UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended: September 30, 2024

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

For the transition period from:

Commission File Number: 001-38803

Hoth Therapeutics, Inc.
(Exact name of registrant as specified in its charter)

Nevada	**82-1553794**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
590 Madison Ave., 21st Floor New York, NY	**10022**
(Address of principal executive offices)	(Zip Code)

(646) 756-2997
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value	HOTH	The Nasdaq Stock Market LLC

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

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

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

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

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

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

The number of shares of the issuer's common stock, $0.0001 par value per share, outstanding at November 8, 2024 was 6,903,804.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This Quarterly Report on Form 10-Q contains certain forward-looking statements which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any statements in this Quarterly Report on Form 10-Q about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and are forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “believes,” “will,” “expects,” “anticipates,” “estimates,” “predicts,” “potential,” “continues” “intends,” “plans” and “would” or the negative of these terms or other comparable terminology. For example, statements concerning financial condition, possible or assumed future results of operations, growth opportunities, and plans are all forward-looking statements. Our forward-looking statements are based on a series of expectations, assumptions, estimates and projections about our company, are not guarantees of future results or performance and involve substantial risks and uncertainty. They involve known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to differ materially from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statement. We may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements. Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties, including the risks and uncertainties inherent in our statements regarding:

- our business strategies;
- the timing of regulatory submissions;
- our ability to obtain and maintain regulatory approval of our existing product candidates and any other product candidates we may develop, and the labeling under any approval we may obtain;
- risks relating to the timing and costs of clinical trials and the timing and costs of other expenses;
- risks related to market acceptance of our products;
- the ultimate impact of any health epidemics on our business, our clinical trials, our research programs, healthcare systems or the global economy as a whole;
- intellectual property risks;
- risks associated with our reliance on third-party organizations;
- our competitive position;
- our industry environment;
- our anticipated financial and operating results, including anticipated sources of revenues;
- assumptions regarding the size of the available market, benefits of our products, product pricing and timing of product launches;
- management’s expectation with respect to future acquisitions;
- statements regarding our goals, intentions, plans and expectations, including the introduction of new products and markets;
- general business and economic conditions, such as inflationary pressures and geopolitical conditions including, but not limited to, the conflict between Russia and the Ukraine and the conflict between Israel and Gaza; and
- our cash needs and financing plans.

All of our forward-looking statements are as of the date of this Quarterly Report on Form 10-Q only. In each case, actual results may differ materially from such forward-looking information. We can give no assurance that such expectations or forward-looking statements will prove to be correct. An occurrence of, or any material adverse change in, one or more of the risk factors or risks and uncertainties referred to in this Quarterly Report on Form 10-Q or included in our other public disclosures or our other periodic reports or other documents or filings filed with or furnished to the U.S. Securities and Exchange Commission (the “SEC”) could materially and adversely affect our business, prospects, financial condition and results of operations. Except as required by law, we do not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections or other circumstances affecting such forward-looking statements occurring after the date of this Quarterly Report on Form 10-Q, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. Any public statements or disclosures by us following this Quarterly Report on Form 10-Q that modify or impact any of the forward-looking statements contained in this Quarterly Report on Form 10-Q will be deemed to modify or supersede such statements in this Quarterly Report on Form 10-Q.

This Quarterly Report on Form 10-Q may include market data and certain industry data and forecasts, which we may obtain from internal company surveys, market research, consultant surveys, publicly available information, reports of governmental agencies and industry publications, articles and surveys. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. While we believe that such studies and publications are reliable, we have not independently verified market and industry data from third-party sources.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

HOTH THERAPEUTICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 8,022,763	$ 9,292,352
Prepaid expenses and other current assets	214,021	135,361
Total Current Assets	8,236,784	9,427,713
NON-CURRENT ASSETS:		
Operating lease right-of-use asset, net	33,807	55,165
Investment in joint ventures at fair value	36,819	37,400
Total Non-Current Assets	70,626	92,565
Total Assets	$ 8,307,410	$ 9,520,278
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 504,809	$ 35,592
Accrued expenses	274,417	614,226
Operating lease liability, current portion	31,098	28,839
Total Current Liabilities	810,324	678,657
LONG-TERM LIABILITIES:		
Operating lease liability, less current portion	2,709	26,326
Total Long-Term Liabilities	2,709	26,326
Total Liabilities	813,033	704,983
Commitments and Contingencies (Note 6)		
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.0001 par value, 10,000,000 shares authorized; 3,000,000 shares undesignated; 0 shares issued and outstanding as of September 30, 2024 and December 31, 2023	-	-
Series A Convertible Preferred Stock, $0.0001 par value; 5,000,000 shares designated; 0 shares issued and outstanding as of September 30, 2024 and December 31, 2023	-	-
Series B Preferred Stock, $0.0001 par value; 2,000,000 shares designated; 0 shares issued and outstanding as of September 30, 2024 and December 31, 2023	-	-
Common stock, $0.0001 par value; 50,000,000 shares authorized; 6,903,804 and 4,348,129 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	690	435
Additional paid-in capital	66,217,887	61,732,106
Accumulated deficit	(58,749,816)	(52,944,506)
Accumulated other comprehensive income	25,616	27,260
Total Stockholders' Equity	7,494,377	8,815,295
Total Liabilities and Stockholders' Equity	$ 8,307,410	$ 9,520,278

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

HOTH THERAPEUTICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
NET REVENUES	$ -	$ -	$ -	$ -
OPERATING COSTS AND EXPENSES:				
Research and development expenses	897,510	974,374	1,929,741	2,565,454
General and administrative expenses	1,234,743	1,118,606	3,902,509	3,428,972
Total operating expenses	2,132,253	2,092,980	5,832,250	5,994,426
LOSS FROM OPERATIONS	(2,132,253)	(2,092,980)	(5,832,250)	(5,994,426)
OTHER INCOME (EXPENSES), NET:				
Unrealized loss on marketable securities	-	-	-	(184,753)
Change in fair value of investment in joint venture	-	-	(581)	-
Dividend income	200	5,611	27,521	35,272
Other income	-	786	-	786

Total other income (expenses), net	200	6,397	26,940	(148,695)
NET LOSS	$ (2,132,053)	$ (2,086,583)	$ (5,805,310)	$ (6,143,121)
NET LOSS PER COMMON SHARE:				
Basic and diluted	$ (0.31)	$ (0.60)	$ (0.96)	$ (1.99)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:				
Basic and diluted	6,903,804	3,483,735	6,062,762	3,093,224
COMPREHENSIVE LOSS:				
Net loss	$ (2,132,053)	$ (2,086,583)	$ (5,805,310)	$ (6,143,121)
Other comprehensive (loss) income:				
Foreign currency translation adjustment	2,490	46,461	(1,644)	743
Total comprehensive loss	$ (2,129,563)	$ (2,040,122)	$ (5,806,954)	$ (6,142,378)

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

HOTH THERAPEUTICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Unaudited)

	For the Three and Nine Months Ended September 30, 2024					
	Common Stock		Additional Paid-in	Accumulated	Accumulated other Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Deficit	Income (Loss)	Equity
Balance, December 31, 2023	4,348,129	$ 435	$61,732,106	$ (52,944,506)	$ 27,260	$ 8,815,295
Exercise of pre-funded warrants	55,675	5	(5)	-	-	-
Stock-based compensation	-	-	513,350	-	-	513,350
Deferred offering cost related to warrant inducement	-	-	550,500	-	-	550,500
Cumulative translation adjustment	-	-	-	-	(5,768)	(5,768)
Net loss	-	-	-	(2,040,783)	-	(2,040,783)
Balance, March 31, 2024	4,403,804	440	62,795,951	(54,985,289)	21,492	7,832,594
Stock-based compensation	-	-	7,054	-	-	7,054
Common shares issued and issuable for exercise of warrants	955,000	96	3,682,204	-	-	3,682,300
Deferred offering cost related to warrant inducement	-	-	(550,500)	-	-	(550,500)
Cumulative translation adjustment	-	-	-	-	1,634	1,634
Net loss	-	-	-	(1,632,474)	-	(1,632,474)
Balance, June 30, 2024	5,358,804	536	65,934,709	(56,617,763)	23,126	9,340,608
Stock-based compensation	-	-	283,332	-	-	283,332
Common shares issued for warrants held in abeyance	1,545,000	154	(154)	-	-	-
Cumulative translation adjustment	-	-	-	-	2,490	2,490
Net loss	-	-	-	(2,132,053)	-	(2,132,053)
Balance, September 30, 2024	6,903,804	$ 690	$66,217,887	$ (58,749,816)	$ 25,616	$ 7,494,377

	For the Three and Nine Months Ended September 30, 2023					
	Common Stock		Additional Paid-in	Accumulated	Accumulated other Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Deficit	Income (Loss)	Equity
Balance, December 31, 2022	1,302,113	$ 130	$50,198,630	$ (45,099,116)	$ 22,006	$ 5,121,650
Exercise of warrants	1,860,000	186	1,674	-	-	1,860
Stock-based compensation	-	-	10,630	-	-	10,630
Common stock and warrants issued in private placement, net of offering costs	140,000	14	8,909,516	-	-	8,909,530
Cumulative translation adjustment	-	-	-	-	5,370	5,370
Net loss	-	-	-	(2,183,507)	-	(2,183,507)
Balance, March 31, 2023	3,302,113	330	59,120,450	(47,282,623)	27,376	11,865,533
Stock-based compensation	-	-	9,748	-	-	9,748
Cumulative translation adjustment	-	-	-	-	(51,088)	(51,088)
Net loss	-	-	-	(1,873,031)	-	(1,873,031)
Balance, June 30, 2023	3,302,113	330	59,130,198	(49,155,654)	(23,712)	9,951,162

Exercise of warrants	495,050	50	445	-	-	495
Stock-based compensation	-	-	190,265	-	-	190,265
Common stock and warrants issued in private placement, net of offering costs	549,275	55	2,405,413	-	-	2,405,468
Cumulative translation adjustment	-	-	-	-	46,461	46,461
Net loss	-	-	-	(2,086,583)	-	(2,086,583)
Balance, September 30, 2023	4,346,438	$ 435	$61,726,321	$ (51,242,237)	$ 22,749	$ 10,507,268

