

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 March 31, 2026

or

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

For the transition period from _____ to _____

Commission file number: 001-36019

TONIX PHARMACEUTICALS HOLDING CORP.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

26-1434750

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

200 Connell Drive, Suite 3100
Berkeley Heights, New Jersey

(Address of Principal Executive Offices)

07922

(Zip Code)

(862) 799-8599

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	TNXP	The NASDAQ Global Select Market

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

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

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

As of May 8, 2026, there were 15,940,801 shares of registrant's common stock outstanding.

TONIX PHARMACEUTICALS HOLDING CORP.

INDEX

PART I. FINANCIAL INFORMATION

<u>ITEM 1.</u>	<u>Financial Statements (unaudited)</u>	
	<u>Condensed consolidated balance sheets as of March 31, 2026 and December 31, 2025</u>	3
	<u>Condensed consolidated statements of operations for the three months ended March 31, 2026 and 2025</u>	4
	<u>Condensed consolidated statements of comprehensive loss for the three months ended March 31, 2026 and 2025</u>	5
	<u>Condensed consolidated statement of stockholders' equity for the three months ended March 31, 2026 and 2025</u>	6-7
	<u>Condensed consolidated statements of cash flows for the three months ended March 31, 2026 and 2025</u>	8
	<u>Notes to condensed consolidated financial statements (unaudited)</u>	9-24
<u>ITEM 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	25-32
<u>ITEM 3.</u>	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	33
<u>ITEM 4.</u>	<u>Controls and Procedures</u>	33

PART II. OTHER INFORMATION

<u>ITEM 1.</u>	<u>Legal Proceedings</u>	34
<u>ITEM 1A.</u>	<u>Risk Factors</u>	34
<u>ITEM 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	34
<u>ITEM 3.</u>	<u>Defaults Upon Senior Securities</u>	34
<u>ITEM 4.</u>	<u>Mine Safety Disclosures</u>	34
<u>ITEM 5.</u>	<u>Other Information</u>	34
<u>ITEM 6.</u>	<u>Exhibits</u>	35
<u>SIGNATURES</u>		36

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TONIX PHARMACEUTICALS HOLDING CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Par Value and Share Amounts)
(unaudited)

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 185,470	\$ 207,637
Accounts receivable, net	8,820	6,271
Inventory	3,645	6,013
Prepaid expenses and other current assets	9,233	8,955
Total current assets	<u>207,168</u>	<u>228,876</u>
Property and equipment, net	44,894	44,456
Intangible assets, net	120	120
Operating lease right-to-use assets	1,445	1,544
Other non-current assets	<u>4,285</u>	<u>2,175</u>
Total assets	<u>\$ 257,912</u>	<u>\$ 277,171</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 9,649	\$ 8,114
Accrued expenses and other current liabilities	19,836	22,598
Lease liability, short term	162	125
Total current liabilities	<u>29,647</u>	<u>30,837</u>
Lease liability, long term	<u>1,128</u>	<u>1,184</u>
Total liabilities	30,775	32,021
Commitments (See Note 16)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized, 0 shares issued and outstanding - as of both March 31, 2026 and December 31, 2025	—	—
Common stock, \$0.001 par value; 1,000,000,000 shares authorized; 14,205,401 and 12,788,069 shares issued and outstanding as of March 31, 2026, and December 31, 2025, respectively and 5,883 shares to be issued as of December 31, 2025	14	13
Additional paid in capital	1,122,315	1,100,141
Accumulated deficit	(894,909)	(854,715)
Accumulated other comprehensive loss	<u>(283)</u>	<u>(289)</u>
Total stockholders' equity	<u>227,137</u>	<u>245,150</u>
Total liabilities and stockholders' equity	<u>\$ 257,912</u>	<u>\$ 277,171</u>

See the accompanying notes to the condensed consolidated financial statements.

TONIX PHARMACEUTICALS HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Share and Per Share Amounts)
(unaudited)

	Three months ended March 31,	
	2026	2025
REVENUES:		
Product revenue, net	\$ 6,878	\$ 2,429
COSTS AND EXPENSES:		
Cost of sales	1,578	943
Research and development	18,213	7,436
Selling general and administrative	28,624	10,104
Total operating expenses	48,415	18,483
Operating loss	(41,537)	(16,054)
Grant income	—	923
Loss on Extinguishment of Debt	—	(2,092)
Interest income	1,346	394
Other expense, net	(3)	—
Net loss available to common stockholders	\$ (40,194)	\$ (16,829)
Net loss to common stockholders per common share, basic and diluted	\$ (2.93)	\$ (2.84)
Weighted average common shares outstanding, basic and diluted	13,707,104	5,927,231

See the accompanying notes to the condensed consolidated financial statements.

TONIX PHARMACEUTICALS HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In Thousands)
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Net loss	\$ (40,194)	\$ (16,829)
Other comprehensive gain (loss):		
Foreign currency translation gain (loss)	6	(11)
Total other comprehensive gain (loss)	6	(11)
Comprehensive loss	\$ (40,188)	\$ (16,840)

See the accompanying notes to the condensed consolidated financial statements.

TONIX PHARMACEUTICALS HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
THREE MONTHS ENDED MARCH 31, 2026
(In Thousands, Except Share and Per Share Amounts)
(unaudited)

	Common stock		Additional Paid in Capital	Other Comprehensive Gain (loss)	Accumulated Deficit	Total
	Shares	Amount				
Balance, December 31, 2025	12,788,069	\$ 13	\$ 1,100,141	\$ (289)	\$ (854,715)	\$ 245,150
Issuance of common stock under the At-the- Market, net of issuance costs of \$676	1,411,449	1	20,125	—	—	20,126
Employee stock purchase plan (ESPP)	5,883	—	79	—	—	79
Stock-based compensation	—	—	1,970	—	—	1,970
Foreign currency translation gain	—	—	—	6	—	6
Net loss	—	—	—	—	(40,194)	(40,194)
Balance, March 31, 2026	14,205,401	\$ 14	\$ 1,122,315	\$ (283)	\$ (894,909)	\$ 227,137

See the accompanying notes to the condensed consolidated financial statements.

TONIX PHARMACEUTICALS HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
THREE MONTHS ENDED MARCH 31, 2025
(In Thousands, Except Share and Per Share Amounts)
(unaudited)

	Common stock			Additional Paid in Capital	Other Comprehensive Gain (loss)	Accumulated Deficit	Total
	Shares	Amount					
Balance, December 31, 2024	4,385,929	\$ 4	\$	870,503	\$ (255)	\$ (730,694)	\$ 139,558
Repurchase of common stock under share repurchase program, including transactional expenses of \$8	(250,000)	—		(3,047)	—	—	(3,047)
Issuance of common stock under At-the-Market, net of transactional expenses of \$2,182	2,741,887	3		59,840	—	—	59,843
Stock-based compensation	—	—		882	—	—	882
Foreign currency translation loss	—	—		—	(11)	—	(11)
Net loss	—	—		—	—	(16,829)	(16,829)
Balance, March 31, 2025	<u>6,877,816</u>	<u>\$ 7</u>	<u>\$</u>	<u>928,178</u>	<u>\$ (266)</u>	<u>\$ (747,523)</u>	<u>\$ 180,396</u>

See the accompanying notes to the condensed consolidated financial statements.

TONIX PHARMACEUTICALS HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(unaudited)

	Three Months Ended	
	March 31,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (40,194)	\$ (16,829)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	555	493
Amortization of debt discount	—	65
Loss on extinguishment of debt	—	2,092
Stock-based compensation	1,970	882
Changes in operating assets and liabilities:		
Accounts receivable, net	(2,548)	371
Prepaid expenses and other	(278)	(617)
Other non-current assets	(3,742)	—
Inventory	2,369	272
Accounts payable	1,533	(353)
Operating lease liabilities and ROU asset, net	80	(5)
Accrued expenses and other current liabilities	(2,063)	(2,950)
Net cash used in operating activities	<u>(42,318)</u>	<u>(16,579)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,692)	(6)
Net cash used in investing activities	<u>(1,692)</u>	<u>(6)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of term loan	—	(9,650)
Repurchase of common stock	—	(3,047)
Proceeds from ESPP	79	—
Proceeds, net issuance costs paid of \$676 and \$2,270, from sale of common stock	20,126	62,230
Net cash provided by financing activities	<u>20,205</u>	<u>49,533</u>
Effect of currency rate change on cash	<u>6</u>	<u>(9)</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(23,799)	32,939
Cash, cash equivalents and restricted cash beginning of the period	<u>209,807</u>	<u>99,680</u>
Cash, cash equivalents and restricted cash end of period	<u>\$ 186,008</u>	<u>\$ 132,619</u>
Supplemental disclosures of cash flow information:		
Interest paid	\$ —	\$ 117
Purchases of property and equipment including in accounts payable and accrued liabilities	\$ 166	\$ —

See the accompanying notes to the condensed consolidated financial statements.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 – BUSINESS

Tonix Pharmaceuticals (“Tonix” or the “Company”) is a fully-integrated biopharmaceutical company commercializing and developing innovative therapies for central nervous system (“CNS”) disorders, infectious diseases, immunology, and rare diseases. Our portfolio consists of both commercial and development-stage programs.

In August 2025, Tonix received approval from the U.S. Food and Drug Administration (“FDA”) for TONMYA® (cyclobenzaprine HCl sublingual tablets) for the treatment of fibromyalgia. TONMYA, Tonix’s first internally developed product to become FDA approved, was commercially launched by the Company in the United States on November 17, 2025. TONMYA is the first new medicine for fibromyalgia in more than 15 years and is a centrally acting, non-opioid analgesic designed for bedtime administration and long-term use. The Company holds worldwide commercialization rights to TONMYA. In addition to TONMYA, Tonix markets two FDA-approved prescription products for the treatment of acute migraine: Zembrace® SymTouch® (sumatriptan injection) and Tosymra® (sumatriptan nasal spray). Tonix’s commercial platform includes sales, marketing, market access, distribution, and patient support capabilities.

Tonix is advancing a diversified development pipeline generated through internal discovery, in-licensing, acquisitions, and collaborations with academic and non-profit institutions. The Company’s pipeline addresses conditions that span CNS, infectious disease, immunology, and rare disease, with multiple programs in clinical and preclinical development. TONMYA’s proprietary cyclobenzaprine HCl sublingual tablet formulation is referred to as “TNX-102 SL” outside of the fibromyalgia indication. Tonix is exploring the utility of TNX-102 SL in Phase 2 clinical trials for major depressive disorder (MDD) and acute stress disorder (ASD)/acute stress reaction (ASR). TNX-102 SL is being developed to treat ASD/ASR under an Investigator-Initiated investigational new drug application (“IND”) at the University of North Carolina in the ongoing OASIS study funded by a grant they received from the U.S. Department of Defense (“DoD”). A Phase 2 study of TNX-102 SL for MDD is expected to commence mid-2026 under a Tonix IND that has been cleared by FDA.

Tonix’s clinical stage infectious disease portfolio includes monoclonal antibody TNX-4800 (anti *Borrelia* OspA human monoclonal antibody) for the prevention of Lyme disease in the U.S., for which initiation of an adaptive Phase 2 field study is planned for the first half of 2027, pending FDA agreement. TNX-4800 was licensed from UMass Chan Medical School. Tonix’s clinical-stage immunology development portfolio consists of biologics to address organ transplant rejection, autoimmunity and cancer, including TNX-1500, which is a Phase 2- ready Fc-modified humanized monoclonal antibody targeting CD40-ligand (CD40L or CD154) being developed for the prevention of kidney transplant rejection. Another CNS candidate in clinical development is TNX-1300 (double-mutant cocaine esterase), which is in Phase 2 for the treatment of cocaine intoxication. TNX-1300 has been granted Breakthrough Therapy designation by the FDA and a Phase 2a study was completed. However, because of the challenges of recruiting eligible patients into a subsequent Phase 2 study, the Company terminated that study and intends to meet with the FDA in 2026 to inform the clinical design of its next Phase 2 study. Tonix’s clinical-stage rare disease portfolio includes TNX-2900, intranasal oxytocin potentiated with magnesium, in development for Prader-Willi syndrome and expected to start a Phase 2 study in the first quarter of 2027.

