develop our product candidates. There is no assurance that such capital will be available when needed or on acceptable terms.

JOBS Act

On April 5, 2012, the Jumpstart Our Business Startups Act of 2012 (JOBS Act) was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for an “emerging growth company.” As an “emerging growth company,” we are electing to take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for emerging growth companies.

Subject to certain conditions set forth in the JOBS Act, as an “emerging growth company,” we are not required to, among other things, (i) provide an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (auditor discussion and analysis), and (iv) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation. These exemptions will apply until the fifth anniversary of the completion of our IPO or until we no longer meet the requirements for being an “emerging growth company,” whichever occurs first.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures.

Evaluation of Our Disclosure Controls

We maintain a system of disclosure controls and procedures that is designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) is recorded, processed, summarized and reported within time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to the our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Our Interim Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) as of June 30, 2025, has concluded that our disclosure controls and procedures were effective as of June 30, 2025.

Evaluation of Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

See Part I, Item 1, Notes to Consolidated Financial Statements, Note 6 – Contingencies, of this report.

Item 1A. Risk Factors.

Our business is subject to substantial risks and uncertainties. Investing in our securities involves a high degree of risk. You should carefully consider the risk factors in Part I, Item 1A of our Form 10-K, together with the information contained elsewhere in this report, including Part I, Item 1 “Financial Statements” and Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in our other SEC filings in evaluating our business. These risks and uncertainties could materially and adversely affect our business, financial condition, results of operations, prospects for growth, and the value of an investment in our securities.

Except as set forth below, there were no material changes to the risk factors previously disclosed in our Form 10-K.

If we fail to attract and retain management and other key personnel, we may be unable to continue to successfully develop or commercialize our product candidates or otherwise implement our business plan.

Our ability to compete in the highly competitive pharmaceuticals industry depends upon our ability to attract and retain highly qualified managerial, scientific, medical, sales and marketing and other personnel. We are highly dependent on our management and scientific personnel. The loss of the services of any of these individuals could impede, delay or prevent the successful development of our product pipeline, completion of our planned clinical trials, commercialization of our product candidates or in-licensing or acquisition of new assets and could negatively impact our ability to successfully implement our business plan. If we lose the services of any of these individuals, we might not be able to find suitable replacements on a timely basis or at all, and our business could be harmed as a result. In December 2023, two executive officers, including our Chief Financial Officer, and two clinical operations employees resigned. On January 25, 2024, we appointed Ms. Callahan as our Senior Vice President and Chief Financial Officer. In August 2025, the employment of our Chief Operating Officer was terminated. Also in August 2025, our Chairman and Chief Executive Officer was placed on administrative leave, and in connection with that action, our Chief Financial Officer was appointed to serve as interim Chief Executive Officer and a current member of our Board was appointed to serve as Executive Chairman of the Board.

In December 2023, four independent members of our Board resigned resulting in our Board consisting of two non-independent directors, one of whom is our Chief Executive Officer. On December 26, 2023, we received a letter from the Staff indicating that, based upon the resignation of three members of our Board on December 12, 2023 and December 13, 2023, we no longer comply with the independent director, audit committee, compensation committee and independent director oversight of director nominations requirements as set forth in Nasdaq Listing Rule 5605 (the “Independent Director Rule”). On February 12, 2024, our Board appointed three independent directors to the Board and subsequently regained compliance with the Independent Director Rule. There can be no assurance that we will be able to retain key management personnel and members of our Board or attract replacements in the event of their departure from the Company.

We maintain “key man” insurance policies on the lives of specific individuals but not on the lives of all critical employees. In order to retain valuable employees at our company, in addition to salary and cash incentives, we may provide stock options that vest over time. The value to employees of stock options that vest over time will be significantly affected by movements in our stock price that are beyond our control and may at any time be insufficient to counteract offers from other companies.