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

HOTH THERAPEUTICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended September 30,	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (5,805,310)	$ (6,143,121)
Adjustments to reconcile net loss to net cash used in operating activities:		
Research and development-acquired license, expensed	-	(25,000)
Stock-based compensation	803,736	210,643
Unrealized loss on marketable securities	-	184,753
Change in fair value of investment in joint ventures	581	-
Changes in operating assets and liabilities:		
Prepaid expenses	(78,660)	(141,085)
Accounts payable and accrued expenses	129,408	538,115
NET CASH USED IN OPERATING ACTIVITIES	(4,950,245)	(5,375,695)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance common stock, common stock warrants and prefunded warrants, net of offering costs	-	11,314,998
Proceeds from exercise of warrants	3,682,300	2,355
NET CASH PROVIDED BY FINANCING ACTIVITIES	3,682,300	11,317,353
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,267,945)	5,941,658
Effect of exchange rate changes on cash and cash equivalents	(1,644)	(542,027)
CASH AND CASH EQUIVALENTS - beginning of period	9,292,352	6,428,611
CASH AND CASH EQUIVALENTS - end of period	$ 8,022,763	$ 11,828,242
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Increase in deferred offering cost and additional paid-in capital	$ 550,500	$ -

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

HOTH THERAPEUTICS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2024

NOTE 1 – Organization and Description of Business Operations

Hoth Therapeutics, Inc. (together with its wholly-owned subsidiaries, merveille.ai and Hoth Therapeutics Australia Pty Ltd, collectively, the "Company") was incorporated under the laws of the State of Nevada on May 16, 2017. The Company is a clinical-stage biopharmaceutical company focused on developing new generation therapies for unmet medical needs. The Company is focused on developing (i) a topical formulation for treating side effects from drugs used for the treatment of cancer (HT-001); (ii) a treatment for mast-cell derived cancers and anaphylaxis (HT-KIT); (iii) a treatment for traumatic brain injury and ischemic stroke (HT-TBI); and (iv) a treatment and/or prevention for Alzheimer's or other neuroinflammatory diseases (HT-ALZ). The Company also has assets being developed for (i) atopic dermatitis (also known as eczema) (BioLexa); (ii) a treatment for asthma and allergies using inhalational administration (HT-004); and (iii) a treatment for acne as well as inflammatory bowel diseases (HT-003). The Company also has interests in certain other assets being developed by third parties including a treatment for patients with lupus that is being developed by Zylö Therapeutics, Inc. and potential product candidates being developed pursuant to its agreement with Voltron Therapeutics, Inc. for the prevention of COVID-19 (see Note 4 to the unaudited condensed consolidated financial statements for a discussion of the Company's agreement with Zylö Therapeutics, Inc.).

Liquidity and capital resources

Accounting Standards Update ("ASU") No. 2014-15, *Presentation of Financial Statements - Going Concern*, requires management to evaluate the Company's ability to continue as a going concern one year beyond the filing date of the given financial statements. This evaluation requires management to perform two steps. First, management must evaluate whether there are conditions and events that raise substantial doubt about the entity's ability to continue as a going concern. Second, if management concludes that substantial doubt is raised, management is required to consider whether it has plans in place to alleviate that doubt. Disclosures in the notes to the unaudited condensed consolidated financial statements are required if management concludes that substantial doubt exists or that its plans alleviate the substantial doubt that was raised.

The Company has incurred losses and generated negative cash flows from operations since its inception. At September 30, 2024, the Company had an accumulated deficit of $58.7 million and cash and cash equivalents of $ 8.0 million. The Company has funded its operations from proceeds from the sale of equity and debt securities. The Company will require significant additional capital to make the investments it needs to execute its longer-term business plan. The Company's ability to successfully raise sufficient funds through the sale of debt or equity securities when needed is subject to many risks and uncertainties and, even if it were successful, future equity issuances may result in dilution to its existing shareholders and future debt securities may contain covenants that limit the Company's operations or ability to enter into certain transactions.

The Company believes its current cash is sufficient to fund operations for at least the next 12 months from the issuance date of these financial statements. However, the Company will need to raise additional funding, through strategic relationships, public or private equity or debt financings, grants or other arrangements, to develop and seek regulatory approvals for the Company's current and future product candidates. If such funding is not available, or not available on terms acceptable to the Company, the Company's current development plan and plans for expansion of its general and administrative infrastructure may be curtailed.

On April 1, 2024, in connection with the March 27, 2024 inducement offer agreement with a holder (the "Holder") of certain of the Company's existing warrants (the "January 2023 Existing Warrants") to exercise, for cash, an aggregate of 2,500,000 of the January 2023 Existing Warrants to purchase shares of the Company's common stock at a reduced exercise price of $1.6775 per share, the Holder exercised the 2,500,000 January 2023 Existing Warrants and during the nine months ended September 30, 2024, the Company issued 2,500,000 shares of the Company's common stock (the "Warrant Shares") for gross proceeds to the Company of approximately $4.2 million before deducting placement agent fees and other offering expenses payable by the Company.

NOTE 2 – Summary of Significant Accounting Policies

Basis of presentation and principles of consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the balances and results for the periods presented. Certain information and footnote disclosures normally included in the Company's annual consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. These unaudited condensed consolidated financial statement results are not necessarily indicative of results to be expected for the full fiscal year or any future period. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K filed by the Company with the Securities and Exchange Commission (the "SEC") on March 28, 2024.

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company's wholly-owned subsidiaries, merveille.ai, which was incorporated under the laws of Nevada on October 4, 2023, and Hoth Therapeutics Australia Pty Ltd, which was incorporated under the laws of the State of Victoria in Australia on June 5, 2019. All significant intercompany balances and transactions have been eliminated in consolidation.

Reclassifications

Certain line items on the unaudited condensed consolidated statements of operations and comprehensive loss for the three and nine months ended September 30, 2023 have been reclassified to conform to the current period presentation. For the three months ended September 30, 2023, research and development - licenses acquired (including stock-based compensation) of $(271,687) was reclassified to research and development expense, and compensation and related expenses (including stock-based compensation) of $566,139, professional fees (including stock-based compensation) of $478,614, rent of $6,752, and other general and administrative expense of $ 67,101 were consolidated into one general and administrative expenses line item. For the nine months ended September 30, 2023, research and development - licenses acquired (including stock-based compensation) of $(212,411) was reclassified to research and development expenses, and compensation and related expenses (including stock-based compensation) of $1,380,179, professional fees (including stock-based compensation) of $1,578,872, rent of $29,769, and other general and administrative expense of $ 440,152 were consolidated into one general and administrative expenses line item. These reclassifications did not change the Company's reported net loss or comprehensive loss for the three and nine months ended September 30, 2023.

Emerging growth company

As an emerging growth company, the Company may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, reduced disclosure obligations regarding executive compensation in its periodic reports, proxy statements and registration statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 107 of the Jumpstart Our Business Startups Act of 2012 ("JOBS Act") provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended ("Securities Act"), for complying with new or revised accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that an emerging growth company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company that is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used. The Company will remain an "emerging growth company" until the earliest of (i) the last day of the fiscal year in which it has total annual gross revenues of $1.235 billion or more; (ii) the last day of its fiscal year following the fifth anniversary of the date of its initial public offering, which would be December 31, 2024; (iii) the date on which it has issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which it is deemed to be a large accelerated filer under the rules of the SEC. After the Company is no longer deemed to be an emerging growth company, it will no longer have the ability to delay the adoption of new or revised accounting standards, or to take advantage of reduced corporate governance disclosures.

Use of estimates

The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. The most significant estimates in the Company's unaudited condensed consolidated financial statements relate to stock-based compensation, the valuation of modified warrants, and the valuation allowance of deferred tax assets resulting from net operating losses. These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources. Actual results may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and actual results, the Company's future results of operations may be affected.

Significant Accounting Policies

There have been no material changes to the Company's significant accounting policies previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 as filed with the SEC on March 28, 2024.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with original maturities of 90 days or less at acquisition to be cash equivalents. Cash and cash equivalents consist of bank accounts and highly liquid money funds and totaled $8,022,763 and $9,292,352 as of September 30, 2024 and December 31, 2023, respectively. Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash deposits at the three financial institutions the Company utilizes for its banking requirements. The Company's foreign bank accounts are not subject to FDIC insurance. Cash held in foreign bank accounts totaled approximately $0.1 million and $0.1 million as of September 30, 2024 and December 31, 2023, respectively.

Concentrations of credit risk and off-balance sheet risk

The Company has significant cash balances at financial institutions which, throughout the year, regularly exceed the federally insured limit of $ 250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and cash flows.

Leases

The Company determines if an arrangement is a lease at inception and classifies its leases at commencement. Operating leases are presented as right-of-use ("ROU") assets and the corresponding lease liabilities are included in operating lease liability, current and lease liability, on the Company's unaudited condensed consolidated balance sheets. ROU assets represent the Company's right to use an underlying asset, and lease liabilities represent the Company's obligation to make lease payments in exchange for the ability to use the asset for the duration of the lease term.

The Company has lease agreements which contain both lease and non-lease components, which it has elected to account for as a single lease component. As such, minimum lease payments include fixed payments for non-lease components within a lease agreement but exclude variable lease payments not dependent on an index or rate, such as common area maintenance, operating expenses, utilities, or other costs that are subject to fluctuation from period to period. Certain of the leases contain an option to extend the term of the lease. The option to extend a lease is included in the lease term only when it is reasonably certain that the Company will elect that option. Additionally, the Company does not record ROU assets or lease liabilities for short-term leases that have a term of twelve months or less at lease commencement.

ROU assets and lease liabilities are recognized at the commencement date and determined using the present value of the future minimum lease payments over the lease term. The Company uses an incremental borrowing rate based on an estimated rate of interest for collateralized borrowing since the Company's leases do not include an implicit interest rate. The estimated incremental borrowing rate considers market data, actual lease economic environment, and the lease term at commencement date.

Fair value of financial instruments

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements*, provides guidance on the development and disclosure of fair value measurements. Under this accounting guidance, fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

The fair value of the Company's assets and liabilities, which would qualify as financial instruments under ASC Topic 820, approximates the carrying amounts represented in the Company's unaudited condensed consolidated balance sheets, primarily due to their short-term nature.

