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, 2025

or

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

For the transition period from _____to_____

Commission File Number: 001-41184

ZYVERSA THERAPEUTICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**86-2685744**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2200 N. Commerce Parkway, Suite 208 Weston, FL 33326	**33326**
(Address of principal executive offices)	(Zip Code)

(754) 231-1688
(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, $0.0001 par value per share	ZVSA	The Nasdaq Capital Market

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

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

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

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

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

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

As of May 7, 2025, the number of shares outstanding of the registrant's common stock, $0.0001 par value per share, was 4,773,456.

ZYVERSA THERAPEUTICS, INC.

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

ZYVERSA THERAPEUTICS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2025 (Unaudited)	December 31, 2024
Assets		
Current Assets:		
Cash	1,611,532	1,530,924
Prepaid expenses and other current assets	498,778	184,873
Total Current Assets	2,110,310	1,715,797
In-process research and development	18,647,903	18,647,903
Vendor deposit	178,476	178,476
Deferred offering costs	48,852	57,238
Total Assets	20,985,541	20,599,414
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	9,604,568	9,337,267
Accrued expenses and other current liabilities	2,398,964	1,894,041
Total Current Liabilities	12,003,532	11,231,308
Deferred tax liability	851,659	851,659
Total Liabilities	12,855,191	12,082,967
Commitments and contingencies (Note 6)		
Stockholders' Equity:		
Preferred stock, $0.0001 par value, 1,000,000 shares authorized:		
Series A preferred stock, 8,635 shares designated, 50 shares issued and outstanding as of March 31, 2025 and December 31, 2024	-	-
Series B preferred stock, 5,062 shares designated, 5,062 shares issued and outstanding as of March 31, 2025 and December 31, 2024	1	1
Common stock, $0.0001 par value, 250,000,000 shares authorized;2,568,198 and 2,508,198 shares issued as of March 31, 2025 and December 31, 2024, respectively, and 2,568,191 and 2,508,191 shares outstanding as of March 31, 2025 and December 31, 2024, respectively	257	251
Additional paid-in-capital	123,026,749	121,155,922
Accumulated deficit	(114,889,489)	(112,632,559)
Treasury stock, at cost, 7 shares at March 31, 2025 and December 31, 2024,	(7,168)	(7,168)
Total Stockholders' Equity	8,130,350	8,516,447
Total Liabilities and Stockholders' Equity	20,985,541	20,599,414

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

ZYVERSA THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended March 31,	
	2025	**2024**
Operating Expenses:		
Research and development	$ 258,876	$ 512,937
General and administrative	1,885,695	2,313,699
Total Operating Expenses	2,144,571	2,826,636
Loss From Operations	(2,144,571)	(2,826,636)
Other (Income) Expense:		
Interest (income) expense	119,559	101
Change in fair value of equity payable	(7,200)	-
Net Loss	$ (2,256,930)	$ (2,826,737)
Net Loss Per Share		
- Basic and Diluted	$ (0.73)	$ (4.53)
Weighted Average Number of Common Shares Outstanding		
- Basic and Diluted	3,106,928	623,600

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

ZYVERSA THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For The Three Months Ended March 31, 2025 and 2024
(Unaudited)

	For the Three Months Ended March 31, 2025										
	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance - December 31, 2024	50	$ -	5,062	$ 1	2,508,198	$ 251	(7)	$ (7,168)	$ 121,155,922	$ (112,632,559)	$ 8,516,447
											-
Issuance of common stock pursuant to vendor agreements	-	-	-	-	60,000	6	-	-	81,594	-	81,600
Private placement of warrants [1]	-	-	-	-	-	-	-	-	1,663,052	-	1,663,052
Warrant modification	-	-	-	-	-	-	-	-	53,890	-	53,890
Stock-based compensation	-	-	-	-	-	-	-	-	72,291	-	72,291
Net loss	-	-	-	-	-	-	-	-	-	(2,256,930)	(2,256,930)
Balance - March 31, 2025	50	$ -	5,062	$ 1	2,568,198	$ 257	(7)	$ (7,168)	$ 123,026,749	$ (114,889,489)	$ 8,130,350