We might not be able to attract or retain qualified management and other key personnel in the future due to the intense competition for qualified personnel among biotechnology, pharmaceutical and other businesses. We could have difficulty attracting experienced personnel to our company and may be required to expend significant financial resources in our employee recruitment and retention efforts. Many of the other pharmaceutical companies with whom we compete for qualified personnel have greater financial and other resources, different risk profiles and longer histories in the industry than we do. They also may provide more diverse opportunities and better chances for career advancement. If we are not able to attract and retain the necessary personnel to accomplish our business objectives, we may experience constraints that will harm our ability to implement our business strategy and achieve our business objectives.

In addition, we have scientific and clinical advisors who assist us in formulating our development and clinical strategies. These advisors are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us. In addition, our advisors may have arrangements with other companies to assist those companies in developing products or technologies that may compete with ours.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements

In the second quarter of 2025, no director or officer (as defined in Exchange Act Rule 16a-1(f)) of the Company adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement for the purchase or sale of securities of the Company, within the meaning of Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of Cingulate Inc., as amended to date	10-Q	3.1	8/13/2024
3.2	Amended and Restated Bylaws of Cingulate Inc.	10-K	3.2	3/28/2022
10.1	Master Services Agreement, effective May 7, 2025, between Indegene, Inc. and Cingulate Therapeutics LLC	10-Q	10.4	5/8/2025
10.2	Amendment No. 2 to the Cingulate Inc. 2021 Omnibus Equity Incentive Plan	8-K	10.1	6/11/2025
10.3*+	Employment Agreement, dated July 8, 2025, between Cingulate Therapeutics LLC and Nilay D. Patel			
31.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
32.1**	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.			
101.SCH*	Inline XBRL Taxonomy Extension Schema			
101.CAL*	Inline XBRL Extension Calculation Linkbase			
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase			
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase			
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase			
104*	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)			

* Filed Herewith

** Furnished Herewith

+ Indicates a management contract or compensatory plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CINGULATE INC.

Date: August 19, 2025

By: /s/ Jennifer L. Callahan

Jennifer L. Callahan

Interim Chief Executive Officer and Chief Financial Officer

(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

EMPLOYMENT AGREEMENT

This **AGREEMENT** (this "Agreement") is made and effective as of this 8th day of July, 2025 (the "Effective Date") by and between **CINGULATE THERAPEUTICS LLC**, a Delaware Limited Liability Company, whose address is 1901 West 47th Place, Suite 300, Kansas City, KS 66205, (the "Company") and **NILAY D. PATEL** (the "Executive"). (The Company and the Executive hereinafter sometimes referred to as the "Parties".)

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to be employed by the Company on the terms contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Position and Duties. The Company will employ Executive, and Executive agrees to work for the Company, as its Senior Vice President, Chief Legal Officer and Chief Compliance Officer to perform the duties and responsibilities inherent in such position and such other duties and responsibilities consistent with such position as the Company's Board of Managers (or Board of Directors) (the "Board") shall from time to time assign to him. Executive shall report directly to the Chief Executive Officer (the "CEO") and shall be subject to the supervision of, and shall have such authority as is delegated to him by, the Board and/ or CEO, which authority shall be sufficient to perform his duties hereunder. Executive shall devote his best efforts in the performance of the foregoing, provided that he may accept board memberships or participate in charitable and similar organizations which are not in conflict with his primary obligations to the Company, further provided that such activities shall be approved by the Board, in writing, which approval shall not be unreasonably withheld. Executive may be required to travel from time to time in connection with his position. The Executive shall devote his full working time and efforts to the business and affairs of the Company.
2. Place of Performance. The principal place of Executive's employment shall be the from Executive's residence. The Executive is expected to perform his duties and responsibilities at the Company headquarters in Kansas City or other Company location(s) on average eight days per month. Provided Company reimburses Executive for reasonable relocation expenses, Executive shall make the Kansas City metropolitan area his principal place of employment within 18 months of execution of this agreement unless otherwise agreed to in writing by the CEO.
3. Compensation and Related Matters.
 - (a) Base Salary. The Executive's annual base salary shall be in the amount of Three Hundred and Sixty-four Thousand (\$364,000.00) Dollars starting on the Effective Date, and continuing thereafter. Following the FDA's acceptance of the NDA for CTx-1301 and contingent on the Executive's performance and the CEO's discretion, which shall not be unreasonably withheld, the Executive's annual base salary will be increased to Four Hundred Thousand (\$400,000) Dollars along with the title change to Executive Vice President. The Executive's base salary shall be reviewed annually by the Board in consultation with the Company's annual budget, and the Board may, but shall not be required to, increase the base salary. However, the Executive's base salary may not be decreased by the Board other than as part of an across-the-board salary reduction that applies in the same manner to all senior executives. The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent

with the Company's usual payroll practices for senior executives.

- (b) Expenses. The Company shall reimburse Executive for reasonable travel, entertainment, mileage, and other business expenses incurred by Executive (including travel to Cingulate offices) in the performance of his duties hereunder in accordance with the Company's general policies, as amended from time to time, and subject to any maximum annual limit and other restrictions on such expenses set by the Company, and subject to such reasonable substantiation and documentation and other requirements as may be specified by the Company from time to time.
 - (c) Employee Benefits. Executive shall be entitled to participate in all employee benefit plans, policies, practices and programs maintained by the Company, as in effect from time to time, to the extent consistent with applicable law and the terms of the applicable employee benefit plans, policies, practices and programs, including without limitation health care benefits, any 401k plan and equity plans. Executive understands that, except when prohibited by applicable law, the Company's benefit plans may be amended by the Company from time to time in its sole discretion.
 - (d) Incentive and Deferred Compensation. Executive shall be eligible to participate in all incentive and deferred compensation programs available to other executives or officers of the Company, such participation to be in the same form, under the same terms, and to the same extent that such programs are made available to other such executives or officers. Nothing in this Employment Agreement shall be deemed to require the payment of bonuses, awards, or incentive compensation to Executive if such payment would not otherwise be required under the terms of the Company's incentive compensation programs.
 - (e) Bonus Compensation. Executive will be eligible for an annual bonus, which if awarded, will amount to at least Twenty-Five (25%) of Executive's annual base salary ("Annual Target Bonus"), determined in the sole discretion of the Compensation Committee of the Company and based upon achievement of the Company's performance goals and Executive's individual performance goals, as recommended by the CEO. Executive's bonus compensation is subject to change in the sole discretion of the Compensation Committee of the Company at the recommendation of the CEO and will be reviewed on an annual basis.
 - (f) Vacation; Paid Time Off. Executive shall be entitled to Paid Time Off ("PTO") in accordance with the Company's Team Member Handbook.
 - (g) Equity Awards. Within six-months following the Effective Date, the Company will grant Executive an equity award in an amount commensurate with industry benchmarks and Company's other senior executives. The equity award will be evidenced by an award agreement setting forth its terms and conditions and vesting schedule. Executive will also be entitled to receive annual future equity awards to the extent that annual equity or long-term incentive awards are provided to Company's other senior executives and in an amount commensurate with industry benchmarks and Company's other senior executives. All equity grants are contingent upon Compensation Committee approval.
4. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:
- (a) Death. The Executive's employment hereunder shall terminate upon his death.

- (b) Disability. The Company may terminate the Executive's employment if he is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of one hundred eighty (180) days (which need not be consecutive) in any twelve (12) month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 4(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*
- (c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause.
- (i) For purposes of this Agreement, "Cause" shall mean: (i) Executive's willful engagement in gross misconduct in connection with the performance of his duties, which is materially injurious to the Company or its affiliates, including, without limitation, misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and de minimis use of Company property for personal purposes; (ii) the commission by the Executive of any felony or a misdemeanor involving moral turpitude, deceit, dishonesty or fraud, or any conduct by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries and affiliates if he were retained in his position; (iii) willful failure by the Executive to perform his duties hereunder (other than by reason of the Executive's physical or mental illness, incapacity or disability), which has continued for more than fifteen (15) days following written notice of such failure to perform from the Board; (iv) a breach by the Executive of any of the provisions contained in Section 8 (Confidentiality) of this Agreement; (v) a material violation by the Executive of a material written employment policy of the Company, or (vi) failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.
- (ii) For purposes of this Section 4(c), no act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