The accounting guidance classifies fair value measurements in one of the following three categories for disclosure purposes:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 prices for similar assets or liabilities that are directly or indirectly observable in the marketplace.

Level 3: Unobservable inputs which are supported by little or no market activity and values determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement. During the nine months ended September 30, 2024 and 2023, there were no changes in valuation techniques or transfers between Level 1, Level 2, and Level 3.

Investment in joint ventures

Ownership interests in entities for which the Company has significant influence that are not consolidated are accounted for as equity method investments. SEC Staff Announcement: Accounting for Limited Partnership Investments (codified in ASC 323-30-S99-1) guidance requires the use of the equity method unless the investor's interest "is so minor that the limited partner may have virtually no influence over partnership operating and financial policies." The SEC staff's position is that investments in limited partnerships of greater than 3% to 5% are considered more than minor and, therefore, should be accounted for using the equity method or fair value option. Investments accounted for using the equity method may be reported on a lag up to three months if financial statements of the investee are not available in sufficient time for the investor to apply the equity method as of the current reporting date. The determination of whether an investee's results are recorded on a lag is made on an investment-by-investment basis. This investment in joint ventures is further described in Note 4 of these unaudited condensed consolidated financial statements.

Research and development costs

Research and development costs, including acquired in-process research and development expenses for which there is no alternative future use, are expensed as incurred. Advance payments for goods and services that will be used in future research and development activities are expensed when the activity has been performed or when the goods have been received rather than when the payment is made.

Stock-based compensation

The Company accounts for stock-based payment awards exchanged for services at the estimated grant date fair value of the award. Stock options issued under the Company's long-term incentive plans are granted with an exercise price equal to no less than the market price of the Company's stock at the date of grant and expire up to ten years from the date of grant. Options are generally issued fully vested. The Company accounts for forfeited awards as they occur.

The Company estimates the fair value of stock option grants using the Black-Scholes option pricing model and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment.

Expected Term - The expected term of options represents the period that the Company's stock-based awards are expected to be outstanding based on the simplified method, which is the half-life from vesting to the end of its contractual term.

Expected Volatility - The Company computes stock price volatility over expected terms based on its historical common stock trading prices.

Risk-Free Interest Rate - The Company bases the risk-free interest rate on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term.

Expected Dividend - The Company has never declared or paid any cash dividends on its common shares and does not plan to pay cash dividends in the foreseeable future, and, therefore, uses an expected dividend yield of zero in its valuation models.

The Company grants restricted stock awards under its equity incentive plan. Restricted stock awards are granted to employees and non-employees. The restricted stock awards are measured based on the grant-date fair value. In general, the restricted stock awards vest over a service period of zero to three years. Stock-based compensation expense is generally recognized based on the straight-line basis over the requisite service period and forfeitures are accounted for as they occur.

The Company has issued warrants to non-employees. The warrants are measured based on the grant-date fair value. In general, the warrants vest over a term of zero to ten years. Stock-based compensation expense is generally recognized based on the straight-line basis over the vesting term.

Income taxes

Income taxes are recorded in accordance with ASC 740, *Income Taxes* ("ASC 740"), which provides for deferred taxes using an asset and liability approach. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the unaudited condensed consolidated financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided, if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit would more likely than not be realized assuming examination by the taxing authority. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances.

Net loss per share

Net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Since the Company had a net loss in the periods presented, basic and diluted net loss per common share are the same. The following were excluded from the computation of diluted shares outstanding due to the losses for each period presented, as they would have had an anti-dilutive impact on the Company's net loss:

Potentially dilutive securities	As of September 30, 2024	2023
Warrants	5,209,403	4,213,515
Options	1,090,362	169,360
Non-vested restricted stock awards	1,693	3,384
Total	6,301,458	4,386,259

Recent accounting pronouncements

Income Taxes (Topic 740)

In December 2023, the FASB issued guidance within ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* . The amendments in the ASU are intended to provide more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The ASU requires disclosure in the rate reconciliation of specific categories as well as additional information for reconciling items that meet a quantitative threshold.

The ASU requires disclosure of the following information about income taxes paid on an annual basis:

- Income taxes paid (net of refunds received), disaggregated by federal and state taxes and by individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than five percent of total income taxes paid (net of refunds received).

- Income tax expense (or benefit) from continuing operations disaggregated by federal and state jurisdictions.

The ASU is effective for annual periods beginning after December 15, 2024. The amendments should be applied on a prospective basis. The Company is evaluating the impact that the adoption of this ASU will have on the Company's consolidated financial statements, as it may require additional disclosures in the notes to the Company's condensed consolidated financial statements.

Segment Reporting (Topic 280)

In November 2023, the FASB issued guidance within ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* . This ASU requires that a public entity that has a single reportable segment provide all the disclosures required by the amendments in this ASU and all existing disclosures in Topic 280. The Company has determined that its current business and operations consist of a single business segment and a single reporting unit.

The amendments in this ASU are intended to improve segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The key amendments included in this ASU:

- Require disclosure on an annual and interim basis, of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and are included within each reported measure of segment profit and loss.

- Require disclosure on an annual and interim basis, an amount for other segment items (defined in this ASU) and a description of its composition.

- Clarify that if the CODM uses more than one measure of the segment's profit or loss in assessing performance, one or more of those additional measures may be reported.

- Require disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing performance.

This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The amendments should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of this ASU on the Company's condensed consolidated financial statements as the Company has a single reportable segment.

Currently, management does not believe that any other recently issued, but not yet effective accounting pronouncements, if currently adopted, would have a material impact on the Company's unaudited condensed consolidated financial statements.

NOTE 3 - License Agreements

The following summarizes the Company's research and development expenses for licenses acquired (including stock-based compensation) during the three and nine months ended September 30, 2024 and 2023:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
The George Washington University	$ 2,522	$ 8,938	$ 12,370	$ 60,714
North Carolina State University	1,562	—	4,687	—
Virginia Commonwealth University	—	(281,250)	—	(275,000)
University of Cincinnati	625	625	1,042	1,875
	$ 4,709	**$ (271,687)**	**$ 18,099**	**$ (212,411)**

The George Washington University

During the three and nine months ended September 30, 2024, the Company recorded expenses of $ 2,522 and $12,370, respectively, for license fees, including an expense of $1,272 and $7,661 for the three and nine months ended September 30, 2024, respectively, related to warrants granted to The George Washington University ("GW") pursuant to the patent license agreement with GW dated February 1, 2020 ("GW Patent License Agreement") and the patent license agreement with GW dated August 7, 2020 ("Second GW Patent License Agreement").

During the three and nine months ended September 30, 2023, the Company recorded expenses of $ 8,938 and $60,714, respectively, for license fees, including an expense of $5,729 and $22,141 for the three and nine months ended September 30, 2023, respectively, related to warrants granted to GW pursuant to the GW Patent License Agreement and the Second GW Patent License Agreement. In addition, during the three and nine months ended September 30, 2023, the Company recorded an expense of $0 and $30,000, respectively, related to the initiation of a clinical trial.

North Carolina State University

During the three and nine months ended September 30, 2024, the Company recorded expenses of $ 1,562 and $4,687, respectively, for license fees associated with the license agreement by and between the Company and North Carolina State University dated February 25, 2021.

During the three and nine months ended September 30, 2023, the Company did not recognize any expenses for license fees associated with such license agreement.

Virginia Commonwealth University

During the three and nine months ended September 30, 2024, the Company did not recognize any expenses for license fees associated with the exclusive license agreement (the "VCU License Agreement") by and between the Company and Virginia Commonwealth University ("VCU") dated May 18, 2020 that was terminated August 9, 2023.

During the three and nine months ended September 30, 2023, the Company recognized gains of $ 281,250 and $275,000, respectively, for license fees associated with the VCU License Agreement.

Chelexa Biosciences, Inc. and the University of Cincinnati

During the three and nine months ended September 30, 2024, the Company recognized expenses of $ 625 and $1,042, respectively, for license fees associated with the Assignment and Assumption Agreement by and between the Company and Chelexa Biosciences, Inc. dated May 14, 2020 ("Chelexa Agreement").

During the three and nine months ended September 30, 2023, the Company recognized expenses of $ 625 and $1,875, respectively, for license fees associated with the Chelexa Agreement.

NOTE 4 – Fair Value of Financial Assets and Liabilities

The following table presents the Company's assets and liabilities that are measured at fair value on September 30, 2024 and December 31, 2023:

	Fair value measured on September 30, 2024			
	Total at September 30, 2024	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Investment in joint ventures	$ 36,819	$ —	$ —	$ 36,819

	Fair value measured on December 31, 2023			
	Total at December 31, 2023	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Investment in joint ventures	$ 37,400	$ —	$ —	$ 37,400

Level 3 Measurement

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial assets that are measured at fair value on a recurring basis as of September 30, 2024 and 2023:

Investment in joint venture for the three months ended September 30, 2024 and 2023

	For the Three Months Ended September 30,	
	2024	2023
Investment in joint ventures at fair value – beginning of period	$ 36,819	$ 33,000
Change in fair value of investments in joint ventures	-	-
Investment in joint ventures at fair value – end of period	$ 36,819	$ 33,000

Investment in joint venture for the nine months ended September 30, 2024 and 2023

	For the Nine Months Ended September 30,	
	2024	2023
Investment in joint ventures at fair value – beginning of period	$ 37,400	$ 33,000
Change in fair value of investments in joint ventures	(581)	-
Investment in joint ventures at fair value – end of period	$ 36,819	$ 33,000

Investment in joint ventures

The Company has elected to measure the investment in joint ventures using the fair value option at each reporting date. Under the fair value option, bifurcation of an embedded derivative is not necessary, and all related gains and losses on the host contract and derivative due to change in the fair value will be reflected in interest income and other, net in the unaudited condensed consolidated statements of operations and comprehensive loss.

The value at which the Company's investment in joint ventures is carried on its books is adjusted to estimated fair value at the end of each quarter, taking into account general economic and stock market conditions and those characteristics specific to the underlying investments.