Tonix’s pre-clinical, pre-IND infectious disease portfolio includes TNX-801 (horsepox, live virus vaccine), as a potential vaccine for mpox and smallpox. We own a facility in Dartmouth, MA that was purpose-built to manufacture TNX-801 under Good Manufacturing Practices (GMP) to support clinical development and potential commercialization. The GMP suites were decommissioned in 2024 and may be reactivated on the earlier of 2027 or in the case of a national or international emergency. Tonix’s pre-IND infectious disease portfolio also includes TNX-4200, which is a small molecule broad-spectrum antiviral agent targeting CD45 for the prevention or treatment of high lethality infections to improve the medical readiness of military personnel in biological threat environments. The TNX-4200 program is supported by a \$34 million contract over five years from the U.S. DoD’s Defense Threat Reduction Agency (DTRA). Tonix owns and operates a state-of-the art research facility in Frederick, Maryland that supports this research. Tonix’s pre-IND pre-clinical immunology portfolio includes TNX-1700, which is a fusion protein of TFF2 and albumin is in preclinical development for the treatment of gastric cancer in combination with PD-1 blockade in collaboration with Columbia University. Finally, Tonix’s pre-clinical, pre-IND CNS portfolio also includes TNX-4900, a highly selective small-molecule Sigma-1 receptor (“S1R”) antagonist for neuropathic pain licensed from Rutgers University.

The condensed consolidated financial statements include the accounts of Tonix Pharmaceuticals Holding Corp. and its wholly owned subsidiaries, Tonix Sub, Krele LLC, Tonix Pharmaceuticals (Canada), Inc., Tonix Medicines, Jenner Institute LLC, Tonix R&D Center LLC, Tonix Pharma Holdings Limited and Tonix Pharma Limited (collectively, the “Company” or “Tonix”). All intercompany balances and transactions have been eliminated in consolidation.

Going Concern

The accompanying financial statements have been prepared on a basis which assumes that the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business. The Company has suffered recurring losses from operations and negative cash flows from operating activities. At March 31, 2026, the Company had working capital of approximately \$177.5 million. At March 31, 2026, the Company had an accumulated deficit of approximately \$894.9 million. The Company held cash and cash equivalents of approximately \$185.5 million as of March 31, 2026.

The Company believes that its cash resources at March 31, 2026 and the net proceeds of \$22.6 million, that it raised from equity offerings in the second quarter of 2026 (See Note 12), will meet its planned operating and capital expenditure requirements into early second quarter of 2027, but will not extend to 12 months from the issuance of these financial statements.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company continues to face significant challenges and uncertainties and must obtain additional funding through public and private financing and collaborative arrangements with strategic partners to increase the funds available to fund operations. However, the Company may not be able to raise capital on terms acceptable to the Company, or at all. Without additional funds, it may be forced to delay, scale back or eliminate some of its research and development activities, or other operations and potentially delay product development in an effort to maintain sufficient funds to continue operations. If any of these events occurs, its ability to achieve development and commercialization goals would be adversely affected and the Company may be forced to cease operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Interim financial statements

The unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("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, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

The condensed consolidated balance sheet as of December 31, 2025, contained herein has been derived from audited financial statements.

Operating results for the three months ended March 31, 2026 are not necessarily indicative of results that may be expected for the year ending December 31, 2026. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2025, included in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission ("SEC") on March 12, 2026.

Risks and uncertainties

The Company's primary efforts are devoted to commercializing its approved products and conducting research and development of innovative pharmaceutical and biological products to address public health challenges. The Company has experienced net losses and negative cash flows from operations since inception and expects these conditions to continue for the foreseeable future. Further, the Company currently generates revenue from the sale of its commercial products, TONMYA, Zembrace SymTouch[®] and Tosymra. There is no assurance that the Company will be able to generate sufficient cash flow to fund operations from the sale of its commercial products or products in development, if and when approved. In addition, there can be no assurance that the Company's research and development will be successfully completed or that any product in development will be approved or commercially viable.

Use of estimates

The preparation of financial statements in accordance with Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include, but are not limited to, impairments, provisions for product returns, coupons, rebates, chargebacks, discounts, allowances, inventory realization, the assumptions used in the fair value of stock-based compensation and other equity instruments, and the percent of completion of research and development contracts.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Segment Information and Concentrations

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker (“CODM”), or decision-making group, in deciding how to allocate resources and in assessing performance. The Company considers its chief executive officer to be the Company’s CODM. The CODM manages its operations and allocates resources based on the Company’s consolidated results and therefore operates as one segment.

Segment revenue, profit or loss, significant segment expenses and other segment items - The accounting policies of the Company’s single operating and reportable segment are the same as those described in the summary of significant accounting policies. The Company’s method for measuring segment profitability includes net income (loss), which the CODM uses to assess performance and make decisions for resource allocation, consistent with the measurement principles for net income (loss) as reported on the Company’s consolidated statement of operations. The significant expenses regularly reviewed by the CODM are consistent with those reported on the Company’s consolidated statement of operations, and expenses are regularly reviewed on a more disaggregated basis for purposes of assessing segment performance and deciding how to allocate resources. The measure of segment assets is reported on the Company’s consolidated balance sheet.

The Company has three products that accounted for \$6.9 million, representing 100% of total revenues during the three months ended March 31, 2026. The Company had two products that accounted for \$2.4 million, representing 100% of total revenues during the three months ended March 31, 2025.

As of March 31, 2026, accounts receivable from three customers accounted for 40%, 35%, and 12% of accounts receivable. As of December 31, 2025, accounts receivable from three customers accounted for 34%, 29%, and 28% of total accounts receivable.

For the three months ended March 31, 2026, revenues from three customers accounted for 30%, 28% and 18% of net product revenues, respectively. For the three months ended March 31, 2025, revenues from five customers accounted for 25%, 25%, 20%, 13% and 12% of net product revenues, respectively.

Information about significant segment expenses regularly provided to the CODM is as follows (in thousands):

	2026	March 31, (in thousands) 2025	Change
Research and development expenses:			
Direct expenses – TNX - 102 SL	\$ 1,472	\$ 1,034	\$ 438
Direct expenses – TNX - 801	1,059	319	740
Direct expenses – TNX - 1500	4,277	382	3,895
Direct expenses – TNX - 1900	891	136	755
Direct expenses – TNX - 4200	320	131	189
Direct expenses – TNX - 4800	1,394	—	1,394
Direct expenses – Other programs	768	322	446
Internal staffing, overhead and other	8,032	5,112	2,920
Total research & development	<u>\$ 18,213</u>	<u>\$ 7,436</u>	<u>\$ 10,777</u>

Our direct research and development expenses consist principally of external costs for clinical, nonclinical and manufacturing, such as fees paid to contractors, consultants and contract research organizations in connection with our development work. Included in "Internal Staffing, Overhead and Other" is overhead, supplies, research and development employee costs (including stock option expenses), travel, regulatory and legal.

Cash, Cash Equivalents and Restricted Cash

The Company considers cash equivalents to be those investments which are highly liquid, readily convertible to cash and have an original maturity of three months or less when purchased. At March 31, 2026, and March 31, 2025, cash equivalents, which consisted of money market funds, amounted to approximately \$155.1 million and \$75.7 million, respectively. Restricted cash, which is included in Other non-current assets on the consolidated balance sheet, at March 31, 2026, of approximately \$0.5 million collateralizes a letter of credit issued in connection with the lease of office space in Berkeley Heights, New Jersey and Chatham, New Jersey. Restricted cash at March 31, 2025 of approximately \$0.9 million, collateralizes a letter of credit issued in connection with the lease of office space in Chatham, New Jersey and New York, New York, and restricted cash held by vendors in escrow accounts for patient support services.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the same amounts shown in the condensed consolidated statement of cash flows:

	March 31, 2026	March 31, 2025
	(in thousands)	
Cash and cash equivalents	\$ 185,470	\$ 131,716
Restricted cash	538	903
Total	<u>\$ 186,008</u>	<u>\$ 132,619</u>

Accounts Receivable, net

Accounts receivable consists of amounts due from our wholesale and other third-party distributors and pharmacies and have standard payment terms that generally require payment within 30 to 90 days. For certain customers, the accounts receivable for the customer is net of cash discounts, chargebacks and customer rebates. We provide reserves against accounts receivable for estimated losses that may result from a customer’s inability to pay. Amounts determined to be uncollectible are charged or written-off against the reserve.

As of March 31, 2026 and December 31, 2025, the Company had \$31,000 for both reporting periods, as an allowance for expected credit losses. An allowance for credit losses is determined based on the financial condition and creditworthiness of customers and the Company considers economic factors and events or trends expected to affect future collections experience. Any allowance would reduce the net receivables to the amount that is expected to be collected. The payment history of the Company's customers will be considered in future assessments of collectability as these patterns are established over a longer period.

Concentration of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk include cash and cash equivalents, and accounts receivable. We attempt to minimize the risks related to cash and cash equivalents by investing in a broad and diverse range of financial instruments, and we have established guidelines related to credit ratings and maturities intended to safeguard principal balances and maintain liquidity. Concentrations of credit risk with respect to receivables, which are typically unsecured, are somewhat mitigated due to the financial stability of our primary customers using our products.

We monitor the financial performance and creditworthiness of our customers so that we can properly assess and respond to changes in their credit profile. We continue to monitor these conditions and assess their possible impact on our business.

Inventories

Inventories are recorded at the lower of cost or net realizable value, with cost determined by the first-in-first-out method. The Company periodically reviews the composition of inventory in order to identify excess, obsolete, slow-moving or otherwise non-saleable items taking into account anticipated future sales compared with quantities on hand, and the remaining shelf life of goods on hand. If non-saleable items are observed and there are no alternate uses for the inventory, the Company records a write-down to net realizable value in the period that the decline in value is first recognized. Although the Company makes every effort to ensure the accuracy of forecasts of future product demand, any significant unanticipated decreases in demand could have a material impact on the carrying value of inventories and reported operating results.

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation and amortization is calculated using the straight-line method over the asset's estimated useful life, which ranges from 20 to 40 years for buildings, 15 years for land improvements and laboratory equipment, three years for computer assets, five years for furniture and all other equipment and the shorter of the useful life or term of lease for leasehold improvements. Depreciation and amortization on assets begin when the asset is placed in service. Depreciation and amortization expense for the quarters ended March 31, 2026, and 2025 was \$0.6 million and \$0.5 million, respectively. The Company's property and equipment is located in the United States.

Intangible assets, net

Intangible assets deemed to have finite lives are carried at acquisition-date fair value less accumulated amortization and impairment, if any. Finite-lived intangible assets consisted of developed technology intangible assets acquired in connection with the acquisition of certain products from Upsher Smith Laboratories, LLC ("Upsher Smith") consummated on June 30, 2023. The acquired intangible assets were amortized using the straight-line method over the estimated useful lives of the respective assets. The Company recorded a full impairment of its developed technology assets during the second quarter of 2024, therefore there is no amortization for the three months ended March 31, 2026 and March 31, 2025.

Impairment testing of long-lived assets

The Company evaluates long-lived assets for impairment, including property and equipment, finite-lived intangibles assets and operating lease right-to-use assets whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, the Company compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made. For the three months ended March 31, 2026 and 2025, the Company believed that no impairment existed.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Leases

The Company determines if an arrangement is, or contains, a lease at inception. Operating leases are included in operating lease right-of-use (“ROU”) assets, operating lease liabilities, current and operating lease liabilities, noncurrent in the Company’s consolidated balance sheets. ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company’s leases do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at the transition date and subsequent lease commencement dates in determining the present value of lease payments. This is the rate the Company would have to pay if borrowing on a collateralized basis over a similar term to each lease. The operating lease ROU asset excludes lease incentives. The Company’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments made under operating leases is recognized on a straight-line basis over the lease term.

Revenue Recognition

The Company records and recognizes revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company’s revenues primarily result from contracts with customers, which are generally short-term and have a single performance obligation - the delivery of product.

The Company’s performance obligation to deliver products is satisfied at the point in time that the goods are received by the customer, which is when the customer obtains title to and has the risks and rewards of ownership of the products, which is generally upon shipment or delivery to the customer as stipulated by the terms of the sale agreements. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Our contractual payment terms are typically 30 to 90 days.