- (iii) Termination of the Executive's employment shall not be deemed to be for Cause unless and until the Company delivers to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than eighty (80%) percent of the Board (after reasonable written notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that the Executive has engaged in any conduct described under Section 4(c)(i) above. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, the Executive shall have ten (10) business days from the delivery of written notice by the Company within which to cure any acts constituting Cause; provided however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give the Executive notice of such shorter period within which to cure as is reasonable under the circumstances, which may include the termination of the Executive's employment without notice and with immediate effect.
- (d) Termination Without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 4(c) and does not result from the death or disability of the Executive under Section 4(a) or (b) shall be deemed a termination without Cause.
- (e) Termination by the Executive. The Executive may terminate his employment hereunder at any time for any reason, including but not limited to Good Reason.

 - (i) For purposes of this Agreement, "Good Reason" shall mean any of the following events: (A) a material diminution in the Executive's responsibilities, authority or duties, provided that a change in the Executive's title shall not, in and of itself, constitute Good Reason; (B) a material diminution in the Executive's base compensation, other than as part of an across-the-board salary reduction that applies in the same manner to all senior executives; (C) a material diminution in the responsibilities, authority or duties of the supervisor to whom the Executive is required to report, including a requirement that Executive report to a corporate officer or employee instead of reporting directly to the CEO and/or Board (or similar governing body with respect to an entity other than a corporation); (D) a material change in the geographic location at which the Executive must perform the services under this Agreement, provided that an increase in the number of days per month the Executive is expected to work in-office in Kansas City shall not, in and of itself, constitute Good Reason; or (E) the material breach of this Agreement by the Company.
 - (ii) The Executive cannot terminate employment for Good Reason unless the Executive notifies the Company in writing of the existence of the circumstances providing grounds for termination for Good Reason condition within ninety (90) days of the initial existence of such grounds and the Company has had at least thirty (30) days following such notice (the "Cure Period"), to remedy such circumstances. If the Executive does not terminate employment for Good Reason within one hundred twenty (120) days after the first occurrence of the applicable grounds, then the Executive will be deemed to have waived the right to terminate for Good Reason with respect to such grounds. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.
- (f) Notice of Termination. Except for termination as specified in Section 4(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be

communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate: (i) the specific termination provision in this Agreement relied upon; (ii) to the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated; and (iii) the applicable Date of Termination.

- (g) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by his death, the date of his death; (ii) if the Executive's employment is terminated on account of disability under Section 4(b), by the Company for Cause under Section 4(c) or by the Company under Section 4(d), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Executive under Section 4(e) without Good Reason, thirty (30) days after the date on which a Notice of Termination is given, and (iv) if the Executive's employment is terminated by the Executive under Section 4(e) for Good Reason, the date specified in the Executive's Notice of Termination, but in no event sooner than the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination, and such acceleration shall not result in a termination by the Company for purposes of this Agreement. Notwithstanding anything contained herein, the Date of Termination shall not occur until the date on which the Executive incurs a "separation from service" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

5. Compensation Upon Termination.

- (a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate): (i) any earned but unpaid base salary and accrued but unused vacation, on or before thirty (30) days after the Executive's Date of Termination; (ii) any unpaid expense reimbursements, which shall be subject to and paid in accordance with the Company's expense reimbursement policy, on or before thirty (30) days after the Executive's Date of Termination; (iii) any incentive compensation earned but not yet paid, which shall be paid on the otherwise applicable payment date; and (iv) any vested benefits the Executive may be entitled to under any employee benefit plan of the Company, provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein (the "Accrued Benefit").
- (b) Termination by the Company Without Cause or by the Executive with Good Reason. If the Executive's employment is terminated by the Company without Cause as provided in Section 4(d), or the Executive terminates his employment for Good Reason as provided in Section 4(e), then the Company shall pay the Executive his Accrued Benefit. In addition:
- (i) Subject to the Executive signing a general release of claims approved by the Company and in favor of the Company and related persons and entities in a form and manner satisfactory to the Company (the "Release"), that has become irrevocable in accordance with its terms within twenty-eight (28) days following the Executive's termination of employment (such twenty-eight (28) day period, the "Release Execution Period"), the Company will pay the Executive a lump sum amount in cash equal to fifty percent (50%) of the Executive's Base Salary and Annual Target Bonus (the "Severance Amount") following the execution of the Release and the conclusion of any revocation period associated with the Release; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall

not be made until the beginning of the second taxable year. Notwithstanding the foregoing, if the Executive breaches any of the provisions contained in Section 8 of this Agreement, the Severance Amount shall be forfeited; consistent with the "Place of Performance" (Section 2), the "Severance Amount" shall adjust to one hundred percent (100%) upon Executive relocation or agreement in writing by the CEO; and

- (ii) Notwithstanding anything to the contrary in any applicable equity plan or award agreement, upon the Date of Termination, all stock options and stock appreciation rights held by the Executive in which the Executive would have vested if he had remained employed for an additional four (4) months following the Date of Termination shall become vested and exercisable as of the Date of Termination for the remainder of their full term.
6. Change in Control Payment. The provisions of this Section 6 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 5(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs within twelve (12) months after the occurrence of the first event constituting a Change in Control. These provisions shall terminate and be of no further force or effect beginning twelve (12) months after the occurrence of a Change in Control.
- (a) Change in Control. If within twelve (12) months after a Change in Control, the Executive's employment is terminated by the Company without Cause as provided in Section 4(d) or the Executive terminates his employment for Good Reason as provided in Section 4(e), then:
 - (i) Subject to the Executive signing the Release and the Release becoming effective at the end of the Release Execution Period, the Company shall pay the Executive a lump sum amount in cash equal to one-hundred percent (100%) of the Executive's Base Salary and Annual Target Bonus in effect immediately prior to the Change in Control, within sixty (60) days following the Date of Termination; provided that, if the Release Execution Period begins in one taxable year and ends in another taxable year, payment shall not be made until the beginning of the second taxable year; and
 - (ii) Notwithstanding anything to the contrary in any applicable equity incentive plan or award agreements, upon the Date of Termination, all stock options and stock appreciation rights held by the Executive shall become fully vested and exercisable as of the Date of Termination for the remainder of their full term.
 - (b) Additional Limitation. Notwithstanding anything in this Agreement or any other plan, arrangement or agreement to the contrary:
 - (i) If any of the payments or benefits provided or to be provided by the Company or its affiliates to the Executive or for the Executive's benefit pursuant to the terms of this Agreement or otherwise ("Covered Payments") constitute parachute payments within the meaning of Section 280G of the Code ("Parachute Payments") and would, but for this Section 6(b) be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such

taxes (collectively, the "Excise Tax"), then the Covered Payments shall be either (i) reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax (that amount, the "Reduced Amount") or (ii) payable in full if the Executive's receipt on an after-tax basis of the full amount of payments and benefits (after taking into account the applicable federal, state, local and foreign income, employment and excise taxes (including the Excise Tax)) would result in the Executive receiving an amount greater than the Reduced Amount.

- (ii) Any such reduction shall be made in accordance with the requirements of Section 409A of the Code and the following: (A) the Covered Payments which do not constitute nonqualified deferred compensation subject to Section 409A of the Code shall be reduced first; (B) then cash payments shall be reduced before non-cash payments; and (C) payments to be made on a later payment date shall be reduced before payments to be made on an earlier payment date.
 - (iii) Any determination required under this Section shall be made in writing in good faith by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within fifteen (15) business days of the Date of Termination or at such earlier time as is reasonably requested by the Company or the Executive. The Company and the Executive shall provide the Accounting Firm with such information and documents as the Accounting Firm may reasonably request in order to make a determination under this Section. For purposes of making the calculations and determinations required by this Section, the Accounting Firm may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. Furthermore, for purposes of the determination required under this Section, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of the Executive's residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. The Company shall be responsible for all fees and expenses incurred by the Accounting Firm in connection with the calculations required by this Section.
- (c) Definitions. For purposes of this Section 6, "Change in Control" shall mean any of the following:
- (i) Any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Act") (other than the Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 50 percent or more of the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Board ("Voting Securities") (in such case other than as a result of an acquisition of securities directly from the Company); or The consummation of (A) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, shares

representing in the aggregate more than 50 percent of the voting shares of the Company issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), or (B) any sale or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company.