Investment in Zylö

In connection with the Company's March 2020 underwritten public offering of shares of its common stock, on May 4, 2020, the Company purchased 120,000 shares of Zylö's Class B common stock for $ 60,000. On December 8, 2021, the Company entered into a third amendment (the "Zylö Amendment") to the Exclusive Sublicense Agreement with Zylö originally dated August 19, 2019, pursuant to which the Company licensed its novel cannabinoid therapeutic, HT-005 for lupus patients, back to Zylö. Pursuant to the Zylö Amendment, on December 6, 2021, Zylö issued the Company 100,000 shares of its Class B common stock. In addition, pursuant to the Zylö Amendment, within 90 days following a sale by Zylö of all of its assets and rights related to HT-005 to a third-party (a "Sale"), Zylö shall pay the Company a low single digit percent of the net proceeds received by it attributable to HT-005 in the United States and Canada and their respective territories (collectively, the "Territory") for the purposes of therapeutic uses related to lupus in humans (the "Field"). After the Sale, any and all rights of the Company pursuant to the Exclusive Sublicense Agreement, including all amendments thereto, shall terminate. Furthermore, pursuant to the Zylö Amendment, following the date of the first commercial sale of HT-005 in the Territory, in the Field, Zylö shall pay the Company (i) a low single digit percent of the Net Sales (as defined in the Exclusive Sublicense Agreement) of HT-005 in the event HT-005 is sold in the Territory and (ii) a low double digit percent of any royalty that Zylö receives through the sublicense to a third-party based on Net Sales of HT-005 in the Territory which payments shall continue in each country in the Territory until expiration of the last-to-expire Valid Claim (as defined in the Exclusive Sublicense Agreement). Zylö conducted a 409A valuation of their Class B common stock in February 2024, and as of September 30, 2024 and December 31, 2023, valued its share price at $0.167 and $0.17 per share, respectively. This value was ratified by Zylö's board of directors in February 2024 and December 2023, respectively.

On February 23, 2024, the Company acquired 22,000 shares of Class B Common stock of Atticus Pharma, a subsidiary of Zylö Therapeutics, based upon a 1-for-10 ratio of current shares and were instructed on July 3, 2024 that the 409A valuation of the shares is $79, or $0.0036 per share, pursuant to the February 2024 valuation ratified by Zylö's board of directors.

The valuations reflect a probability-weighted present value of expected future investment returns considering certain possible outcomes and the rights of each class of Zylö's and Atticus Pharma's equity. The future values of the common stock under the various outcomes are discounted back to the valuation date at a risk-adjusted discount rate and probability weighted to determine the value for the Class B common stock. Significant unobservable inputs in the valuation include: (i) probabilities of each scenario, (ii) timing of occurrence, (iii) future valuation; (iv) and the risk-adjusted discount rate.

The consolidated investment in Zylö was valued at $ 36,819 and $37,400 as of September 30, 2024 and December 31, 2023, respectively.

NOTE 5 - Stockholders' Equity

Preferred Stock

The Company is authorized to issue up to 10,000,000 shares of preferred stock. This preferred stock may be issued in one or more series, and shall have such designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as shall be determined at the time of issuance by the Company's board of directors without further action by the Company's shareholders. As of September 30, 2024 and December 31, 2023, 5,000,000 shares of the Company's preferred stock have been designated as Series A Convertible Preferred Stock and 2,000,000 shares of the Company's preferred stock have been designated as Series B Preferred Stock, and 3,000,000 shares of the Company's preferred stock remain undesignated.

Series A Convertible Preferred Stock

The shares of Series A Convertible Preferred Stock, par value $ 0.0001 per share, are not mandatorily redeemable and do not embody an unconditional obligation to settle in a variable number of equity shares. As such, the shares of Series A Convertible Preferred Stock are classified as permanent equity on the unaudited condensed consolidated balance sheets. The holders' contingent redemption right in the event of certain deemed liquidation events does not preclude permanent equity classification. Further, the shares of Series A Convertible Preferred Stock are considered an equity-like host for purposes of assessing embedded derivative features for potential bifurcation. The embedded conversion feature is considered to be clearly and closely related to the associated convertible preferred stock host instrument and therefore was not bifurcated from the equity host. As of September 30, 2024 and December 31, 2023, no Series A preferred shares are issued and outstanding.

Series B Preferred Stock

On November 2, 2022, the Company filed a Certificate of Designation of the Series B Preferred Stock (the "Certificate of Designation") with the Secretary of State of the State of Nevada to create a new class of Series B Preferred Stock, par value $0.0001 per share (the "Series B Preferred Stock"). The Certificate of Designation designated 2,000,000 shares of authorized preferred stock as Series B Preferred Stock. The Series B Preferred Stock was not entitled to receive dividends or any other distributions. The Series B Preferred Stock was entitled to ten votes per share and voted together with the Company's issued and outstanding shares of common stock as a single class exclusively with respect to a proposal to increase the number of shares of common stock that the Company was authorized to issue, together with any ancillary or administrative matters necessary or advisable in connection with the implementation of such increase. The Series B Preferred Stock had no rights as to any distribution or assets of the Company upon a liquidation, bankruptcy, reorganization, merger, acquisition, sale, dissolution or winding up of the Company. As of September 30, 2024 and December 31, 2023, no Series B preferred shares are issued and outstanding.

Warrants

2023

On December 29, 2022, the Company entered into a securities purchase agreement with an accredited investor pursuant to which it sold (i) 140,000 shares of common stock, (ii) pre-funded warrants to purchase up to 1,860,000 shares of common stock ("December Pre-Funded Warrants") and (iii) common stock warrants to purchase up to 2,500,000 shares of common stock ("December Common Stock Warrants") at a purchase price of $ 5.00 per share and accompanying warrant (less $0.001 for each December Pre-Funded Warrant), in a private placement, for aggregate gross proceeds of approximately $10 million, exclusive of placement agent commission and fees and other offering expenses. The closing of the offering occurred on January 3, 2023. Each December Common Stock Warrant is exercisable for a period of five and one-half years from the issuance date at an exercise price of $5.00 per share, subject to adjustment, and may, under certain circumstances, be exercised on a cashless basis. Each December Pre-Funded Warrant is exercisable until exercised in full at an exercise price of $0.001 per share and may be exercised on a cashless basis.

The measurement of fair value of the December Pre-Funded Warrants was determined utilizing a Black-Scholes model considering all relevant assumptions current at January 3, 2023, the date of issuance (i.e., share price of $6.56, exercise price of $0.001, term of 30 years beginning January 3, 2023 (as these do not have an expiration date), volatility of 135.07%, risk-free rate of 3.88%, and expected dividend rate of 0%). The grant date fair value of the December Pre-Funded Warrants was estimated to be $12.2million on January 3, 2023 and was reflected within additional paid-in capital as of September 30, 2023 as the Pre-Funded Warrants were determined to be equity classified.

The measurement of fair value of the December Common Stock Warrants was determined utilizing a Black-Scholes model considering all relevant assumptions current at January 3, 2023, the date of issuance (i.e., share price of $6.56, exercise price of $5.00, term of five and a half years beginning January 3, 2023, volatility of 135.07%, risk-free rate of 3.94%, and expected dividend rate of 0%). The grant date fair value of these December Common Stock Warrants was estimated to be $15.0million on January 3, 2023 and is reflected within additional paid-in capital as of September 30, 2024 as the December Common Stock Warrants were determined to be equity classified.

On various dates in February 2023, the investor exercised all the December Pre-Funded Warrants for 1,860,000 shares of the Company's common stock for net proceeds to the Company of $1,860.

In addition, pursuant to the terms of the offering, the Company issued the designees of the placement agent, H.C. Wainwright & Co., LLC, warrants to purchase up to 100,000 shares of the Company's common stock ("December Wainwright Warrants"). The December Wainwright Warrants had a determined fair value of $591,090 as of the date of issuance. The December Wainwright Warrants are exercisable for a period of five and one-half years from the issuance date at an exercise price of $6.25 per share, subject to adjustment, and may, under certain circumstances, be exercised on a cashless basis. As these December Wainwright Warrants were issued for services provided in facilitating the private placement, the Company recorded the fair value of such December Wainwright Warrants as an equity issuance cost on the issuance date. The measurement of fair value was determined utilizing a Black-Scholes model considering all relevant assumptions current at January 3, 2023, the date of issuance (i.e., share price of $6.56, exercise price of $6.25, term of five and a half years beginning January 3, 2023, volatility of 135.07%, risk-free rate of 3.94%, and expected dividend rate of 0%).

On September 13, 2023, the Company entered into a securities purchase agreement with certain institutional investors ("the September Investors") pursuant to which it sold (i) 549,275 shares of common stock and (ii) pre-funded warrants (the "September Pre-Funded Warrants") to purchase up to 550,725 shares of common stock at a purchase price of $ 2.63 per share of common stock and a purchase price of $ 2.629 per September Pre-Funded Warrant. Concurrently with the sale of common stock and/or the September Pre-Funded Warrants, pursuant to the securities purchase agreement, in a private placement, the Company issued and sold warrants (the "September Common Stock Warrants") to purchase up to 1,100,000 shares of common stock. Gross proceeds from the offering were approximately $2.9 million, prior to deducting placement agent's fees and other offering expenses payable by the Company, with aggregate net proceeds of approximately $2.4 million. The closing of the September offering occurred on September 15, 2023. Each September Common Stock Warrant is exercisable for a period of five years from the issuance date at an exercise price of $ 2.505 per share, subject to adjustment, and may, under certain circumstances, be exercised on a cashless basis. Each September Pre-Funded Warrant is exercisable until exercised in full at an exercise price of $0.001 per share and may be exercised on a cashless basis.

The measurement of fair value of the September Pre-Funded Warrants was determined utilizing a Black-Scholes model considering all relevant assumptions current at September 15, 2023, the date of issuance (i.e., share price of $1.84, exercise price of $0.001, term of30 years beginning September 15, 2023 (as these do not have an expiration date), volatility of 146.89%, risk-free rate of 4.42%, and expected dividend rate of 0%). The grant date fair value of the September Pre-Funded Warrants was estimated to be $1.0 million on September 15, 2023 and was reflected within additional paid-in capital as of September 30, 2024 as the September Pre-Funded Warrants were determined to be equity classified.