Revenues from product sales, net of gross-to-net deductions, are recorded only to the extent a significant reversal in the amount of cumulative revenue recognized is not probable of occurring and when the uncertainty associated with gross-to-net deductions is subsequently resolved. Taxes assessed by governmental authorities and collected from customers are excluded from product sales. Shipping and handling activities are considered to be fulfillment activities and not a separate performance obligation.

Many of the Company’s products sold are subject to a variety of deductions. Revenues are recognized net of estimated rebates and chargebacks, cash discounts, distributor fees, sales return provisions and other related deductions. Deductions to product sales are referred to as gross-to-net deductions and are estimated and recorded in the period in which the related product sales occur. Accruals for these provisions are presented in the consolidated financial statements as reductions to gross sales in determining net sales, and as a contra asset within accounts receivable, net (if settled via credit) and other current liabilities (if paid in cash). Amounts recorded for revenue deductions can result from a complex series of judgements about future events and uncertainties and can rely heavily on estimates and assumptions. The following section briefly describes the nature of the Company’s provisions for variable consideration and how such provisions are estimated:

Chargebacks - The Company sells a portion of its products indirectly through wholesaler distributors, and enters into specific agreements with these indirect customers to establish pricing for the Company’s products, and in-turn, the indirect customers and entities independently purchase these products. Because the price paid by the indirect customers and/or entities is lower than the price paid by the wholesaler, the Company provides a credit, called a chargeback, to the wholesaler for the difference between the contractual price with the indirect customers and the wholesale customer’s purchase price. The Company’s provision for chargebacks is based on expected sell-through levels by the Company’s wholesale customers to the indirect customers and estimated wholesaler inventory levels as well as historical chargeback rates. The Company continually monitors its reserve for chargebacks and adjusts the reserve accordingly when expected chargebacks differ from actual experience.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Rebates - The Company participates in certain government and specific sales rebate programs which provides discounted prescription drugs to qualified recipients, and primarily relate to Medicaid and managed care rebates, pharmacy rebates, Tri-Care rebates and discounts, specialty pharmacy program fees and other governmental rebates or applicable allowances.

- Managed Care Rebates are processed in the quarter following the quarter in which they are earned. The managed care reporting entity submits utilization data after the end of the quarter and the Company processes the payment in accordance with contract terms. All rebates earned but not paid are estimated by the Company according to historical payments trended for market growth assumptions.
- Medicaid and State Agency rebates are based upon historical experience of claims submitted by various states. The Company monitors Medicaid legislative changes to determine what impact such legislation may have on the provision for Medicaid rebates. The accrual of State Agency reserves is based on historical payment rates. There is an approximate four to six-month lag from the time of product sale until the rebate is paid.
- Tri-Care represents a regionally managed health care program for active duty and retired members, dependents and survivors of the US military. The Tri-Care program supplements health care resources of the US military with civilian health care professionals for greater access and quality healthcare coverage. Through the Tri-Care program, the Company provides pharmaceuticals on a direct customer basis. Prices of pharmaceuticals sold under the Tri-Care program are pre-negotiated and a reserve amount is established to represent the proportionate rebate amount associated with product sales.
- Coverage Gap refers to the Medicare prescription drug program and represents specifically the period between the initial Medicare Part D prescription drug program coverage limit and the catastrophic coverage threshold. Applicable pharmaceutical products sold during this coverage gap timeframe are discounted by the Company. Since the nature of the program is that coverage limits are reset at the beginning of the calendar year; the payments escalate each quarter as the participants reach the coverage limit before reaching the catastrophic coverage threshold. The Company has determined that the cost of this reserve will be viewed as an annual cost. Therefore, the accrual will be incurred evenly during the year with quarterly review of the liability based on payment trends and any revision to the projected annual cost.

Prompt-Pay and other Sales Discounts - The Company provides for prompt pay discounts, which early payments are recorded as a reduction of revenue and as a reduction in the accounts receivable at the time of sale based on the customer's contracted discount rate. Consumer sales discounts represent programs the Company has in place to reduce costs to the patient. This includes copay buy down and eVoucher programs.

Product Returns - Consistent with industry practice, the customer's right of return commences typically six months prior to product expiration date and ends one year after product expiration date. Products returned for expiration are reimbursed at current wholesale acquisition cost or indirect contract price. The Company estimates the amount of its product sales that may be returned by the Company's customers and accrues this estimate as a reduction of revenue in the period the related product revenue is recognized. The Company estimates products returns as a percentage of sales to its customers. The rate is estimated by using historical sales information or appropriate industry average for newly launched products. Adjustments are made to the current provision for returns when data suggests product returns may differ from original estimates.

Research and Development Costs

The Company outsources certain of its research and development efforts and expenses these costs as incurred, including the cost of manufacturing products for testing, as well as licensing fees and costs associated with planning and conducting clinical trials. The value ascribed to patents and other intellectual property acquired in transactions accounted for as an asset acquisition has been expensed as research and development costs, as such property is related to particular research and development projects and had no alternative future uses.

The Company estimates its expenses resulting from its obligations under contracts with vendors, clinical research organizations and consultants and under clinical site agreements in connection with conducting clinical trials. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payment flows that do not match the periods over which materials or services are provided under such contracts. The Company accounts for trial expenses according to the timing of various aspects of the trial. The Company determines accrual estimates taking into account discussion with applicable personnel and outside service providers as to the progress or state of consummation of trials, or the services completed.

During the course of a clinical trial, the Company adjusts its clinical expense recognition if actual results differ from its estimates. The Company makes estimates of its accrued expenses as of each balance sheet date based on the facts and circumstances known to it at that time. The Company's clinical trial accruals are dependent upon the timely and accurate reporting of contract research organizations and other third-party vendors.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2026 AND 2025 (UNAUDITED)

Government Grants

From time to time, the Company may enter into arrangements with governmental entities for the purpose of obtaining funding for research and development activities. The Company is reimbursed for costs incurred that are associated with specified research and development activities included in the grant application approved by the government authority and, in certain arrangements, U.S. GAAP does not have specific accounting standards covering government grants to business entities. The Company applies International Accounting Standards 20 (“IAS 20”), Accounting for Government Grants and Disclosure of Government Assistance by analogy when accounting for government grants. Under IAS 20, government grants are initially recognized when there is reasonable assurance the conditions of the grant will be met and the grant will be received. After initial recognition, government grants received are recognized in earnings in the same period the underlying costs for which the grant is intended to compensate are incurred. The Company classifies government grants received under these arrangements as either a reduction to the related research and development expense or as grant income in the consolidated statements of operations, depending on the fee structure of the arrangement. The Company also applies the disclosure requirements of ASC 832, Government Assistance.

In June 2024, the Company was awarded a prototype Other Transaction Agreement from the Defense Threat Reduction Agency (“DTRA”), an agency within the U.S. Department of Defense, to fund the Company’s TNX-4200 program for the development of a small molecule broad-spectrum antiviral for the prevention or treatment of viral infections to improve the medical readiness of military personnel in biological threat environments. The DTRA grant provides for payments totaling up to \$34.1 million over five years, which is subject to adjustment based on costs, scope, budget, and other factors as the program advances. Funding under the DTRA grant is earned and recognized under a cost-plus-fixed-fee arrangement in which the Company is reimbursed for all direct costs incurred plus allowable indirect costs and a fixed fee. No grant income was recognized during the three months ended March 31, 2026. During the three months ended March 31, 2025, \$0.9 million was recognized in grant income related to the DTRA grant.

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred. The Company recorded advertising and promotion expenses of approximately \$7.6 million and \$0.4 million, respectively, for the three months ended March 31, 2026, and 2025.

Stock-based Compensation

All stock-based payments to employees and to non-employees for their services, including stock options, are measured at fair value on the grant date and recognized in the consolidated statements of operations as compensation expense over the requisite service period. The Company accounts for share-based awards in accordance with the provisions of the Accounting Standards Codification (“ASC”) 718, Compensation – Stock Compensation.

Foreign Currency Translation

Operations of the Company’s Canadian subsidiary, Tonix Pharmaceuticals (Canada), Inc., are conducted in local currency, which represents its functional currency. The U.S. dollar is the functional currency of the other foreign subsidiaries. Balance sheet accounts of the Canadian subsidiary were translated from foreign currency into U.S. dollars at the exchange rate in effect at the balance sheet date and income statement accounts were translated at the average rate of exchange prevailing during the period. Translation adjustments resulting from this process were included in accumulated other comprehensive loss on the consolidated balance sheets.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of a business during a period from transactions and other events and circumstances from non-owners sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Other comprehensive income (loss) represents foreign currency translation adjustments.

Income Taxes

Deferred income tax assets and liabilities are determined based on the estimated future tax effects of net operating loss and credit carryforwards and temporary differences between the tax basis of assets and liabilities and their respective financial reporting amounts measured at the current enacted tax rates. The Company records a valuation allowance on its deferred income tax assets if it is not more likely than not that these deferred income tax assets will be realized.

The Company recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. As of March 31, 2026, the Company has not recorded any unrecognized tax benefits. The Company’s policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Per Share Data

The computation of basic and diluted loss per share for the three months ended March 31, 2026 and 2025 excludes potentially dilutive securities when their inclusion would be anti-dilutive, or if their exercise prices were greater than the average market price of the common stock during the period. Prefunded warrants are assumed exercised on date of issuance and are included in the basic earnings per share (“EPS”) calculation thus excluded from the table below.

All warrants (See Note 14) issued participate on a one-for-one basis with common stock in the distribution of dividends, if and when declared by the Board of Directors, on the Company’s common stock. For purposes of computing EPS, these warrants are considered to participate with common stock in earnings of the Company. Therefore, the Company calculates basic and diluted EPS using the two-class method. Under the two-class method, net income for the period is allocated between common stockholders and participating securities according to dividends declared and participation rights in undistributed earnings. No income was allocated to the warrants for the three months ended March 31, 2026 and 2025, as results of operations were a loss for the periods.

Potentially dilutive securities excluded from the computation of basic and diluted net loss per share, as of March 31, 2026, and 2025, are as follows:

	2026	2025
Warrants to purchase common stock	26,239	29,021
Options to purchase common stock	2,131,964	674,134
Totals	2,158,203	703,155

Recently Adopted Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides guidance for estimating credit losses under the current expected credit losses (CECL) model for current accounts receivable and current contract assets arising from transactions accounted for under Accounting Standards Codification 606. The Company has adopted this ASU on a prospective basis, and it did not have a material impact on its consolidated financial statements and related disclosures.

Recently Issued Accounting Pronouncements

In December 2025, the FASB issued ASU 2025-10, *Government Grants (Topic 832)*. The amendments in this ASU establish the accounting for a government grant received by a business entity, including guidance for (1) a grant related to an asset and (2) a grant related to income. The amendments in this ASU are effective annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2025-10 on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. This ASU amends the existing standard to remove all references to software development project stages and requires entities to start capitalizing software costs when both of the following occur: (i) management has authorized and committed to funding the software project and (ii) it is probable that the project will be completed and the software will be used to perform the function intended. This ASU is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years, with early adoption permitted as of the beginning of a fiscal year. The amendments can be applied prospectively, retrospectively, or via a modified prospective transition method. The Company is evaluating the impact of adoption on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures*, to improve transparency in financial reporting by requiring entities to present more detailed information about the nature of expenses included within the Income Statement. The guidance will first be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is in the process of assessing the impact of ASU 2024-03 on its financial statements.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 3 – INVENTORY

The components of inventory consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
	(in thousands)	
Raw Materials	\$ 2,666	\$ 2,506
Work-in-process	1,767	1,370
Finished Goods	785	2,137
Total Inventory	<u>\$ 5,218</u>	<u>\$ 6,013</u>
Recognized as:		
Inventory	\$ 3,645	\$ 6,013
Other non-current assets	1,573	—
	<u>\$ 5,218</u>	<u>\$ 6,013</u>

Amounts recognized as Other non-current assets are comprised almost entirely of raw materials that are not expected to be sold within one year.