- (ii) Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred for purposes of the foregoing clause (i) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by any person to 50 percent or more of the combined voting power of all of the then outstanding Voting Securities; provided, however, that if any person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Company) and immediately thereafter beneficially owns 50 percent or more of the combined voting power of all of the then outstanding Voting Securities, then a "Change in Control" shall be deemed to have occurred for purposes of the foregoing clause (i).

7. Section 409A.

- (a) Anything in this Agreement to the contrary notwithstanding, if any payment or benefit provided to the Executive in connection with the Executive's termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the Executive is determined to be a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then such payment or benefit shall not be paid until the date that is the earlier of (A) six (6) months and one day after the Executive's separation from service, or (B) the Executive's death. The aggregate of any payments that would otherwise have been paid during the six (6) month period but for the application of this provision shall be paid to the Executive in a lump sum on the date specified above, and any remaining payments shall be payable in accordance with their original schedule.
- (b) To the extent required by Section 409A of the Code, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance with the following: (i) all reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred; (ii) the amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year; and such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.
- (c) Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A of the Code and the regulations thereunder.
- (d) The Parties intend that this Agreement will be administered in accordance with Section 409A of the Code. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. The Parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided

hereunder without additional cost to either party.

- (e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Confidential Information, Noncompetition and Cooperation.

- (a) Confidential Information. As used in this Agreement, “Confidential Information” means information belonging to the Company which is of value to the Company in the course of conducting its business and the disclosure of which could result in a competitive or other disadvantage to the Company. Confidential Information includes, without limitation, financial information, reports, and forecasts; inventions, improvements and other intellectual property; trade secrets; know-how; designs, processes or formulae; software; market or sales information or plans; customer lists; and business plans, prospects and opportunities (such as possible acquisitions or dispositions of businesses or facilities) which have been discussed or considered by the management of the Company. Confidential Information includes information developed by the Executive in the course of the Executive’s employment by the Company, as well as other information to which the Executive may have access in connection with the Executive’s employment. Confidential Information also includes the confidential information of others with which the Company has a business relationship. Notwithstanding the foregoing, Confidential Information does not include information in the public domain, unless due to breach of the Executive’s duties under Section 8(b).
- (b) Confidentiality. The Executive understands and agrees that he will have access to Confidential Information in the course of his employment with the company, and the Executive’s employment creates a relationship of confidence and trust between the Executive and the Company with respect to all Confidential Information. At all times, both during the Executive’s employment with the Company and after its termination, the Executive will keep in confidence and trust all such Confidential Information, and will not use or disclose any such Confidential Information without the written consent of the Company, except as may be necessary in the ordinary course of performing the Executive’s duties to the Company.
- (c) Notice of Immunity Under the Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016. Notwithstanding any provision of this Agreement:
 - (i) The Executive will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document that is filed under seal in a lawsuit or other proceeding.
 - (ii) If the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the Company’s trade secrets to the Executive’s attorney and use the trade secret information in the court proceeding if the Executive (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