The measurement of fair value of the September Common Stock Warrants was determined utilizing a Black-Scholes model considering all relevant assumptions current at September 15, 2023, the date of issuance (i.e., share price of $1.84, exercise price of $2.505, term of five yearsbeginning September 15, 2023, volatility of 146.89%, risk-free rate of 4.45%, and expected dividend rate of 0%). The grant date fair value of these September Common Stock Warrants was estimated to be $1.8million on September 15, 2023 and was reflected within additional paid-in capital as of September 30, 2024 as the September Common Stock Warrants were determined to be equity classified.

On various dates in September 2023, the September Investors exercised 495,050 of the September Pre-Funded Warrants for 495,050 shares of common stock for proceeds to the Company of $495.

In addition, pursuant to the terms of the September offering, the Company issued designees of the placement agent, H.C. Wainwright & Co., LLC., warrants (the "September Wainwright Warrants") to purchase up to 55,000 shares of the Company's common stock. The September Wainwright Warrants are exercisable for a period of five years from the commencement of sales, at an exercise price of $ 3.2875 per share, subject to adjustment, and may, under certain circumstances, be exercised on a cashless basis. As the September Wainwright Warrants were issued for services provided in facilitating the September offering, the Company recorded the fair value of such September Wainwright Warrants as an equity issuance cost on the issuance date. The measurement of fair value was determined utilizing a Black-Scholes model considering all relevant assumptions current at September 15, 2023, the date of issuance (i.e., share price of $1.84, exercise price of $3.2875, term of five yearsbeginning September 15, 2023, volatility of 146.89%, risk-free rate of 4.45%, and expected dividend rate of 0%).

2024

On January 8, 2024, the Company issued 55,675 common shares in connection with the exercise of the remaining 55,675 September Pre-Funded Warrants that were issued in connection with a securities purchase agreement dated September 13, 2023.

On March 27, 2024, the Company entered into an inducement offer agreement with the Holder of the January 2023 Existing Warrants to immediately exercise for cash an aggregate 2,500,000 of the January 2023 Existing Warrants to purchase shares of the Company's common stock at a reduced exercise price of $1.6775 per share for gross proceeds to the Company of approximately $ 4.2 million before deducting placement agent fees and other offering expenses payable by the Company. The exercised January 2023 Existing Warrants were issued pursuant to a securities purchase agreement dated December 29, 2022 by and between the Company and the Holder. Each January 2023 Existing Warrant was exercisable for a period of five and one-half years from the issuance date at an original exercise price of $5.00 per share.

As an inducement to such exercise, the Company agreed to issue new unregistered warrants to purchase up to 3,750,000 shares of the Company's common stock at an exercise price of $1.50 per share (the "April 2024 Inducement Warrants"). The April 2024 Inducement Warrants are exercisable immediately upon issuance and will expire on July 3, 2028. On April 1, 2024, the Holder of the January 2023 Existing Warrants exercised such warrants, and the Company issued the investor 3,750,000 April 2024 Inducement Warrants. Additionally, in connection with the January 2023 Existing Warrants exercise, the Company issued 125,000 placement agent warrants, which are immediately exercisable and expire on July 3, 2028 at an exercise price of $2.0969 per share.

The amendment to the January 2023 Existing Warrants on March 27, 2024 to lower the exercise price thereof, was considered a modification of the January 2023 Existing Warrants under the guidance of ASU 2021-04. The modification is consistent with the "Equity Issuance" classification under that guidance as the reason for the modification was to induce the holders to cash exercise their warrants, resulting in the exercise of the January 2023 Existing Warrants on April 1, 2024.

On March 27, 2024, the Company calculated the total fair value of the consideration for the modification of the January 2023 Existing Warrants, which includes the incremental fair value of the January 2023 Existing Warrants (determined by comparing the fair values immediately prior to and immediately after the modification). The fair values were calculated using the Black-Scholes option-pricing model, and the Company determined that the total fair value of the consideration related to the modification of the January 2023 Existing Warrants amounted to $550,500, which are considered offering costs and were netted against the net proceeds received by the warrant exercise under the guidance of ASU 2021-04.

On April 1, 2024, in connection with the March 27, 2024 inducement offer agreement with the Holder of the January 2023 Existing Warrants, the Holder exercised the January 2023 Existing Warrants for cash at a reduced exercise price of $1.6775 per share resulting in gross proceeds to the Company of approximately $4.2 million (net proceeds of approximately $3.8 million, after deducting placement agent fees and other offering expenses of $ 436,450). In connection with such exercise, during the nine months ended September 30, 2024, the Company issued 2,500,000 Warrant Shares upon the exercise of the January 2023 Existing Warrants.

On April 1, 2024, in connection with the issuance of the April 2024 Inducement Warrants and the placement agent warrants, the Company calculated the fair value of such warrants using the Black-Scholes option-pricing model, and the Company determined that the aggregate total fair value of the April 2024 Inducement Warrant and placement agent warrants amounted to $4,166,800, which are considered offering costs and were netted against the net proceeds received by the warrant exercise under the guidance of ASU 2021-04.

The fair value of the January 2023 Existing Warrants on the modification date and the fair value of the April 2024 Inducement Warrants were estimated using the Black-Scholes option-pricing model with the following assumptions:

	March 27, 2024 to April 1, 2024
Exercise price	$1.50 to $5.00
Term (years)	4.25
Expected stock price volatility	109.8%
Risk-free rate of interest	4.18% to 4.34%

A summary of warrant activity for the nine months ended September 30, 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price	Total Intrinsic Value	Weighted Average Remaining Contractual Life (in years)
Outstanding as of December 31, 2023	4,213,515	$ 7.01	$ —	4.5
Issued	3,875,000	1.52	—	—
Expired	(323,437)	48.60	—	—
Exercised	(2,555,675)	1.64	—	—
Outstanding as of September 30, 2024	5,209,403	2.71	—	3.76
Warrants exercisable as of September 30, 2024	5,209,403	$ 2.71	$ —	3.76

The Company has determined that the warrants should be accounted for as a component of stockholders' equity.

Common Shares

On various dates in February 2023, the investor exercised all the December Pre-Funded Warrants for 1,860,000 shares of the Company's common stock for net proceeds to the Company of $1,860.

On September 13, 2023, the Company entered into a securities purchase agreement with certain institutional investors pursuant to which it sold (i) 549,275 shares of common stock and (ii) September Pre-Funded Warrants to purchase up to 550,725 shares of common stock at a purchase price of $2.63 per share of common stock and a purchase price of $ 2.629 per September Pre-Funded Warrant. Concurrently with the sale of common stock and/or the September Pre-Funded Warrants, pursuant to the securities purchase agreement, in a private placement, the Company issued and sold the September Common Stock Warrants to purchase up to 1,100,000 shares of common stock. Gross proceeds from the offering were approximately $ 2.9 million, prior to deducting placement agent's fees and other offering expenses payable by the Company, with aggregate net proceeds of approximately $2.4 million. The closing of the offering occurred on September 15, 2023.

On January 8, 2024, the Company issued 55,675 common shares in connection with the exercise of 55,675 pre-funded warrants that were issued in connection with a securities purchase agreement dated September 13, 2023.

As of June 30, 2024, the Company issued 955,000 shares of its common stock that were held in abeyance in connection with the exercise of 2,500,000 warrants (See Warrants section above). On July 24, 2024, the Company issued 1,545,000 shares of its common stock that were held in abeyance in connection with the exercise of 2,500,000 warrants (See Warrants section above).

2018 Equity Incentive Plan

The compensation committee of the board of directors increased the number of shares reserved pursuant to the Company's 2018 Equity Incentive Plan ("2018 Plan") by 26,878 shares effective as of January 1, 2021, such that as of January 1, 2021, the Company had an aggregate of 66,878 shares of common stock reserved for issuance pursuant to the 2018 Plan. On June 24, 2021, at the annual meeting of shareholders, shareholders of the Company approved an amendment to the 2018 Plan to further increase the number of shares reserved for issuance thereunder from 66,878 shares to 146,878 shares. On February 2, 2022, the compensation committee of the board of directors further increased the number of shares reserved for issuance under the 2018 Plan from 146,878 shares to 156,878 shares. On January 11, 2023, the compensation committee of the board of directors further increased the number of shares reserved for issuance under the 2018 Plan from 156,878 shares to 166,878 shares. On January 4, 2024, the compensation committee of the board of directors further increased the number of shares reserved for issuance under the 2018 Plan from 166,878 shares to 176,878 shares. As of September 30, 2024, there were 83,738 shares of Company common stock available for grant under the 2018 Plan.

2022 Equity Incentive Plan

On March 24, 2022, the Company's board of directors adopted the Hoth Therapeutics, Inc. 2022 Omnibus Equity Incentive Plan (the "2022 Plan") initially reserving 96,000 shares of the Company's common stock for issuance thereunder. The 2022 Plan became effective on June 23, 2022 upon approval of the 2022 Plan by the Company's shareholders at the Company's annual meeting of shareholders.

On June 2, 2023, the Company's board of directors approved the Hoth Therapeutics, Inc. Amended and Restated 2022 Omnibus Equity Incentive Plan (the "Amended and Restated 2022 Plan") which, among other things, increased the number of shares reserved under the plan by 495,317 shares, which Amended and Restated 2022 Plan was approved by stockholders on August 18, 2023.

On May 15, 2024, the Company's compensation committee recommended, and the board of directors approved an increase to the number of shares of common stock reserved for issuance under the 2022 Plan by 500,000 shares from 51,317 shares to 551,317 shares ("2024 Increase"). The 2024 Increase was approved by shareholders of the Company on August 7, 2024. As of September 30, 2024, there were 78,317 shares of Company common stock available for grant under the Amended and Restated 2022 Plan.

Restricted Stock Awards

A summary of the Company's restricted stock awards granted under the equity incentive plans during the nine months ended September 30, 2024 is as follows:

	Number of Restricted Stock Awards	Weighted Average Grant Day Fair Value
Nonvested on December 31, 2023	1,693	3.16
Granted	—	—
Vested	—	—
Nonvested on September 30, 2024	1,693	3.16

As of September 30, 2024, approximately $541 of unrecognized stock-based compensation expense was related to restricted stock awards. The weighted average remaining contractual terms of unvested restricted stock awards was approximately 0.20 years on September 30, 2024.