NOTE 4 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
	(in thousands)	
Property and equipment, net:		
Land	\$ 8,011	\$ 8,011
Land improvements	305	305
Buildings	25,286	25,096
Office furniture and equipment	2,230	2,014
Laboratory equipment	15,436	14,849
Leasehold improvements	203	203
Property and equipment gross	51,471	50,478
Less: Accumulated depreciation and amortization	(6,577)	(6,022)
Property and equipment, net	<u>\$ 44,894</u>	<u>\$ 44,456</u>

NOTE 5 – INTANGIBLE ASSETS

The following table provides the gross carrying amount and accumulated amortization for each major class of intangible asset:

	March 31, 2026	December 31, 2025
	(in thousands)	
Intangible assets not subject to amortization		
Internet domain rights	\$ 120	\$ 120
Total intangible assets, net	<u>\$ 120</u>	<u>\$ 120</u>

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 6 – FAIR VALUE MEASUREMENTS

Fair value measurements affect the Company’s accounting for certain of its financial assets. Fair value is defined as the price 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 and is measured according to a hierarchy that includes:

- Level 1: Observable inputs, such as quoted prices in active markets.
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category includes U.S. government agency-backed debt securities and corporate-debt securities.
- Level 3: Unobservable inputs in which there is little or no market data.

As of March 31, 2026, and December 31, 2025, the Company used Level 1 quoted prices in active markets to value cash equivalents of \$155.1 million and \$148.7 million, respectively. The Company did not have any material Level 2 or Level 3 assets or liabilities as of March 31, 2026 and December 31, 2025.

NOTE 7 – OTHER BALANCE SHEET INFORMATION

Components of selected captions in the consolidated balance sheets consist of:

	March 31, 2026	December 31, 2025
(in thousands)		
Prepaid expenses and other current assets:		
Contract research-related	\$ 3,390	\$ 3,485
Prepaid Inventory	1,000	1,000
Prescription drug user fee	442	663
Taxes	467	566
Insurance	1,149	1,650
Professional fees and other	2,785	1,591
	<u>\$ 9,233</u>	<u>\$ 8,955</u>
Other non-current assets:		
Amounts held in escrow	\$ 2,169	\$ —
Inventory	1,573	—
Restricted cash	538	2,170
Security deposits	5	5
	<u>\$ 4,285</u>	<u>\$ 2,175</u>
Accrued expenses and other current liabilities:		
Contract research-related	\$ 4,227	\$ 3,425
Compensation and compensation-related	3,432	6,144
Gross-to-net deductions	8,680	7,909
Professional fees and other	3,497	5,120
	<u>\$ 19,836</u>	<u>\$ 22,598</u>

NOTE 8 – DEBT FINANCING

On December 8, 2023, the Company entered into a Loan and Guaranty Agreement (the “Loan Agreement”) by and among the Company, Krele LLC, Tonix Pharmaceuticals, Inc., Jenner and Tonix R&D Center (collectively, the “Loan Parties”), with JGB Capital, LP, JGB Partners, LP, JGB (Cayman) Port Ellen Ltd., and any other lender from time to time party hereto (collectively, the “Lenders”), and JGB Collateral LLC, as administrative agent and collateral agent for the Lenders (in such capacity, “JGB Agent”) for a 36-month term loan (the “Term Loan”) in the aggregate principal amount of \$11.0 million, with a maturity date of December 8, 2026 (the “Maturity Date”). The Term Loan was funded with an original issue discount of 9% of the principal amount of the Term Loan, or \$1.0 million, which was amortized over the term of the debt as an adjustment to the effective interest rate on the outstanding borrowings.

During the first quarter of 2025, the Company paid \$9.6 million as a result of a pay-off of the above-mentioned loan. The pay-off amount paid by the Company in connection with the termination of the Loan Agreement was pursuant to a pay-off letter and includes a prepayment fee of \$1.0 million in accordance with the terms and provisions of the Loan Agreement. In connection with the pay-off of the loan, the Company incurred a loss on extinguishment of the debt amounting to \$2.1 million during the three months ended March 31, 2025.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 9 – STOCKHOLDERS’ EQUITY

On February 5, 2025, the Company effected a 1-for-100 reverse stock split of its issued and outstanding shares of common stock, whereby 559,044,486 outstanding shares of the Company’s common stock were exchanged for 5,590,667 shares of the Company’s common stock. All per share amounts and number of shares in the consolidated financial statements and related notes have been retroactively restated to reflect the reverse stock split. As a result of the reverse-stock-split, on February 20, 2025, the Company’s stock regained compliance with the minimum bid price requirement of \$1.00 per share for continued listing on the NASDAQ Capital Market, as set forth in NASDAQ Listing Rule 5550(a)(2).

On February 20, 2025, the Company received a letter from The NASDAQ Stock Market LLC stating that because the Company’s shares had a closing bid price at or above \$1.00 per share for a minimum of 10 consecutive business days, the Company’s stock had regained compliance with the minimum bid price requirement of \$1.00 per share for continued listing on the NASDAQ Capital Market, as set forth in NASDAQ Listing Rule 5550(a)(2), and that the matter is now closed.

NOTE 10 – REVENUES

Disaggregation of Net Revenues

The Company’s net product revenues are summarized below:

	Three months ended	
	March 31,	
	2026	2025
TONMYA	\$ 3,731	\$ —
Zembrace Symtouch	2,930	2,026
Tosymra	217	403
Total product revenues	<u>\$ 6,878</u>	<u>\$ 2,429</u>

All sales are generated in the United States.

Gross-to-Net Sales Accruals

We record gross-to-net sales accruals for chargebacks, rebates, sales and other discounts, and product returns, which are all customary to the pharmaceutical industry.

Our provision for gross-to-net allowances was \$10.6 million at March 31, 2026, \$1.9 million of which was recorded as a reduction to accounts receivable and \$8.7 million recorded as a component of accrued expenses. The above allowances have been reduced by approximately \$1.5 million related to adjustments in respect of prior years resulting in an additional \$1.5 million of revenue being recognized during the three months ended March 31, 2026. Our provision for gross-to-net allowances was \$5.1 million at March 31, 2025, \$1.2 million of which was recorded as a reduction to accounts receivable and \$3.9 million recorded as a component of accrued expenses.

NOTE 11 – ASSET PURCHASE AGREEMENT WITH UPSHER-SMITH

On June 30, 2023, the Company completed the acquisition of certain assets from Upsher Smith related to Zembrace SymTouch (sumatriptan injection) 3 mg (“Zembrace”) and Tosymra (sumatriptan nasal spray) 10 mg (“Tosymra”) products.

The Company has assumed certain obligations of Upsher Smith, including the payment of quarterly royalty payments on annual net sales from the Business in the U.S. as follows: for Tosymra, 4% for net sales of \$0 to \$30 million, 7% of net sales of \$30 to \$75 million; 9% for net sales of \$75 to \$100 million; 12% for net sales of \$100 to \$150 million; and 15% for net sales greater than \$150 million. Royalty payments with respect to Tosymra are payable until the expiration or termination of the product’s Orange Book listed patent(s) with respect to the United States or, outside the United States, the expiration of the last valid claim covering the product in the relevant country of the territory.

For Zembrace, royalty payments on annual net sales in the U.S. are 3% for net sales of \$0 to \$30 million, 6% of net sales of \$30 to \$75 million; 12% for net sales of \$75 to \$100 million; 16% for net sales of greater than \$100 million. Such royalty payments were payable until July 19, 2025. Upon the entry of a generic version of the relevant product, the applicable royalty rates shall be reduced by 90% with respect to Zembrace, and by 66.7% for Tosymra. Prior to Purchaser or a licensee filing an application for marketing authorization for either of the products in a permitted country outside the U.S., the parties will negotiate in good faith the royalty payment rates annual net sales tiers that will apply for such country, based on the market opportunity for the product in such country. If the parties fail to agree, then the royalty payment rates and annual net sales tiers described above will apply.

In addition, the Company has assumed the obligation to pay an additional 3% royalty on net sales of Tosymra, plus an additional 3% if a patent containing certain claims related to Tosymra issues in the U.S., for 15 years from the first commercial sale of Tosymra in the applicable country or for as long as the manufacture, use or sale of Tosymra in such country is covered by a valid claim of a licensed patent, and up to \$15 million per Tosymra product on the achievement of sales milestones ranging from \$250 million to \$1 billion in annual worldwide net sales. These royalty payments are included in cost of goods sold on the consolidated statement of operations.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 12 – SALE AND PURCHASE OF COMMON STOCK

2025 Lincoln Park Transaction

On June 11, 2025, the Company entered into a purchase agreement (the “2025 Purchase Agreement”) and a registration rights agreement (the “2025 Registration Rights Agreement”) with Lincoln Park. Pursuant to the terms of the 2025 Purchase Agreement, Lincoln Park has agreed to purchase from the Company up to \$75,000,000 of the Company’s common stock (subject to certain limitations) from time to time during the term of the 2025 Purchase Agreement. Pursuant to the terms of the 2025 Registration Rights Agreement, the Company filed with the SEC a registration statement to register for resale under the Securities Act the shares that have been or may be issued to Lincoln Park under the 2025 Purchase Agreement.

Pursuant to the terms of the 2025 Purchase Agreement, at the time the Company signed the 2025 Purchase Agreement and the 2025 Registration Rights Agreement, the Company issued 48,708 shares of common stock to Lincoln Park as consideration for its commitment to purchase shares of the Company’s common stock under the 2025 Purchase Agreement. The commitment shares were valued at \$1.8 million and recorded as an addition to equity for the issuance of the common stock and treated as other expense, net on the consolidated statement of operations under the 2025 Purchase Agreement. No shares were sold during the quarter ended March 31, 2026, under the 2025 Purchase Agreement.

The Company evaluated the 2025 Purchase Agreement under ASC 815-40 *Derivatives and Hedging-Contracts on an Entity’s Own Equity* as it represents the right to require Lincoln Park to purchase shares of common stock in the future, similar to a put option. The Company concluded that the 2025 Purchase Agreement represents a freestanding derivative instrument that does not qualify for equity classification and therefore requires fair value accounting. The Company analyzed the terms of the contract and concluded that the derivative instrument had insignificant value as of March 31, 2026 and December 31, 2025.

2025 At-the-Market Offerings

On June 11, 2025, the Company entered into a Sales Agreement (the “2025 Sales Agreement”), with A.G.P./Alliance Global Partners (“AGP”) pursuant to which the Company may issue and sell, from time to time, shares of common stock having an aggregate offering price of up to \$400.0 million in sales. AGP is sales agent under the ATM and paid a 3% commission on each sale under the 2025 Sales Agreement. The Company’s common stock is sold at prevailing market prices at the time of the sale, and, as a result, prices will vary. During the quarter ended March 31, 2026, the Company sold 1.4 million shares of common stock under the 2025 Sales Agreement, for net proceeds of approximately \$20.1 million. Subsequent to March 31, 2026, the Company sold 1.7 million shares of common stock under the 2025 Sales Agreement, for net proceeds of approximately \$22.6 million.

2024 At-the-Market Offerings

On July 30, 2024, the Company entered into a Sales Agreement (the “2024 Sales Agreement”), with A.G.P./Alliance Global Partners (“AGP”) pursuant to which the Company may issue and sell, from time to time, shares of common stock having an aggregate offering price of up to \$250.0 million in sales. AGP is sales agent under the ATM and paid a 3% commission on each sale under the 2024 Sales Agreement. The Company’s common stock is sold at prevailing market prices at the time of the sale, and, as a result, prices will vary. During the three months ended March 31, 2025, the Company sold approximately 2.7 million shares of common stock under the Sales Agreement for net proceeds of approximately \$59.8 million.

Stock repurchases

In September 2024, the Board of Directors approved a 2024 share repurchase program pursuant to which the Company may repurchase up to \$10.0 million in value of its outstanding common stock from time to time on the open market and in privately negotiated transactions subject to market conditions, share price and other factors. During the three months ended March 31, 2025, the Company repurchased 250,000 of shares of its common stock outstanding under the 2024 share repurchase at prices ranging from \$9.98 to \$14.33 per share for a gross aggregate cost of approximately \$3.0 million. The repurchased shares were immediately retired. No shares of common stock were repurchased during the three months ended March 31, 2026.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The Company repurchased the following capital stock:

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Total cost of repurchased shares (in thousands)	\$ —	\$ 3,047
Shares repurchased	—	250,000
Weighted average price per share	\$ —	12.15

The timing and amount of any shares repurchased will be determined based on the Company's evaluation of market conditions and other factors and the New Share Repurchase Program may be discontinued or suspended at any time. Repurchases will be made in accordance with the rules and regulations promulgated by the Securities and Exchange Commission and certain other legal requirements to which the Company may be subject. Repurchases may be made, in part, under a Rule 10b5-1 plan, which allows stock repurchases when the Company might otherwise be precluded from doing so.