- (d) Documents, Records, etc. All documents, records, data, apparatus, equipment and other physical property, whether or not pertaining to Confidential Information, which are furnished to the Executive by the Company or are produced by the Executive in connection with the Executive's employment will be and remain the sole property of the Company. The Executive will return to the Company all such materials and property as and when requested by the Company. In any event, the Executive will return all such materials and property immediately upon termination of the Executive's employment for any reason. The Executive will not retain with the Executive any such material or property or any copies thereof after such termination.
- (e) Noncompetition and Nonsolicitation. During the Executive's employment with the Company and for twelve (12) months thereafter, regardless of the reason for the termination, the Executive (i) will not, directly or indirectly, whether as owner, partner, shareholder, consultant, agent, employee, co-venturer or otherwise, manage, control, participate in, consult with, contribute to, render services for, or invest in any Competing Business (as hereinafter defined); (ii) will refrain from directly or indirectly employing, attempting to employ, recruiting or otherwise soliciting, inducing or influencing any person to leave employment with the Company (other than terminations of employment of subordinate employees undertaken in the course of the Executive's employment with the Company); and (iii) will refrain from soliciting or encouraging any customer or supplier of the Company to terminate or otherwise modify adversely its business relationship with the Company. The Executive understands that the restrictions set forth in this Section 8(e) are intended to protect the Company's interest in its Confidential Information and established employee, customer and supplier relationships and goodwill, and agrees that such restrictions are reasonable and appropriate for this purpose. For purposes of this Agreement, the term "Competing Business" shall mean the treatment of Central Nervous System and Neurobiological Disorders, including but not limited to the treatment of Attention Deficit Hyperactivity Disorder (ADHD) conducted anywhere in the world which is competitive with the business which the Company or any of its affiliates conducts or proposes to conduct at any time during the employment of the Executive. Notwithstanding the foregoing, the Executive may own up to one percent (1%) of the outstanding stock of a publicly held corporation which constitutes or is affiliated with a Competing Business. And, notwithstanding the foregoing, this Agreement will not be construed to restrict the right of the Executive to practice law following the termination of his relationship with the Company.
- (f) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.
- (g) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company. The Executive's full cooperation in connection with such claims or actions shall

include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(g).

- (h) Injunction. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the promises set forth in this Section 8, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, subject to Section 8 of this Agreement, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.
9. Arbitration of Disputes. Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Executive's employment or the termination of that employment (including, without limitation, any claims of unlawful employment discrimination whether based on age or otherwise) shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the Parties or, in the absence of such an agreement, under the auspices of the American Arbitration Association ("AAA") in the Company's state of incorporation in accordance with the Employment Dispute Resolution Rules of the AAA, including, but not limited to, the rules and procedures applicable to the selection of arbitrators. In the event that any person or entity other than the Executive or the Company may be a party with regard to any such controversy or claim, such controversy or claim shall be submitted to arbitration subject to such other person or entity's agreement. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 9 shall be specifically enforceable. Notwithstanding the foregoing, this Section 9 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 9.
10. Consent to Jurisdiction. To the extent that any court action is permitted consistent with or to enforce Sections 7 and/or 8 of this Agreement, the Parties hereby consent to the jurisdiction of the Company's state of incorporation. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.
11. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements between the Parties concerning such subject matter.
12. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

13. Successor to the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation).
14. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
15. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.
16. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.
17. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.
18. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.
19. Governing Law. This is a Delaware contract and shall be construed under and be governed in all respects by the laws of the State of Delaware, without giving effect to the conflict of laws principles of such State. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Third Circuit.
20. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.
21. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.


22. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective on the date and year first above written.

CINGULATE THERAPEUTICS LLC

DocuSigned by:


SHANE J. SCHAFFER, Chief Executive Officer

Signed by:


NILAY D. PATEL, Chief Legal Officer and
Chief Compliance Officer

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jennifer L. Callahan, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2025 of Cingulate Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 19, 2025

/s/ Jennifer L. Callahan

Jennifer L. Callahan

Interim Chief Executive Officer and Chief Financial Officer

(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

**Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

This Certification is being filed pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002. This Certification is included solely for the purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose. In connection with the accompanying Quarterly Report on Form 10-Q of Cingulate Inc. (the "Company") for the period ended June 30, 2025 (the "Quarterly Report"), the undersigned hereby certifies in her capacity as an officer of the Company that to such officer's knowledge:

- (1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 19, 2025

By: /s/ Jennifer L. Callahan

Jennifer L. Callahan

Interim Chief Executive Officer and Chief Financial Officer

(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)