Stock Options

On July 17, 2023, pursuant to and subject to the available number of shares reserved under the 2022 Plan, the Company issued an aggregate of 90,000 options to the Company's employees and directors. The aggregate grant date fair value of these options was approximately $0.2 million, which was recorded as stock-based compensation during the nine months ended September 30, 2023.

On January 5, 2024, pursuant to and subject to the available number of shares reserved under the 2022 Plan, the Company issued options to the Company's employees and directors to purchase up to 450,000 shares of the Company's common stock at an exercise price of $ 1.36 per share. The options vested immediately and expire on January 5, 2034. The aggregate grant date fair value of these options was $512,685, which was recorded as stock-based compensation during the nine months ended September 30, 2024.

On August 19, 2024, pursuant to and subject to the available number of shares reserved under the 2022 Plan, the Company issued options to the Company's employees and directors to purchase up to 473,000 shares of the Company's common stock at an exercise price of $ 0.7548 per share. The options vested immediately in full upon grant and expire on August 19, 2034. The aggregate grant date fair value of these options was $281,388, which was recorded as stock-based compensation during the three and nine months ended September 30, 2024.

The fair value of option grants was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	Nine Months Ended September 30,	
	2024	2023
Exercise price	$0.7548 to $1.36	$ 2.59
Term (years)	5.0	10.0
Expected stock price volatility	106.65% to 120.00%	105.00%
Risk-free rate of interest	3.75% to 4.02%	4.02%

A summary of option activity under the Company's equity incentive plans for the nine months ended September 30, 2024 is presented below:

	Number of Shares	Weighted Average Exercise Price	Total Intrinsic Value	Weighted Average Remaining Contractual Life (in years)
Outstanding as of December 31, 2023	169,362	$ 26.78	$ —	8.4
Employee options issued	923,000	$ 1.05	—	—
Expired	(2,000)	147.0	—	—
Outstanding as of September 30, 2024	1,090,362	$ 4.78	$ —	9.3
Options vested and exercisable as of September 30, 2024	1,090,362	$ 4.78	$ —	9.3

All stock compensation associated with the amortization of employee stock option expense was recorded as a component of general and administrative expenses in the unaudited condensed consolidated statements of operations and comprehensive loss.

Estimated future stock-based compensation expense relating to unvested stock options is $ 0.

Stock Based Compensation

Stock-based compensation expense for the three and nine months ended September 30, 2024 and 2023 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Employee stock option awards	$ 281,388	$ 182,520	$ 794,073	$ 182,520
Non-employee restricted stock awards	672	2,016	2,002	5,982
Non-employee stock warrant awards	1,272	5,729	7,661	22,141
	$ 283,332	**$ 190,265**	**$ 803,736**	**$ 210,643**

For the three and nine months ended September 30, 2024 and 2023, the amount of stock-based compensation expense included within research and development and general and administrative expenses was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Research and development	$ 1,272	$ 5,729	$ 7,661	$ 22,141
General and administrative	282,060	184,536	796,075	188,502
	$ 283,332	**$ 190,265**	**$ 803,736**	**$ 210,643**

NOTE 6 - Commitments and Contingencies

Office lease

Effective November 2023, the Company leased office space for a two-year term. The Company's office lease contains a renewal option. The Company has evaluated several factors in assessing whether there is reasonable certainty that the Company will exercise its contractual renewal option concluding that it is not reasonably certain to exercise such option. As it is not reasonably certain to be exercised, the Company excluded the renewal term in determining the lease term used in calculating the right-of-use asset and lease liability. Prior to entering into this lease, the Company has not entered into any lease arrangements in excess of 12 months.

The table below presents certain information related to the Company's lease costs, which are included in general and administrative expenses in the accompanying unaudited condensed consolidated statements of operation and comprehensive loss:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating lease expense	$ 11,175	$ —	$ 28,210	$ —
Short term lease expense	3,990	6,752	11,680	29,769
Total lease cost	**$ 15,165**	**$ 6,752**	**$ 39,890**	**$ 29,769**

Right-of-use asset for operating leases were recorded in the unaudited condensed consolidated balance sheets as follows:

	September 30, 2024	December 31, 2023
Office lease right-of-use asset	$ 59,698	$ 59,698
Less accumulated amortization	(25,891)	(4,533)
Total right-of-use asset, net	$ 33,807	$ 55,165

Operating lease liability for operating leases were recorded in the unaudited condensed consolidated balance sheets as follows:

	September 30, 2024	December 31, 2023
Current portion of operating lease liability	$ 31,098	$ 28,839
Long-term portion of operating lease liability	2,709	26,326
Total operating lease liability	$ 33,807	$ 55,165

Supplemental cash flow information related to the Company's leases for the nine months ended September 30, 2024 were as follows:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows for operating leases	$ 24,588

The weighted-average remaining lease term for the operating lease is 1.00 year and the weighted-average incremental borrowing rate is 10% as of September 30, 2024 and December 31, 2023.

As of September 30, 2024, future annual minimum lease payments required under operating leases are as follows:

2025	$ 32,784
2026	2,732
Total minimum lease payments	$ 35,516
Less: effects of discounting	(1,709)
Present value of future minimum lease payments	$ 33,807

Litigation

The Company is not a party to any material legal proceedings and is not aware of any pending or threatened claims. From time to time, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of its business activities.

NOTE 7 – Subsequent Events

The Company evaluates events that have occurred after the balance sheet date through the date for which the condensed consolidated financial statements are issued. Based upon the evaluation, except as set forth herein, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the unaudited condensed consolidated financial statements.

On November 8, 2024, the Company entered into an At The Market Offering Agreement (the "ATM Agreement") with H.C. Wainwright & Co., LLC ("Wainwright") under which the Company may offer and sell shares of its common stock having an aggregate sales price of up to $2,700,000 through

Wainwright as the sales manager pursuant to the Company's effective shelf registration statement on Form S-3, including an accompanying prospectus (File No. 333-272620), and a prospectus supplement dated November 8, 2024. Sales of shares of the Company's common stock through Wainwright, if any, will be made by any method permitted by law deemed to be an "at the market offering" as defined in Rule 415(a)(4) under the Securities Act of 1933, as amended. Wainwright will use commercially reasonable efforts to sell shares of the Company's common stock from time to time, based on instructions from the Company (including any price, time or size limits or other parameters or conditions the Company may impose). The Company will pay Wainwright a commission equal to 3.0% of the aggregate gross proceeds from the sales of shares of the Company's common stock sold through Wainwright under the ATM Agreement and will also reimburse Wainwright for certain specified expenses in connection with the ATM Agreement. The offering of shares pursuant to the ATM Agreement will terminate on the earlier of (1) the sale, pursuant to the ATM Agreement, of shares having an aggregate offering price of $2,700,000 and (2) the termination of the ATM Agreement by either the Company or Wainwright, as set forth therein.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled "Risk Factors" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 as may be amended, supplemented or superseded from time to time by other reports we file with the SEC. All amounts in this report are in U.S. dollars, unless otherwise noted.

Overview

We are a clinical-stage biopharmaceutical company focused on developing new generation therapies for unmet medical needs. We are focused on developing (i) a topical formulation for treating side effects from drugs used for the treatment of cancer (HT-001); (ii) a treatment for mast-cell derived cancers and anaphylaxis (HT-KIT); (iii) a treatment for traumatic brain injury and ischemic stroke (HT-TBI); and (iv) a treatment and/or prevention for Alzheimer's or other neuroinflammatory diseases (HT-ALZ). We also have assets being developed for (i) atopic dermatitis (also known as eczema) (BioLexa); (ii) a treatment for asthma and allergies using inhalational administration (HT-004); and (iii) a treatment for acne as well as inflammatory bowel diseases (HT-003). Furthermore, we have interests in certain other assets being developed by third parties including a treatment for patients with lupus that is being developed by Zylö Therapeutics, Inc. and potential product candidates being developed pursuant to our agreement with Voltron Therapeutics, Inc. for the prevention of COVID-19.

Recent Developments

On November 8, 2024, we entered into an At The Market Offering Agreement with H.C. Wainwright & Co., LLC ("Wainwright") under which we may offer and sell shares of our common stock having an aggregate sales price of up to $2,700,000 through Wainwright as the sales manager. Sales of shares of our common stock through Wainwright, if any, will be made by any method permitted by law deemed to be an "at the market offering" as defined in Rule 415(a)(4) under the Securities Act. For additional information see Note 7 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Results of Operations

Comparison of the Three Months Ended September 30, 2024 and 2023

Operating Costs and Expenses

Research and Development Expenses

For the three months ended September 30, 2024, research and development expenses decreased by approximately $77,000, or 7.9%, as compared to the three months ended September 30, 2023.

For the three months ended September 30, 2024, research and development expenses were approximately $0.9 million related to ongoing research and development projects. Specifically, during the quarter ended September 30, 2024, our research and development costs consisted primarily of the following costs for each of our key research and development projects: (i) HT-001, approximately $0.6 million related to manufacturing, preclinical and clinical activities; (ii) HT-KIT, approximately $154,300 related to manufacturing and preclinical activities; (iii) HT-004, approximately $18,700 in sponsored research activities; and (iv) HT-ALZ, approximately $96,500 related to manufacturing and preclinical activities. In addition to the foregoing, we also incurred fees of approximately $37,200 payable to members of our scientific advisory board for services.

For the three months ended September 30, 2023, research and development expenses were approximately $1.0 million, of which approximately $1.2 million was related to research and development expenses, with an offsetting gain of approximately $0.3 million related to a gain recognized on the settlement of a license agreement with Virginia Commonwealth University. Specifically, during the quarter ended September 30, 2023, our research and development costs consisted primarily of the following costs for each of our key research and development projects: (i) BioLexa, approximately $11,000 related to manufacturing costs; (ii) HT-001, approximately $0.4 million related to manufacturing, preclinical and clinical activities; (iii) HT-KIT, approximately $1.0 million related to preclinical activities; and (iv) HT-004, approximately $12,000 related to sponsored research. In addition to the foregoing, we also incurred fees of approximately $42,200 payable to members of our scientific advisory board for services. Additionally, our subsidiary, Hoth Therapeutics Australia Pty Ltd, recorded a gain of approximately $0.3 million due to a settlement agreement on a payable balance with Novotech, a clinical trial management vendor.