NOTE 13 – STOCK-BASED COMPENSATION

On May 1, 2020, the Company's stockholders approved the Tonix Pharmaceuticals Holding Corp. Amended and Restated 2020 Stock Incentive Plan ("Amended and Restated 2020 Plan").

Under the terms of the Amended and Restated 2020 Plan, the Company may issue (1) stock options (incentive and nonstatutory), (2) restricted stock, (3) stock appreciation rights ("SARs"), (4) RSUs, (5) other stock-based awards, and (6) cash-based awards. The Amended and Restated 2020 Plan initially provided for the issuance of up to 50,000 shares of common stock, which amount will be increased to the extent that awards granted under the Plans are forfeited, expire or are settled for cash (except as otherwise provided in the Amended and Restated 2020 Plan). In addition, the Amended and Restated 2020 Plan contains an "evergreen provision" providing for an annual increase in the number of shares of our common stock available for issuance under the Amended and Restated 2020 Plan on January 1 of each year for a period of ten years, commencing on January 1, 2021 and ending on (and including) January 1, 2030, in an amount equal to the difference between (x) twenty percent (20%) of the total number of shares of common stock outstanding on December 31st of the preceding calendar year, and (y) the total number of shares of common stock reserved under the Amended and Restated 2020 Plan on December 31st of such preceding calendar year (including shares subject to outstanding awards, issued pursuant to awards or available for future awards). On May 8, 2025, the Company's stockholders approved the addition of 1,000,000 shares to the Company's Amended and Restated 2020 Plan.

The Board of Directors determines the exercise price, vesting and expiration period of the grants under the Amended and Restated 2020 Plan. However, the exercise price of an incentive stock option may not be less than 110% of fair value of the common stock at the date of the grant for a 10% or more shareholder and 100% of fair value for a grantee who is not a 10% shareholder. The fair value of the common stock is determined based on quoted market price or in absence of such quoted market price, by the Board of Directors in good faith. Additionally, the expiration period of grants under the Amended and Restated 2020 Plan may not be more than ten years. As of March 31, 2026, there were 425,649 options available for future grants under the Amended and Restated 2020 Plan.

General

A summary of the stock option activity and related information for the Plans for the three months ended March 31, 2026, is as follows:

	Shares	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2025	1,150,551	\$ 43,826	9.26	\$ 0
Grants	1,027,539	15.32		—
Exercised	—	—		
Forfeitures or expirations	(46,126)	837,519		
Outstanding at March 31, 2026	2,131,964	\$ 5,539	9.44	\$ 0
Exercisable at March 31, 2026	235,074	\$ 43,516	8.89	\$ 0

The aggregate intrinsic value in the preceding table represents the total pretax intrinsic value, based on options with an exercise price less than the Company's closing stock price at the respective dates.

The weighted average fair value of options granted for the three-month periods ended March 31, 2026 and 2025 was \$13.40 and \$7.55 per share, respectively.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The Company measures the fair value of stock options on the date of grant, based on the Black Scholes option pricing model using certain assumptions discussed below, and the closing market price of the Company's common stock on the date of the grant. The fair value of the award is measured on the grant date. One-third of most stock options granted pursuant to the Plans vest 12 months from the date of grant and 1/36th each month thereafter for 24 months and expire ten years from the date of grant. In addition, the Company issues options to directors which vest over a one-year period. The Company also issues premium options to executive officers which have an exercise price greater than the grant date fair value and has issued performance-based options which vest when target parameters are met or probable of being met, subject in each case to a one year minimum service period prior to vesting. Stock-based compensation expense related to awards is amortized over the applicable service period using the straight-line method.

The assumptions used in the valuation of stock options granted during the three months ended March 31, 2026, and 2025 were as follows:

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Risk-free interest rate	3.85% - 4.05%	4.21%
Expected term of option	6.08 years	6.00 years
Expected stock price volatility	147.88% – 148.41%	149.34%
Expected dividend yield	0.0	0.0

The risk-free interest rate is based on the yield of Daily U.S. Treasury Yield Curve Rates with terms equal to the expected term of the options as of the grant date. The expected term of options is determined using the simplified method, as provided in an SEC Staff Accounting Bulletin, and the expected stock price volatility is based on the Company's historical stock price volatility.

Stock-based compensation expense relating to options granted of \$1.9 million, of which \$1.3 million and \$0.6 million, related to Selling, General and Administration and Research and Development, respectively, was recognized for the three months ended March 31, 2026.

Stock-based compensation expense relating to options granted of \$0.9 million, of which \$0.6 million and \$0.3 million, related to Selling, General and Administration and Research and Development, respectively, was recognized for the three months ended March 31, 2025.

As of March 31, 2026, the Company had approximately \$23.3 million of total unrecognized compensation cost related to non-vested awards granted under the Plans, which the Company expects to recognize over a weighted average period of 3.36 years.

Employee Stock Purchase Plans

On May 5, 2023, the Company's stockholders approved the Tonix Pharmaceuticals Holdings Corp. 2023 Employee Stock Purchase Plan. (the "2023 ESPP"), which was replaced by the Tonix Pharmaceuticals Holdings Corp. 2025 Employee Stock Purchase Plan (the "2025 ESPP", and together with the 2023 ESPP, the "ESPP Plans"), which was approved by the Company's stockholders on May 8, 2025.

The 2025 ESPP allows eligible employees to purchase up to an aggregate of 2,000,000 shares of the Company's common stock. Under the 2025 ESPP, on the first day of each offering period, each eligible employee for that offering period has the option to enroll for that offering period, which allows the eligible employees to purchase shares of the Company's common stock at the end of the offering period. Each offering period under the 2025 ESPP is for six months, which can be modified from time to time. Subject to limitations, each participant will be permitted to purchase a number of shares determined by dividing the employee's accumulated payroll deductions for the offering period by the applicable purchase price, which is equal to 85 percent of the fair market value of our common stock at the beginning or end of each offering period, whichever is less. A participant must designate in his or her enrollment package the percentage (if any) of compensation to be deducted during that offering period for the purchase of stock under the 2025 ESPP, subject to the statutory limit under the Code.

The 2023 ESPP allows eligible employees to purchase up to an aggregate of 250 shares of the Company's common stock. Under the 2023 ESPP, on the first day of each offering period, each employee eligible for that offering period has the option to enroll for that offering period, which allows the eligible employees to purchase shares of the Company's common stock at the end of the offering period. Each offering period under the 2023 ESPP is for six months, which can be modified from time-to-time. Subject to limitations, each participant will be permitted to purchase a number of shares determined by dividing the employee's accumulated payroll deductions for the offering period by the applicable purchase price, which is equal to 85 percent of the fair market value of our common stock at the beginning or end of each offering period, whichever is less. A participant must designate in his or her enrollment package the percentage (if any) of compensation to be deducted during that offering period for the purchase of stock under the 2023 ESPP, subject to the statutory limit under the Code. As of March 31, 2026, 159 shares were available for future sales under the 2023 ESPP and 1,994,117 shares were available under the 2025 ESPP.

The ESPP Plans are considered compensatory plans with the related compensation cost expensed over the six-month offering period. For the three months ended March 31, 2026 and 2025, \$0.1 million and \$0, respectively, were expensed. As of December 31, 2025, approximately \$90,000 of employee payroll deductions had accumulated and had been recorded in accrued expenses. In January 2026, 5,883 shares that were purchased as of December 31, 2025, under the 2025 ESPP, were issued.

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 14 – WARRANTS TO PURCHASE COMMON STOCK

The following table summarizes information with respect to outstanding warrants to purchase common stock of the Company at March 31, 2026:

Exercise Price	Number Outstanding	Expiration Date
\$ 0.001	615,025 ⁽¹⁾	December 2030
\$ 1,056.00	4,585	April 2029
\$ 1,056.00	2,782	April 2029
\$ 1,056.00	2,172	April 2029
\$ 1,056.00	10,884	April 2029
\$ 1,600.00	36	October 2028
\$ 2,720.00	5,758	December 2028
\$ 3,200.00	22	August 2028
	<u>641,264</u>	

(1) Represents prefunded warrants.

During the three months ended March 31, 2025, warrants totaling 10,884 became exercisable, 5,758 became exercisable upon FDA acceptance of our NDA filing, and 1, with an exercise price of \$1,056, \$1,776 and \$364,800, respectively, expired.

NOTE 15 – LEASES

The Company has various operating lease agreements, which are primarily for office space. These agreements frequently include one or more renewal options and require the Company to pay for utilities, taxes, insurance and maintenance expense. No lease agreement imposes a restriction on the Company's ability to engage in financing transactions or enter into further lease agreements. At March 31, 2026, the Company has right-of-use assets of \$1.4 million and a total lease liability for operating leases of \$1.3 million of which \$1.1 million is included in long-term lease liabilities and \$0.2 million is included in current lease liabilities.

At March 31, 2026, future minimum lease payments for operating leases with non-cancelable terms of more than one year were as follows (in thousands):

Year Ending December 31,	
Remainder of 2026	\$ 107
2027	480
2028	451
2029	366
2030	30
	1,434
Included interest	(144)
	\$ 1,290

TONIX PHARMACEUTICALS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2026 AND 2025 (UNAUDITED)

No new leases or amendments were entered into during the three months ended March 31, 2026 and 2025.

Operating lease expenses were \$0.1 million for both the quarters ended March 31, 2026, and 2025.

Other information related to leases is as follows:

	As of and for the	
	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flow from operating leases (in thousands)	\$ 116	\$ 71
Weighted Average Remaining Lease Term		
Operating leases	3.52 years	2.97 years
Weighted Average Discount Rate		
Operating leases	5.45%	5.07%

NOTE 16 – COMMITMENTS

Contractual agreements

The Company has entered into contracts with various contract research organizations with outstanding commitments aggregating approximately \$49.6 million at March 31, 2026 for future work to be performed.

The Company has entered into various exclusive license agreements with various institutions with the right to sublicense, certain patents, technical information and material, and to develop and commercialize products thereunder. In addition to any upfront payments already paid, the Company may be obligated to pay milestone fees ranging from \$25,000 to \$5.0 million based on the potential achievement of certain development milestones, as well as milestone fees ranging from \$55,000 to \$20.0 million based on certain potential commercial achievements, as specified in the respective license agreement. Additionally, for licensed products sold during the applicable royalty term, the Company must pay royalties in the low-to-mid single digits, beginning in the year after the Company completes its first commercial sale of a licensed product. Finally, the Company has the right to grant sublicenses to third parties under each license agreement and is required to pay a sublicense income share based on the stage of development of the licensed product at the time the sublicense is granted.

Defined contribution plan

The Company established a qualified defined contribution plan (the “401(k) Plan”) pursuant to Section 401(k) of the Code, whereby all eligible employees may participate. Participants may elect to defer a percentage of their annual pretax compensation to the 401(k) Plan, subject to defined limitations. The Company is required to make contributions to the 401(k) Plan equal to 100 percent of each participant’s pretax contributions of up to six percent of his or her eligible compensation, subject to limitations under the Code. For the three months ended March 31, 2026 and 2025, the Company charged operations \$0.4 million and \$0.2 million, respectively for contributions under the 401(k) Plan.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent to March 31, 2026, the Company sold 1.7 million shares of common stock under the Sales Agreement, for net proceeds of approximately \$22.6 million.

On May 7, 2026, the Company's stockholders approved the Tonix Pharmaceuticals Holdings Corp. 2026 Stock Incentive Plan.

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations includes a number of forward-looking statements that reflect Management's current views with respect to future events and financial performance. You can identify these statements by forward-looking words such as "may" "will," "expect," "anticipate," "believe," "estimate" and "continue," or similar words. Those statements include statements regarding the intent, belief or current expectations of us and members of our management team as well as the assumptions on which such statements are based. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risk and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements.

Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the Securities and Exchange Commission. Important factors known to us could cause actual results to differ materially from those in forward-looking statements. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in the future operating results over time. We believe that our assumptions are based upon reasonable data derived from and known about our business and operations. No assurances are made that actual results of operations or the results of our future activities will not differ materially from our assumptions. Factors that could cause differences include, but are not limited to: our need for additional financing; risks related to the failure to obtain FDA clearances or approvals and noncompliance with FDA regulations; risks related to the failure to successfully market any of our products; risks related to the timing and progress of clinical development of our product candidates; uncertainties of patent protection and litigation; uncertainties of government or third party payor reimbursement; limited research and development efforts and dependence upon third parties; and substantial competition.

Business Overview

We are a fully-integrated biopharmaceutical company commercializing and developing innovative therapies for central nervous system ("CNS") disorders, infectious diseases, immunology, and rare diseases. Our portfolio consists of both commercial and development-stage programs.

In August 2025, we received approval from the FDA for TONMYA® (cyclobenzaprine HCl sublingual tablets) for the treatment of fibromyalgia. TONMYA, our first internally developed product to become FDA approved, was commercially launched by us in the United States on November 17, 2025. TONMYA is the first new medicine for fibromyalgia in more than 15 years and is a centrally acting, non-opioid analgesic designed for bedtime administration and long-term use. We hold worldwide commercialization rights to TONMYA. In addition to TONMYA, we market two FDA-approved prescription products for the treatment of acute migraine: Zembrace® SymTouch® (sumatriptan injection) and Tosymra® (sumatriptan nasal spray). Our commercial platform includes sales, marketing, market access, distribution, and patient support capabilities. We are advancing a diversified development pipeline generated through internal discovery, in-licensing, acquisitions, and collaborations with academic and non-profit institutions. Our pipeline addresses conditions that span CNS, infectious disease, immunology, and rare disease, with multiple programs in clinical and preclinical development. TONMYA's proprietary cyclobenzaprine HCl sublingual tablet formulation is referred to as "TNX-102 SL" outside of the fibromyalgia indication. We are exploring the utility of TNX-102 SL in Phase 2 clinical trials for major depressive disorder (MDD) and acute stress disorder (ASD)/acute stress reaction (ASR). TNX-102 SL is being developed to treat ASD/ASR under an Investigator-Initiated investigational new drug application ("IND") at the University of North Carolina in the ongoing OASIS study funded by a grant they received from the U.S. Department of Defense ("DoD"). A Phase 2 study of TNX-102 SL for MDD is expected to commence mid-2026 under a Tonix IND that has been cleared by FDA.

Our clinical stage infectious disease portfolio includes monoclonal antibody TNX-4800 (anti-*Borrelia* OspA human monoclonal antibody) for the prevention of Lyme disease in the U.S., for which initiation of an adaptive Phase 2 field study is planned for the first half of 2027, pending FDA agreement. TNX-4800 was licensed from UMASS Chan Medical School. Our clinical-stage immunology development portfolio consists of biologics to address organ transplant rejection and autoimmunity, including TNX-1500, which is a Phase 2-ready Fc-modified humanized monoclonal antibody targeting CD40-ligand (CD40L or CD154) being developed for the prevention of kidney transplant rejection. Another CNS candidate in clinical development is TNX-1300 (double-mutant cocaine esterase), which is in Phase 2 for the treatment of cocaine intoxication. TNX-1300 has been granted Breakthrough Therapy designation by the FDA and a Phase 2a study was completed. However, because of the challenges of recruiting eligible patients into a subsequent Phase 2 study, we terminated that study and intend to meet with the FDA in 2026 to inform the clinical design of our next Phase 2 study. Our clinical-stage rare disease portfolio includes TNX-2900, intranasal oxytocin potentiated with magnesium, in development for Prader-Willi syndrome and expected to start a Phase 2 study in the first quarter of 2027. Our pre-clinical, pre-IND infectious disease portfolio includes TNX-801 (horsepox, live virus vaccine), as a potential vaccine for mpox and smallpox. We own a facility in Dartmouth, MA that was purpose-built to manufacture TNX-801 under Good Manufacturing Practices (GMP) to support clinical development and potential commercialization. The facility was decommissioned in 2024 and may be reactivated on the earlier of 2027 or in the case of a national or international emergency. Our pre-IND infectious disease portfolio also includes TNX-4200, which is a small molecule broad-spectrum antiviral agent targeting CD45 for the prevention or treatment of high lethality infections to improve the medical readiness of military personnel in biological threat environments. The TNX-4200 program is supported by a \$34 million contract over five years from the U.S. DoD's Defense Threat Reduction Agency (DTRA). We own and operate a state-of-the art research facility in Frederick, Maryland that supports this research. Our pre-IND pre-clinical immunology portfolio includes TNX-1700, which is a fusion protein of TFF2 and albumin is in preclinical development for the treatment of gastric and colorectal cancer in combination with PD-1 blockade in collaboration with Columbia University. Finally, our pre-clinical, pre-IND CNS portfolio also includes TNX-4900, a highly selective small-molecule Sigma-1 receptor ("S1R") antagonist for neuropathic pain licensed from Rutgers University.

Our product candidates in development are investigational new drugs or biologics and have not been approved for any indication.

Zembrace SymTouch and Tosymra are registered trademarks of Tonix Medicines. TONMYA is a registered trademark of Tonix Pharma Limited. All other marks are the property of their respective owners. We are led by a management team with significant industry experience in drug development.

Results of Operations

We anticipate that our results of operations will fluctuate for the foreseeable future due to several factors, such as the sale of our commercialized assets, progress of our research and development efforts and the timing and outcome of regulatory submissions. Due to these uncertainties, accurate predictions of future operations are difficult or impossible to make.

Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025

The following table sets forth our operating expenses for the three months ended March 31, 2026 and 2025 (in thousands):

	Three months ended March 31,	
	2026	2025
REVENUE		
Product revenue, net	\$ 6,878	\$ 2,429
COSTS AND EXPENSES:		
Cost of sales	\$ 1,578	\$ 943
Research and development	18,213	7,436
General and administrative	28,624	10,104
Total operating expenses	48,415	18,483
Operating loss	(41,537)	(16,054)
Grant income	—	923
Loss on extinguishment of debt	—	(2,092)
Interest income	1,346	394
Other expense, net	(3)	—
Net loss	\$ (40,194)	\$ (16,829)

Revenues. Revenue recognized for the three months ended March 31, 2026 and 2025, was \$6.9 million and \$2.4 million, respectively.

The Company's net product revenues are summarized below:

	Three months ended March 31,	
	2026	2025
TONMYA	\$ 3,731	\$ —
Zembrace Symtouch	2,930	2,026
Tosymra	217	403
Total product revenues	\$ 6,878	\$ 2,429

Cost of Sales. Cost of sales recognized for the three months ended March 31, 2026 and 2025, was \$1.6 million and \$0.9 million, respectively. The increase is predominantly due to the launch of Tonmya in November 2025.

Research and Development Expenses. Research and development expenses for the three months ended March 31, 2026, were \$18.2 million, an increase of \$10.8 million, or 146%, from \$7.4 million for the three months ended March 31, 2025. The increase is predominately due to increased clinical expenses of \$0.8 million, non-clinical expenses of \$0.4 million, and manufacturing expenses of \$6.6 million as a result of pipeline prioritization period over period, and employee-related expenses of \$2.5 million due to an increased workforce predominately as a result of the launch of TONMYA in November 2025.

The table below summarizes our direct research and development expenses for our product candidates and development platform for the three months ended March 31, 2026, and 2025.

	March 31, (in thousands)		
	2026	2025	Change
Research and development expenses:			
Direct expenses – TNX - 102 SL	\$ 1,472	\$ 1,034	\$ 438
Direct expenses – TNX - 801	1,059	319	740
Direct expenses – TNX - 1500	4,277	382	3,895
Direct expenses – TNX - 1900	891	136	755
Direct expenses – TNX - 4200	320	131	189
Direct expenses – TNX - 4800	1,394	—	1,394
Direct expenses – Other programs	768	322	446
Internal staffing, overhead and other	8,032	5,112	2,920
Total research & development	\$ 18,213	\$ 7,436	\$ 10,777

Our direct research and development expenses consist principally of external costs for clinical, nonclinical and manufacturing, such as fees paid to contractors, consultants and contract research organizations in connection with our development work. Included in "Internal Staffing, Overhead and Other" is overhead, supplies, research and development employee costs (including stock option expenses), travel, regulatory and legal.

Selling, General and Administrative Expenses. General and administrative expenses for the three months ended March 31, 2026, were \$28.6 million, an increase of \$18.5 million, or 183%, from \$10.1 million incurred in the three months ended March 31, 2025. The increase is primarily due to an increase in sales and marketing of \$11.3 million, an increase in employee related expenses of \$3.9 million, and increased professional fees of \$2.7 million, predominately as a result of the launch of TONMYA in November 2025.

Net Loss. As a result of the forgoing, the net loss for the three months ended March 31, 2026, was \$40.2 million, compared to a net loss of \$16.8 million for the three months ended March 31, 2025, an increase of \$23.4 million or 139%. The increase in loss is predominately due to increased spending on research and development and selling, general and administrative expenses.

License Agreement

On June 26, 2025, we obtained an exclusive worldwide license from the University of Massachusetts (“UMass”) Chan Medical School for the development of TNX-4800 (formerly known as mAb 2217LS). As of December 31, 2025, other than an upfront fee of \$1.3 million, no payments have been accrued or paid in relation to this agreement.

Asset Purchase Agreements

On June 23, 2023, we entered into an asset purchase agreement with Upsher Smith for the acquisition of certain assets related to Zembrace and Tosymra.

We have assumed certain obligations of Upsher Smith, including the payment of quarterly royalty payments on annual net sales from the Business in the U.S. as follows: for Tosymra, 4% for net sales of \$0 to \$30 million, 7% of net sales of \$30 to \$75 million; 9% for net sales of \$75 to \$100 million; 12% for net sales of \$100 to \$150 million; and 15% for net sales greater than \$150 million. Royalty payments with respect to Tosymra are payable until the expiration or termination of the product’s Orange Book listed patent(s) with respect to the United States or, outside the United States, the expiration of the last valid claim covering the product in the relevant country of the territory. For Zembrace, royalty payments on annual net sales in the U.S. are 3% for net sales of \$0 to \$30 million, 6% of net sales of \$30 to \$75 million; 12% for net sales of \$75 to \$100 million; 16% for net sales of greater than \$100 million. Such royalty payments were payable until July 19, 2025. Upon the entry of a generic version of the relevant product, the applicable royalty rates will be reduced by 90% for Zembrace, and by 66.7% for Tosymra.

In addition, we have assumed the obligation to pay an additional 3% royalty on net sales of Tosymra, plus an additional 3% if a patent containing certain claims related to Tosymra issues in the U.S., for 15 years from the first commercial sale of Tosymra in the applicable country or for as long as the manufacture, use or sale of Tosymra in such country is covered by a valid claim of a licensed patent, and up to \$15 million per Tosymra product on the achievement of sales milestones ranging from \$250 million to \$1 billion in annual worldwide net sales.

Liquidity and Capital Resources

As of March 31, 2026, we had working capital of \$177.5 million, comprised primarily of cash and cash equivalents of \$185.5 million, accounts receivable, net of \$8.8 million, inventory of \$3.6 million, and prepaid expenses and other of \$9.2 million, offset by \$9.7 million of accounts payable, \$19.8 million of accrued expenses and other current liabilities, and \$0.2 million of lease liabilities, short term. A significant portion of the accounts payable and accrued expenses are due to work performed in relation to our clinical programs, and accruals for gross to net deductions related to our commercial products.

The following table provides a summary of operating, investing and financing cash flows for the quarters ended March 31, 2026, and 2025, respectively (in thousands):

	March 31,	
	2026	2025
Net cash used in operating activities	\$ (42,318)	\$ (16,579)
Net cash used in investing activities	(1,692)	(6)
Net cash provided by (used in) financing activities	20,205	49,533

For the three months ended March 31, 2026, and 2025, we used approximately \$42.3 million and \$16.6 million in operating activities, respectively, which represents cash outlays for research and development and selling, general and administrative expenses in such periods. For the three months ended March 31, 2026, net cash provided by financing activities was \$20.2 million, predominately from the proceeds from the sale of our common stock. For the three months ended March 31, 2025, net cash provided by financing activities was \$49.5 million, predominately from the proceeds from the sale of our common stock of \$62.2 million, offset by the repayment of the term loan of \$9.7 million and repurchase of our common stock of \$3.0 million. Cash used by investing activities for the three months ended March 31, 2026, and 2025, was \$1.7 million and \$6,000 respectively, related to the purchase of property and equipment. The increase is predominately due to more laboratory equipment purchases.