We expect our research and development activities to increase as we develop our existing product candidates and potentially acquire new product candidates, reflecting increasing costs associated with the following:

- employee-related expenses, which include salaries and benefits, and rent expenses;
- fees related to in-licensed products and technology;
- expenses incurred under agreements with contract research organizations, investigative sites and consultants that conduct our clinical trials and a substantial portion of our pre-clinical activities;

- the cost of acquiring and manufacturing clinical trial materials; and
- costs associated with non-clinical activities and regulatory approvals.

General and Administrative Expenses

For the three months ended September 30, 2024, general and administrative expenses amounted to approximately $1.2 million as compared to $1.1 million for the three months ended September 30, 2023, an increase of approximately $116,100, or 10.4%. For the three months ended September 30, 2024 and 2023, general and administrative expenses consisted of the following:

	Three Months Ended September 30,	
	2024	2023
Compensation and related expenses	$ 620,626	$ 566,139
Professional and consulting expenses	452,430	478,614
Rent expense	15,165	6,752
Other general and administrative expenses	146,522	67,101
Total	$ 1,234,743	$ 1,118,606

During the three months ended September 30, 2024, the increase in general and administrative expenses of approximately $116,100 was primarily attributed to an increase compensation and related expenses of approximately $54,500, an increase in other general and administrative expenses of approximately $79,400, and an increase in rent expense of approximately $8,400, offset by a decrease in professional and consulting expenses of approximately $26,200. During the three months ended September 30, 2023, we received a vendor credit of approximately $139,400, which reduced our other general and administrative expenses for the period. We did not receive any credit in the 2024 period. This reduction of other general administrative expenses was offset by an increase in insurance expense and other general and administrative expenses.

We anticipate that our general and administrative expenses will increase in future periods, reflecting continued and increasing costs associated with:

- support of our research and development activities;
- stock compensation granted to key employees and non-employees;
- support of business development activities; and
- increased professional fees and other costs associated with regulatory requirements.

Other income (expenses)

For the three months ended September 30, 2024 and 2023, we recorded other income, net of approximately $200 and $6,400, respectively. During the three months ended September 30, 2023, we recorded dividend income of approximately $5,600 as compared to $200 for the three months ended September 30, 2024.

Net Loss

For the three months ended September 30, 2024 and 2023, we incurred a net loss of approximately $2.1 million, or $0.31 per common share (basic and diluted), and $2.1 million, or $0.60 per common share (basic and diluted), respectively, a decrease of approximately $45,500.

Comparison of the Nine Months Ended September 30, 2024 and 2023

Operating Costs and Expenses

Research and Development Expenses

For the nine months ended September 30, 2024, research and development expenses decreased by approximately $635,700, or 24.8%, as compared to the nine months ended September 30, 2023.

For the nine months ended September 30, 2024, research and development expenses were approximately $1.9 million. Specifically, during the nine months ended September 30, 2024, our research and development costs consisted primarily of the following costs for each of our key research and development projects: (i) HT-001, approximately $1.2 million related to manufacturing, preclinical and clinical activities; (ii) HT-ALZ, approximately $112,800 related to preclinical studies; (iii) HT-KIT, approximately $363,300 related to manufacturing and preclinical activities; and (iv) HT-004, approximately $96,100 in sponsored research activities. In addition to the foregoing, we also incurred fees of approximately $111,800 payable to members of our scientific advisory board for services.

For the nine months ended September 30, 2023, research and development expenses were approximately $2.6 million, of which approximately $2.8 million was related to research and development expenses, with an offsetting gain of approximately $275,000 related to licenses acquired. Specifically, during the nine months ended September 30, 2023, our research and development costs consisted primarily of the following costs for each of our key research and development projects: (i) BioLexa, approximately $52,400 related to manufacturing costs; (ii) HT-001, approximately $1.3 million related to manufacturing, preclinical and clinical activities; (iii) HT-KIT, approximately $1.4 million related to manufacturing and preclinical activities; (iv) HT-ALZ, approximately $48,900 related to sponsored research; (v) HT-004, approximately $26,000 related to sponsored research; and (vi) HT-TBI credit of approximately $11,900 related to manufacturing. In addition to the foregoing, we also incurred fees of approximately $143,600 payable to members of our scientific advisory board for services. Additionally, our subsidiary, Hoth Therapeutics Australia Pty Ltd, recorded a gain of approximately $0.3 million due to a settlement agreement on a payable balance with Novotech, a clinical trial management vendor.

We expect our research and development activities to increase as we develop our existing product candidates and potentially acquire new product candidates, reflecting increasing costs associated with the following:

- employee-related expenses, which include salaries and benefits, and rent expenses;
- fees related to in-licensed products and technology;

- expenses incurred under agreements with contract research organizations, investigative sites and consultants that conduct our clinical trials and a substantial portion of our pre-clinical activities;

- the cost of acquiring and manufacturing clinical trial materials; and

- costs associated with non-clinical activities and regulatory approvals.

General and Administrative Expenses

For the nine months ended September 30, 2024, general and administrative expenses amounted to approximately $3,902,500 as compared to $3,429,000 for the nine months ended September 30, 2023, an increase of $473,500, or 13.8%. For the nine months ended September 30, 2024 and 2023, general and administrative expenses consisted of the following:

	Nine Months Ended September 30,	
	2024	**2023**
Compensation and related expenses	$ 1,838,028	$ 1,380,179
Professional and consulting expenses	1,402,015	1,578,872
Rent expense	39,890	29,769
Other general and administrative expenses	622,576	440,152
Total	$ 3,902,509	$ 3,428,972

During the nine months ended September 30, 2024, the increase in general and administrative expenses of approximately $473,500 was primarily attributed to an increase other general and administrative expenses of approximately $182,400, which primarily consisted of an increase in conference fees of approximately $161,000, an increase in compensation and related expenses of approximately $457,900, comprising of an increase in stock-based compensation of approximately $607,600 related to the issuance of stock options to executives and board of director members, and an increase in rent of approximately $10,100, offset by a decrease in other compensation and related expenses of approximately $149,700, and a decrease in professional and consulting expenses of approximately $176,900. During the nine months ended September 30, 2023, we received a vendor credit of approximately $139,400, which reduced our other general and administrative expenses for the period. We did not receive any credit in the 2024 period. During the nine months ended September 30, 2024, the increase in other general and administrative was also attributable to an increase in insurance expense and other general and administrative expenses.

We anticipate that our general and administrative expenses will increase in future periods, reflecting continued and increasing costs associated with:

- support of our research and development activities;

- stock compensation granted to key employees and non-employees;

- support of business development activities; and

- increased professional fees and other costs associated with regulatory requirements.

Other income (expenses)

For the nine months ended September 30, 2024 and 2023, we recorded other income (expenses), net of approximately $27,000 and $(148,700), respectively, an increase in other income of $175,700. During the nine months ended September 30, 2023, we recorded an unrealized loss of marketable securities of approximately $184,800 as compared to $0 for the nine months ended September 30, 2024.

Net Loss

For the nine months ended September 30, 2024 and 2023, we incurred a net loss of approximately $5.8 million, or $0.96 per common share (basic and diluted), and $6.1 million, or $1.99 per common share (basic and diluted), respectively, a decrease of approximately $0.3 million.

Liquidity and Capital Resources

To date we have funded our operations primarily through the sale of equity and debt securities. As of September 30, 2024, we had approximately $8.0 million in cash and cash equivalents, working capital of approximately $7.4 million and an accumulated deficit of approximately $58.7 million. Net cash used in operating activities was $5.0 million and $5.4 million for the nine months ended September 30, 2024 and 2023, respectively. We incurred net losses of approximately $5.8 million and $6.1 million for the nine months ended September 30, 2024 and 2023, respectively. We have incurred substantial operating losses since inception and expect to continue to incur significant operating losses for the foreseeable future as we continue our pre-clinical and clinical development of our product candidates. We have not yet commercialized any products and have never generated any revenue from product sales. We believe that our existing cash as of September 30, 2024 will enable us to fund our operating expenses and capital expenditure requirements for at least 12 months from the date of this Quarterly Report on Form 10-Q.

During the nine months ended September 30, 2024, we issued 2,500,000 shares (the “Warrant Shares”) of our common stock upon the exercise of the 2,500,000 January 2023 Existing Warrants (as defined herein) for net proceeds of approximately $3.8 million, after deducting placement agent fees and other offering expenses of approximately $0.4 million. The Warrant Shares were issued as a result of a March 27, 2024 inducement offer agreement, which closed on April 1, 2024, with a holder (the “Holder”) of certain of our existing warrants (“January 2023 Existing Warrants”) to immediately exercise, for cash, an aggregate of 2,500,000 January 2023 Existing Warrants to purchase shares of our common stock at a reduced exercise price of $1.6775 per share.

As an inducement to such exercise, we issued new unregistered warrants to the warrant holder to purchase up to 3,750,000 shares of our common stock at an exercise price of $1.50 per share. The warrants are exercisable immediately upon issuance and will expire on July 3, 2028. Additionally, in connection with this exercise, we issued 125,000 placement agent warrants at an exercise price of $2.0969 per share. The placement agent warrants are exercisable immediately upon issuance and will expire on July 3, 2028.

We have entered into certain license, sublicense, sponsored research and option agreements with third parties. Pursuant to such agreements, we may be required to make certain: (i) license maintenance fee payments; (ii) out-of-pocket expense payments, including, but not limited to, payments related to intellectual property and research related expenses; (iii) development and commercialization expense payments; (iv) annual and quarterly minimum payments; (v) diligence expense payments; and (vi) revenue interest payments. In addition, subject to the achievement of certain development and/or commercialization events, we may also be required to make certain: (i) minimum royalty payments, ranging from middle to high five figures; (ii) sales-based royalties and running royalties, ranging from low single digits to low double digits; and (iii) milestone payments of up to approximately $10.5 million (if all milestones in all of our current agreements are achieved).

Additional funding will be necessary to fund our future clinical and pre-clinical activities. We may obtain additional financing through sales of our equity and debt securities, entering into strategic partnerships, grants or other arrangements, or a combination of the foregoing. There are no assurances that we will be successful in obtaining an adequate level of financing as and when needed to finance our operations on terms acceptable to us or at all, particularly in light of the economic downturn. If we are unable to secure adequate additional funding as and when needed, we may have to significantly delay, scale back or discontinue the development and commercialization of one or more of our product candidates.

Cash Flows from Operating Activities

For the nine months ended September 30, 2024, net cash used in operations was approximately $5.0 million, which primarily resulted from a net loss of approximately $5.8 million, adjusted for the add back of stock-based compensation of approximately $0.8 million.

For the nine months ended September 30, 2023, net cash used in operations was approximately $5.4 million, which primarily resulted from a net loss of approximately $6.1 million, adjusted for the add back of stock-based compensation of approximately $210,600 and unrealized loss on marketable securities of $184,800, and net changes in operating assets and liabilities of approximately $397,000, which consisted of an increase in prepaid expenses of $141,100 and an increase in accounts payable and accrued expenses of approximately $538,100.

Cash Flows from Investing Activities

For the nine months ended September 30, 2024 and 2023, there was no net cash provided by or used in investing activities.

Cash Flows from Financing Activities

For the nine months ended September 30, 2024, net cash provided by financing activities was approximately $3.7 million, which resulted from net proceeds from the exercise of warrants.

For the nine months ended September 30, 2023, net cash provided by financing activities was approximately $11.3 million, which resulted from net proceeds from the issuance of common stock and warrants and proceeds from the exercise of warrants.

Critical Accounting Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and related disclosures in the financial statements. Management considers an accounting estimate to be critical if:

- it requires assumptions to be made that were uncertain at the time the estimate was made; and
- changes in the estimate or different estimates that could have been selected could have material impact in our results of operations or financial condition.

While we base our estimates and judgments on our experience and on various other factors that we believe to be reasonable under the circumstances, actual results could differ from those estimates and the differences could be material.

See Note 2 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for an additional discussion of our significant accounting policies.

Stock-based compensation

The Company accounts for stock-based payment awards exchanged for services at the estimated grant date fair value of the award. Stock options issued under the Company's long-term incentive plans are granted with an exercise price equal to no less than the market price of the Company's stock at the date of grant and expire up to ten years from the date of grant. Options are generally issued fully vested. The Company accounts for forfeited awards as they occur.

The Company estimates the fair value of stock option grants using the Black-Scholes option pricing model and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment.

Expected Term - The expected term of options represents the period that the Company's stock-based awards are expected to be outstanding based on the simplified method, which is the half-life from vesting to the end of its contractual term.

Expected Volatility - The Company computes stock price volatility over expected terms based on its historical common stock trading prices.

Risk-Free Interest Rate - The Company bases the risk-free interest rate on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term.

Expected Dividend - The Company has never declared or paid any cash dividends on its common shares and does not plan to pay cash dividends in the foreseeable future, and, therefore, uses an expected dividend yield of zero in its valuation models.

The Company grants restricted stock awards under its equity incentive plan. Restricted stock awards are granted to employees and non-employees. The restricted stock awards are measured based on the grant-date fair value. In general, the restricted stock awards vest over a service period of zero to three years. Stock-based compensation expense is generally recognized based on the straight-line basis over the requisite service period and forfeitures are accounted for as they occur.

The Company has issued warrants to non-employees. The warrants are measured based on the grant-date fair value. In general, the warrants vest over a term of zero to ten years. Stock-based compensation expense is generally recognized based on the straight-line basis over the vesting term.

Recently Issued Accounting Standards Not Yet Effective or Adopted

Income Taxes (Topic 740)

In December 2023, the Financial Accounting Standards Board ("FASB") issued guidance within Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* . The amendments in the ASU are intended to provide more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The ASU requires disclosure in the rate reconciliation of specific categories as well as additional information for reconciling items that meet a quantitative threshold.

The ASU requires disclosure of the following information about income taxes paid on an annual basis:

- Income taxes paid (net of refunds received), disaggregated by federal and state taxes and by individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than five percent of total income taxes paid (net of refunds received).

- Income tax expense (or benefit) from continuing operations disaggregated by federal and state jurisdictions.

The ASU is effective for annual periods beginning after December 15, 2024. The amendments should be applied on a prospective basis. The Company is evaluating the impact that the adoption of this ASU will have on the Company's consolidated financial statements, as it may require additional disclosures in the notes to our condensed consolidated financial statements.

Segment Reporting (Topic 280)

In November 2023, the FASB issued guidance within ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* . This ASU requires that a public entity that has a single reportable segment provide all the disclosures required by the amendments in this ASU and all existing disclosures in Topic 280. The Company has determined that its current business and operations consist of a single business segment and a single reporting unit.

The amendments in this ASU are intended to improve segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The key amendments included in this ASU:

- Require disclosure on an annual and interim basis, of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and are included within each reported measure of segment profit and loss.

- Require disclosure on an annual and interim basis, an amount for other segment items (defined in this ASU) and a description of its composition.

- Clarify that if the CODM uses more than one measure of the segment's profit or loss in assessing performance, one or more of those additional measures may be reported.

- Require disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing performance.

This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The amendments should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of this ASU on the Company's condensed consolidated financial statements as the Company has a single reportable segment.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material impact on the accompanying unaudited condensed consolidated financial statements.

JOBS Act

On April 5, 2012, the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We have chosen to take advantage of the extended transition periods available to emerging growth companies under the JOBS Act for complying with new or revised accounting standards until those standards would otherwise apply to private companies provided under the JOBS Act. As a result, our financial statements may not be comparable to those of companies that comply with public company effective dates for complying with new or revised accounting standards.

Subject to certain conditions set forth in the JOBS Act, as an "emerging growth company," we intend to rely on certain of these exemptions, including, without limitation, (i) providing an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, as amended, and (ii) complying 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, known as the auditor discussion and analysis. We will remain an "emerging growth company" until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of our initial public offering, which would be December 31, 2024; (iii) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is not required to provide the information required by this Item as it is a “smaller reporting company,” as defined in Rule 12b-2 of the Exchange Act.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our principal executive officer and principal financial officer evaluated the effectiveness of our “disclosure controls and procedures” as of September 30, 2024, the end of the period covered by this Quarterly Report on Form 10-Q. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is accumulated and communicated to a company’s management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures as of September 30, 2024, our Chief Executive Officer and our Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control

There have been no significant changes in our internal control over financial reporting during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be subject to litigation and claims arising in the ordinary course of business. We are not currently a party to any material legal proceedings and we are not aware of any pending or threatened legal proceeding against us that we believe could have a material adverse effect on our business, operating results, cash flows or financial condition.

ITEM 1A. RISK FACTORS

Risk factors that affect our business and financial results are discussed in Part I, Item 1A “Risk Factors,” in our Annual Report on Form 10-K for the year ended December 31, 2023 as filed with the SEC on March 28, 2024 (“Annual Report”). Except as set forth below, there have been no material changes in our risk factors from those previously disclosed in our Annual Report. You should carefully consider the risks described below and in our Annual Report which could materially affect our business, financial condition or future results. The risks described below and in our Annual Report are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or operating results. If any of the risks actually occur, our business, financial condition, and/or results of operations could be negatively affected.

If we fail to comply with the continued listing requirements of The Nasdaq Capital Market, our common stock may be delisted and the price of our common stock and our ability to access the capital markets could be negatively impacted.

On October 30, 2024, we received written notice from the Nasdaq Stock Market, LLC (“Nasdaq”) that we were not in compliance with Nasdaq Listing Rule 5550(a)(2), as the minimum bid price of our common stock had been below $1.00 per share for 30 consecutive business days. In accordance with Nasdaq Listing Rule 5810, we have a period of 180 calendar days, or until April 28, 2025, to regain compliance with the minimum bid price requirement. To regain compliance, the closing bid price of our common stock must meet or exceed $1.00 per share for at least 10 consecutive business days during this 180 calendar day period. In the event we do not regain compliance by April 28, 2025, we may be eligible for an additional 180 calendar day grace period if we meet The Nasdaq Capital Market continued listing requirements, with the exception of bid price, and notify Nasdaq in writing of our intention to cure the deficiency during the second compliance period. Although we may effect a reverse stock split of our issued and outstanding common stock in the future, there can be no assurance that such reverse stock split will enable us to regain compliance with the Nasdaq minimum bid price requirement.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the fiscal quarter ended September 30, 2024, none of the Company’s directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1	Amendment No. 1 to Hoth Therapeutics, Inc. Amended and Restated 2022 Omnibus Equity Incentive Plan (Incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-8 filed with the SEC on August 16, 2024)
31.1*	Certification of Principal Executive 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
31.2*	Certification of 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 Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of 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*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File - the cover page from the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 is formatted in Inline XBRL

* Filed herewith.

** Furnished herewith.

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.

HOTH THERAPEUTICS, INC.

Date: November 12, 2024

By: /s/ Robb Knie
Robb Knie,
Chief Executive Officer
(Principal Executive Officer)

Date: November 12, 2024

By: /s/ David Briones
David Briones,
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

Certification of Chief Executive Officer of Hoth Therapeutics, Inc.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Robb Knie, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 12, 2024

/s/ Robb Knie
Robb Knie
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer of Hoth Therapeutics, Inc.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Briones, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 12, 2024

/s/ David Briones
David Briones
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Statement of Chief Executive Officer Pursuant to Section 1350 of Title 18 of the United States Code

Pursuant to Section 1350 of Title 18 of the United States Code as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Robb Knie, Chief Executive Officer of Hoth Therapeutics, Inc. (the "Company"), hereby certifies that based on the undersigned's knowledge:

1. The Company's quarterly report on Form 10-Q for the period ended September 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 12, 2024

/s/ Robb Knie
Robb Knie
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Statement of Chief Financial Officer Pursuant to Section 1350 of Title 18 of the United States Code

Pursuant to Section 1350 of Title 18 of the United States Code as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, David Briones, Chief Financial Officer of Hoth Therapeutics, Inc. (the “Company”), hereby certifies that based on the undersigned’s knowledge:

1. The Company’s quarterly report on Form 10-Q for the period ended September 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 12, 2024

/s/ David Briones
David Briones
Chief Financial Officer
(Principal Financial and Accounting Officer)