We believe that our cash resources at March 31, 2026, and the net proceeds of \$22.6 million that we raised from equity offerings in the second quarter of 2026 (See Note 12) will meet our planned operating and capital expenditure requirements into early second quarter of 2027, but will not extend to 12 months from the issuance of these financial statements.

We continue to face significant challenges and uncertainties and, as a result, our available capital resources may be consumed more rapidly than currently expected due to changes we may make in our research and development spending plans. These factors raise substantial doubt about our ability to continue as a going concern for the one-year period from the date of filing of this Form 10-Q. We must obtain additional funding through public or private financing or collaborative arrangements with strategic partners to increase the funds available to fund operations. Without additional funds, we may be forced to delay, scale back or eliminate some of our research and development activities, or other operations and potentially delay product development to provide sufficient funds to continue our operations. If any of these events occur, our ability to achieve our development and commercialization goals would be adversely affected and we may be forced to cease operations.

Future Liquidity Requirements

We expect to incur losses from operations for the near future. We expect to incur increasing research and development expenses, including expenses related to additional clinical trials and the build out of our research and development operations and manufacturing. We will not have enough resources to meet our operating requirements for the one-year period from filing date of this report.

Our future capital requirements will depend on a number of factors, including the availability of financing, the timing and outcome of regulatory approvals, the progress of our research and development of product candidates, the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims and other intellectual property rights, the status of competitive products, and our success in developing markets for our product candidates.

We will need to obtain additional capital in order to fund future research and development activities. Future financing may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, fail to collect significant amounts owed to us, or experience unexpected cash requirements that would force us to seek alternative financing. Furthermore, if we issue additional equity or debt securities, shareholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock.

If additional financing is not available or is not available on acceptable terms, we may be required to delay, reduce the scope of or eliminate our research and development programs, reduce our commercialization efforts or obtain funds through arrangements with collaborative partners or others that may require us to relinquish rights to certain product candidates that we might otherwise seek to develop or commercialize independently.

2025 Lincoln Park Transaction

On June 11, 2025, we entered into a purchase agreement (the “2025 Purchase Agreement”) and a registration rights agreement (the “2025 Registration Rights Agreement”) with Lincoln Park. Pursuant to the terms of the 2025 Purchase Agreement, Lincoln Park has agreed to purchase up to \$75,000,000 of our common stock (subject to certain limitations) from time to time during the term of the 2025 Purchase Agreement. Pursuant to the terms of the 2025 Registration Rights Agreement, we filed with the SEC a registration statement to register for resale under the Securities Act the shares that have been or may be issued to Lincoln Park under the 2025 Purchase Agreement.

Pursuant to the terms of the 2025 Purchase Agreement, at the time we signed the 2025 Purchase Agreement and the 2025 Registration Rights Agreement, we issued 48,708 shares of common stock to Lincoln Park as consideration for its commitment to purchase shares of our common stock under the 2025 Purchase Agreement. The commitment shares were valued at \$1.8 million and recorded as an addition to equity for the issuance of the common stock and treated as other expense, net on the consolidated statement of operations under the 2025 Purchase Agreement. No shares were sold during the quarter ended March 31, 2026, under the 2025 Purchase Agreement.

We evaluated the 2025 Purchase Agreement under ASC 815-40 *Derivatives and Hedging-Contracts on an Entity's Own Equity* as it represents the right to require Lincoln Park to purchase shares of common stock in the future, similar to a put option. We concluded that the 2025 Purchase Agreement represents a freestanding derivative instrument that does not qualify for equity classification and therefore requires fair value accounting. We analyzed the terms of the contract and concluded that the derivative instrument had insignificant value as of March 31, 2026 and December 31, 2025.

2025 At-the-Market Offering

On June 11, 2025, we entered into a Sales Agreement (the “2025 Sales Agreement”), with A.G.P./Alliance Global Partners (“AGP”) pursuant to which we may issue and sell, from time to time, shares of common stock having an aggregate offering price of up to \$400.0 million in sales. AGP is sales agent under the ATM and paid a 3% commission on each sale under the 2025 Sales Agreement. Our common stock is sold at prevailing market prices at the time of the sale, and, as a result, prices will vary. During the quarter ended March 31, 2026, we sold 1.4 million shares of common stock under the 2025 Sales Agreement, for net proceeds of approximately \$20.1 million. Subsequent to March 31, 2026, we sold 1.7 million shares of common stock under the 2025 Sales Agreement, for net proceeds of approximately \$22.6 million.

2024 At-the-Market Offering

On July 30, 2024, we entered into a Sales Agreement with AGP pursuant to which we may issue and sell, from time to time, shares of our common stock having an aggregate offering price of up to \$250.0 million in the ATM. AGP will act as sales agent and will be paid a 3% commission on each sale under the Sales Agreement. Our common stock will be sold at prevailing market prices at the time of the sale, and, as a result, prices will vary. During the three months ended March 31, 2025, we sold approximately 2.7 million shares of common stock under the Sales Agreement, for net proceeds of approximately \$59.8 million.

Share Repurchase Program

In September 2024, the Board of Directors approved a 2024 share repurchase program pursuant to which we may repurchase up to \$10.0 million in value of its outstanding common stock from time to time on the open market and in privately negotiated transactions subject to market conditions, share price and other factors. During the three months ended March 31, 2025, the Company repurchased 250,000 of shares of its common stock outstanding under the 2024 share repurchase at prices ranging from \$9.98 to \$14.33 per share for a gross aggregate cost of approximately \$3.0 million. No shares of common stock were repurchased during the three months ended March 31, 2026.

The timing and amount of any shares repurchased will be determined based on our evaluation of market conditions and other factors and the share repurchase program may be discontinued or suspended at any time. Repurchases will be made in accordance with the rules and regulations promulgated by the Securities and Exchange Commission and certain other legal requirements to which the Company may be subject. Repurchases may be made, in part, under a Rule 10b5-1 plan, which allows stock repurchases when the Company might otherwise be precluded from doing so.

Stock Compensation

Stock Incentive Plans

On May 1, 2020, our stockholders approved the Tonix Pharmaceuticals Holding Corp. Amended and Restated 2020 Stock Incentive Plan (“Amended and Restated 2020 Plan”).

Under the terms of the Amended and Restated 2020 Plan, we may issue (1) stock options (incentive and nonstatutory), (2) restricted stock, (3) stock appreciation rights (“SARs”), (4) restricted stock units, (5) other stock-based awards, and (6) cash-based awards. The Amended and Restated 2020 Plan initially provided for the issuance of up to 50,000 shares of common stock, which amount will be increased to the extent that awards granted under the Plans are forfeited, expire or are settled for cash (except as otherwise provided in the Amended and Restated 2020 Plan). In addition, the Amended and Restated 2020 Plan contains an “evergreen provision” providing for an annual increase in the number of shares of our common stock available for issuance under the Amended and Restated 2020 Plan on January 1 of each year for a period of ten years, commencing on January 1, 2021 and ending on (and including) January 1, 2030, in an amount equal to the difference between (x) twenty percent (20%) of the total number of shares of common stock outstanding on December 31st of the preceding calendar year, and (y) the total number of shares of common stock reserved under the Amended and Restated 2020 Plan on December 31st of such preceding calendar year (including shares subject to outstanding awards, issued pursuant to awards or available for future awards). The Board of Directors determines the exercise price, vesting and expiration period of the grants under the Amended and Restated 2020 Plan. However, the exercise price of an incentive stock option may not be less than 110% of fair value of the common stock at the date of the grant for a 10% or more shareholder and 100% of fair value for a grantee who is not a 10% shareholder. The fair value of the common stock is determined based on quoted market price or in absence of such quoted market price, by the Board of Directors in good faith. Additionally, the expiration period of grants under the Amended and Restated 2020 Plan may not be more than ten years. As of March 31, 2026, there were 425,649 options available for future grants under the Amended and Restated 2020 Plan.

On May 8, 2025, the Company's stockholders approved the addition of 1,000,000 shares to the Company's Amended and Restated 2020 Plan.

We measure the fair value of stock options on the date of grant, based on the Black Scholes option pricing model using certain assumptions discussed below, and the closing market price of the Company's common stock on the date of the grant. The fair value of the award is measured on the grant date. One-third of most stock options granted pursuant to the Plans vest 12 months from the date of grant and 1/36th each month thereafter for 24 months and expire ten years from the date of grant. In addition, the Company issues options to directors which vest over a one-year period. The Company also issues premium options to executive officers which have an exercise price greater than the grant date fair value and has issued performance-based options which vest when target parameters are met or probable of being met, subject in each case to a one year minimum service period prior to vesting. Stock-based compensation expense related to awards is amortized over the applicable service period using the straight-line method.

The risk-free interest rate is based on the yield of Daily U.S. Treasury Yield Curve Rates with terms equal to the expected term of the options as of the grant date. The expected term of options is determined using the simplified method, as provided in an SEC Staff Accounting Bulletin, and the expected stock price volatility is based on the Company's historical stock price volatility.

The weighted average fair value of options granted for the three-month periods ended March 31, 2026 and 2025 was \$13.4 and \$7.55 per share, respectively.

Stock-based compensation expense relating to options granted of \$1.9 million, of which \$1.3 million and \$0.6 million, related to Selling, General and Administration and Research and Development, respectively, was recognized for the three months ended March 31, 2026.

Stock-based compensation expense relating to options granted of \$0.9 million, of which \$0.6 million and \$0.3 million, related to Selling, General and Administration and Research and Development, respectively, was recognized for the three months ended March 31, 2025.

As of March 31, 2026, we had approximately \$23.3 million of total unrecognized compensation cost related to non-vested awards granted under the Plans, which the Company expects to recognize over a weighted average period of 3.36 years.

Employee Stock Purchase Plan

On May 5, 2023, our stockholders approved the Tonix Pharmaceuticals Holdings Corp. 2023 Employee Stock Purchase Plan. (the "2023 ESPP"), which was replaced by the Tonix Pharmaceuticals Holdings Corp. 2025 Employee Stock Purchase Plan (the "2025 ESPP", and together with the 2023 ESPP, the "ESPP Plans"), which was approved by our stockholders on May 8, 2025.

The 2025 ESPP allows eligible employees to purchase up to an aggregate of 2,000,000 shares of the Company's common stock. Under the 2025 ESPP, on the first day of each offering period, each eligible employee for that offering period has the option to enroll for that offering period, which allows the eligible employees to purchase shares of the Company's common stock at the end of the offering period. Each offering period under the 2025 ESPP is for six months, which can be modified from time to time. Subject to limitations, each participant will be permitted to purchase a number of shares determined by dividing the employee's accumulated payroll deductions for the offering period by the applicable purchase price, which is equal to 85 percent of the fair market value of our common stock at the beginning or end of each offering period, whichever is less. A participant must designate in his or her enrollment package the percentage (if any) of compensation to be deducted during that offering period for the purchase of stock under the 2025 ESPP, subject to the statutory limit under the Code.

The 2023 ESPP allows eligible employees to purchase up to an aggregate of 250 shares of the Company's common stock. Under the 2023 ESPP, on the first day of each offering period, each eligible employee for that offering period has the option to enroll for that offering period, which allows the eligible employees to purchase shares of the Company's common stock at the end of the offering period. Each offering period under the 2023 ESPP is for six months, which can be modified from time-to-time. Subject to limitations, each participant will be permitted to purchase a number of shares determined by dividing the employee's accumulated payroll deductions for the offering period by the applicable purchase price, which is equal to 85 percent of the fair market value of our common stock at the beginning or end of each offering period, whichever is less. A participant must designate in his or her enrollment package the percentage (if any) of compensation to be deducted during that offering period for the purchase of stock under the 2023 ESPP, subject to the statutory limit under the Code. As of March 31, 2026, 159 shares were available for future sales under the 2023 ESPP and 1,994,117 shares were available under the 2025 ESPP.

The ESPP Plans are considered compensatory plans with the related compensation cost expensed over the six-month offering period. For the three months ended March 31, 2026 and 2025, \$0.1 million and \$0, respectively, were expensed. As of December 31, 2025, approximately \$90,000 of employee payroll deductions had accumulated and had been recorded in accrued expenses. In January 2026, 5,883 shares that were purchased as of December 31, 2025, under the 2025 ESPP, were issued.

Commitments

Research and Development Contracts

The Company has entered into contracts with various contract research organizations with outstanding commitments aggregating approximately \$49.6 million at March 31, 2026 for future work to be performed.

The Company has entered into various exclusive license agreements with various institutions with the right to sublicense, certain patents, technical information and material, and to develop and commercialize products thereunder. In addition to any upfront payments already paid, the Company may be obligated to pay milestone fees ranging from \$25,000 to \$5.0 million based on the potential achievement of certain development milestones, as well as milestone fees ranging from \$55,000 to \$20.0 million based on certain potential commercial achievements, as specified in the respective license agreement. Additionally, for licensed products sold during the applicable royalty term, the Company must pay royalties in the low-to-mid single digits, beginning in the year after the Company completes its first commercial sale of a licensed product. Finally, the Company has the right to grant sublicenses to third parties under each license agreement and is required to pay a sublicense income share based on the stage of development of the licensed product at the time the sublicense is granted.

Operating leases

At March 31, 2026, future minimum lease payments for operating leases with non-cancelable terms of more than one year were as follows (in thousands):

Year Ending December 31,	
Remainder of 2026	\$ 107
2027	480
2028	451
2029	366
2030	30
	<u>1,434</u>
Included interest	(144)
	<u>\$ 1,290</u>

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience and on assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition. Our gross product revenues are subject to a variety of deductions, which generally are estimated and recorded in the same period that the revenues are recognized. Such variable consideration represents chargebacks, rebates, prompt pay and other sales discounts, and product returns. These deductions represent estimates of the related obligations and, as such, knowledge and judgment are required when estimating the impact of these revenue deductions on gross sales for a reporting period. Adjustments to these estimates to reflect actual results or updated expectations will be assessed each period. If any of our ratios, factors, assessments, experiences, or judgments are not indicative or accurate estimates of our future experience, our results could be materially affected. The potential of our estimates to vary differs by program, product, type of customer and geographic location. In addition, estimates associated with U.S. Medicare and Medicaid governmental rebate programs are at risk for material adjustment because of the extensive time delay.

Research and Development. We outsource certain of our research and development efforts and expense the related costs as incurred, including the cost of manufacturing product for testing, licensing fees and costs associated with planning and conducting clinical trials. The value ascribed to patents and other intellectual property acquired was expensed as research and development costs, as it related to particular research and development projects and had no alternative future uses.

We estimate our research and development accrued expenses. Our clinical trial accrual process is designed to account for expenses resulting from our obligations under contracts with vendors, consultants and clinical research organizations and clinical site agreements in connection with conducting clinical trials. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payment flows that do not match the periods over which materials or services are provided to us under such contracts. We account for trial expenses according to the progress of the trial as measured by participant progression and the timing of various aspects of the trial. We determine accrual estimates that take into account discussions with applicable personnel and outside service providers as to the progress or state of completion of trials, or the services completed. During the course of a clinical trial, we adjust our clinical expense recognition if actual results differ from our estimates. We make estimates of our accrued expenses as of each balance sheet date based on the facts and circumstances known to us at that time. Our clinical trial accruals and prepaid assets are dependent upon the timely and accurate reporting of contract research organizations and other third-party vendors.

Stock-Based Compensation. All stock-based payments to employees and to nonemployee directors for their services as directors consisted of grants of restricted stock and stock options, which are measured at fair value on the grant date and recognized in the consolidated statements of operations as compensation expense over the relevant vesting period. In addition, for awards that vest immediately and are nonforfeitable, the measurement date is the date the award is issued.

Derivative Instruments and Warrant Liabilities. The Company evaluates all of its financial instruments, including issued warrants to purchase common stock under ASC 815 – Derivatives and Hedging, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. The Company uses the Black-Scholes option pricing model to value the derivative instruments at inception and subsequent valuation dates, which is adjusted for instrument-specific terms as applicable.

From time to time, certain equity-linked instruments may be classified as derivative liabilities due to the Company having insufficient authorized shares to fully settle the equity-linked financial instruments in shares. In such a case, the Company has adopted a sequencing approach under ASC 815-40, Derivatives and Hedging - Contracts in Entity's Own Equity to determine the classification of its contracts at issuance and at each subsequent reporting date. If reclassification of contracts between equity and assets or liabilities is necessary, the Company first allocates remaining authorized shares to equity on the basis of the earliest issuance date of potentially dilutive instruments, with the earliest issuance date receiving the first allocation of shares. In the event of identical issuance dates, shares are then allocated to equity beginning with instruments with the latest maturity date first.

Other than contractual obligations incurred in the normal course of business, we do not have any off-balance sheet financing arrangements or liabilities, guarantee contracts, retain or contingent interests in transferred assets or any obligation arising out of a material variable interest in an unconsolidated entity.

Recently Adopted Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides guidance for estimating credit losses under the current expected credit losses (CECL) model for current accounts receivable and current contract assets arising from transactions accounted for under Accounting Standards Codification 606. We have adopted this ASU on a prospective basis, and it did not have a material impact on our consolidated financial statements and related disclosures.

Recently Issued Accounting Pronouncements

In December 2025, the FASB issued ASU 2025-10, *Government Grants (Topic 832)*. The amendments in this ASU establish the accounting for a government grant received by a business entity, including guidance for (1) a grant related to an asset and (2) a grant related to income. The amendments in this ASU are effective annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2025-10 on our consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. This ASU amends the existing standard to remove all references to software development project stages and requires entities to start capitalizing software costs when both of the following occur: (i) management has authorized and committed to funding the software project and (ii) it is probable that the project will be completed and the software will be used to perform the function intended. This ASU is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years, with early adoption permitted as of the beginning of a fiscal year. The amendments can be applied prospectively, retrospectively, or via a modified prospective transition method. We are evaluating the impact of adoption on our consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures*, to improve transparency in financial reporting by requiring entities to present more detailed information about the nature of expenses included within the Income Statement. The guidance will first be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is in the process of assessing the impact of ASU 2024-03 on our financial statements.

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4 – CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934 as of the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. 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 its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2026, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting.

During the first quarter of 2026, the Company completed the implementation of a new ERP system. Our new ERP system is intended to provide us with enhanced transactional processing, security and management tools, and is an important component of our system of disclosure controls and procedures. We modified and removed certain existing internal controls, as well as implemented new controls and procedures impacted by the implementation of the new ERP system. We will continue to monitor and evaluate the operating effectiveness of the related controls during subsequent periods. Except for the implementation of the new ERP system, there were no other changes in the internal control over financial reporting of the Company during the first quarter of 2026 that materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are currently not a party to any material legal proceedings or claims.

Item 1A. Risk Factors

There were no material changes from the risk factors set forth under Part I, Item 1A., “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025. You should carefully consider the risk factors set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as well as other reports and statements that we file and have filed with the SEC, in addition to the other information set forth in this report which could materially affect our business, financial condition or future results. The risks and uncertainties described in this report and in our Annual Report on Form 10-K for the year ended December 31, 2025, as well as other reports and statements that we file with the SEC, are not the only risks and uncertainties facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our financial position, results of operations or cash flows.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 2(c). Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements and Non-Rule 10b5-1 Trading Arrangements

During the fiscal quarter ended March 31, 2026, none of our officers or directors, as those terms are defined in Rule 16a-1(f), adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Item 408 of Regulation S-K.

Item 6. Exhibits**EXHIBIT INDEX**

Exhibit No.	Description
3.01	Articles of Incorporation, filed as an exhibit to the Registration Statement on Form S-1, filed with the Securities and Exchange Commission (the “Commission”) on April 9, 2008 and incorporated herein by reference.
3.02	Articles of Merger between Tamandare Explorations Inc. and Tonix Pharmaceuticals Holding Corp., effective October 11, 2011, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on October 17, 2011 and incorporated herein by reference.
3.03	Third Amended and Restated Bylaws, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on June 3, 2016 and incorporated herein by reference.
3.04	Certificate of Change of Tonix Pharmaceuticals Holding Corp., dated March 13, 2017 and effective March 17, 2017, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on March 16, 2017 and incorporated herein by reference.
3.05	Certificate of Amendment to Articles of Incorporation, effective June 16, 2017, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on June 16, 2017 and incorporated herein by reference.
3.06	Certificate of Amendment to Tonix Pharmaceuticals Holding Corp.’s Articles of Incorporation, as amended, filed with the Secretary of State of the State of Nevada on May 3, 2019.
3.07	Form of Certificate of Designation of Series A Convertible Preferred Stock, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on October 25, 2022 and incorporated herein by reference.
3.08	Form of Certificate of Designation of Series B Convertible Preferred Stock, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on October 25, 2022 and incorporated herein by reference.
3.09	Certificate of Amendment to Tonix Pharmaceuticals Holding Corp.’s Articles of Incorporation, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on May 16, 2022 and incorporated herein by reference.
3.10	Certificate of Amendment to Tonix Pharmaceuticals Holding Corp.’s Articles of Incorporation, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on January 25, 2024 and incorporated herein by reference
4.01	Specimen Common Stock Certificate of the Registrant, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on May 24, 2018 and incorporated herein by reference.
4.02	Description of Registrant’s Securities, filed as an exhibit to the Annual Report on Form 10-K, filed with the Commission on March 12, 2026 and incorporated herein by reference.
4.03	Form of Common Warrant, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on July 28, 2023 and incorporated herein by reference.
4.04	Form of Series C Warrant. filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on December 21, 2023 and incorporated herein by reference.
4.05	Form of Series D Warrant. filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on December 21, 2023 and incorporated herein by reference.
4.06	Form of Series E Warrant, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on March 29, 2024, and incorporated herein by reference.
4.07	Amendment to Common Stock Purchase Warrant, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on March 29, 2024, and incorporated herein by reference.
4.08	Form of Pre-Funded Warrant, filed as an exhibit to the Current Report on Form 8-K, filed with the Commission on December 29, 2025 and incorporated herein by reference.
10.1	Tonix Pharmaceuticals Holding Corp. 2026 Stock Incentive Plan, incorporated herein by reference to Appendix A to our Definitive Proxy Statement on Schedule 14A (File No. 001-36019), filed with the Commission on March 30, 2026. †
31.01	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.02	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.01	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

† Denotes a management compensatory agreement or arrangement.

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.

TONIX PHARMACEUTICALS HOLDING CORP.
(Registrant)

Date: May 11, 2026

By: /s/ SETH LEDERMAN
Seth Lederman
Chief Executive Officer (Principal Executive Officer)

Date: May 11, 2026

By: /s/ BRADLEY SAENGER
Bradley Saenger
Chief Financial Officer (Principal Financial Officer
and Principal Accounting Officer)

CERTIFICATION

I, Seth Lederman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tonix Pharmaceuticals Holding Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; 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: May 11, 2026

/s/ SETH LEDERMAN
Seth Lederman
Chief Executive Officer

CERTIFICATION

I, Bradley Saenger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tonix Pharmaceuticals Holding Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; 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: May 11, 2026

/s/ BRADLEY SAENGER

Bradley Saenger
Chief Financial Officer

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

I, Seth Lederman, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Tonix Pharmaceuticals Holding Corp. on Form 10-Q for the fiscal quarter ended March 31, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Tonix Pharmaceuticals Holding Corp.

Date: May 11, 2026

By: /s/ SETH LEDERMAN
Name: Seth Lederman
Title: *Chief Executive Officer*

I, Bradley Saenger, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Tonix Pharmaceuticals Holding Corp. on Form 10-Q for the fiscal quarter ended March 31, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Tonix Pharmaceuticals Holding Corp.

Date: May 11, 2026

By: /s/ BRADLEY SAENGER
Name: Bradley Saenger
Title: *Chief Financial Officer*