	For the Three Months Ended March 31, 2024										
	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance - December 31, 2023	50	$ -	5,062	$ 1	405,212	$ 40	(7)	$ (7,168)	$ 114,300,849	$ (103,219,124)	$ 11,074,598
Exercise of warrants	-	-	-	-	213,800	21	-	-	2,672,479	-	2,672,500
Exercise of pre-funded warrants	-	-	-	-	131,481	13	-	-	(13)	-	-
Issuance of common stock pursuant to vendor agreements	-	-	-	-	9,000	1	-	-	79,199	-	79,200
Round up share adjustment due to reverse split	-	-	-	-	75,410	8	-	-	(8)	-	-
Stock-based compensation	-	-	-	-	-	-	-	-	223,573	-	223,573
Net loss	-	-	-	-	-	-	-	-	-	(2,826,737)	(2,826,737)
Balance - March 31, 2024	50	$ -	5,062	$ 1	834,903	$ 83	(7)	$ (7,168)	$ 117,276,079	$ (106,045,861)	$ 11,223,134

[1] Includes gross proceeds of $1,999,791 less cash issuance costs of $282,849 and a non-cash warrant modification charge of $53,890

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

ZYVERSA THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31,	
	2025	**2024**
Cash Flows From Operating Activities:		
Net loss	$ (2,256,930)	$ (2,826,737)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	72,291	223,573
Issuance of common stock pursuant to vendor agreements	81,600	79,200
Depreciation of fixed assets	-	2,600
Non-cash rent expense	-	7,839
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(313,905)	(651,017)
Accounts payable	191,445	(303,837)
Deferred offering costs	8,386	-
Operating lease liability	-	(8,656)
Accrued expenses and other current liabilities	445,061	(299,563)
Net Cash Used In Operating Activities	(1,772,052)	(3,776,598)
Cash Flows From Financing Activities:		
Exercise of warrants	-	2,672,500
Private placement of warrants	1,999,791	-
Registration and issuance costs associated with warrant issuance	(147,131)	-
Net Cash Provided By Financing Activities	1,852,660	2,672,500
Net Increase / (Decrease) in Cash	80,608	(1,104,098)
Cash - Beginning of Period	1,530,924	3,137,674
Cash - End of Period	$ 1,611,532	$ 2,033,576
Supplemental Disclosures of Cash Flow Information:		
Warrant modification - incremental value	$ 53,890	$ -
Accounts payable and accrued expenses for private placement costs	$ 135,718	$ -

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

ZYVERSA THERAPEUTICS, INC.

Notes to Condensed Consolidated Financial Statements

Note 1 – Business Organization, Nature of Operations and Basis of Presentation

Organization and Operations

ZyVersa Therapeutics, Inc. ("ZyVersa" and the "Company") is a clinical stage biopharmaceutical company leveraging proprietary technologies to develop first-in-class drugs for patients with chronic renal or inflammatory diseases with high unmet medical needs. The Company's mission is to develop drugs that optimize health outcomes and improve patients' quality of life.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and disclosures required by accounting principles generally accepted in the United States of America for annual financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the unaudited condensed consolidated financial statements of the Company as of March 31, 2025 and for the three months ended March 31, 2025 and 2024. The results of operations for the three months ended March 31, 2025 are not necessarily indicative of the operating results for the full year. It is suggested that these unaudited condensed consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission ("SEC") on March 27, 2025.

On April 25, 2024, the Company effected a reverse stock split of its common stock at a ratio of 1-for-10 (the "2024 Reverse Split"). Upon the effectiveness of the 2024 Reverse Split, every 10 issued shares of common stock were reclassified and combined into one share of common stock. In addition, the number of shares of common stock issuable upon the exercise of the Company's equity awards, convertible securities and warrants was proportionally decreased, and the corresponding conversion price or exercise price was proportionally increased. No fractional shares were issued as a result of the 2024 Reverse Split.

Accordingly, all share and per share amounts for all periods presented in these financial statements and notes thereto have been adjusted retroactively, where applicable, to reflect the 2024 Reverse Split and adjustment of the conversion price or exercise price of each outstanding equity award, convertible security and warrant as if the transaction had occurred as of the beginning of the earliest period presented.

Note 2 - Going Concern and Management's Plans

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset amounts or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

As of March 31, 2025, the Company had cash of approximately $1.6 million and a working capital deficit of approximately $9.9 million. During the three months ended March 31, 2025, the Company incurred a net loss of approximately $2.3 million and used cash in operations of approximately $1.8 million. The Company has an accumulated deficit of approximately $114.9 million as of March 31, 2025.

The Company has not yet achieved profitability and expects to continue to incur cash outflows from operations. It is expected that its research and development and general and administrative expenses will continue to increase and, as a result, the Company will eventually need to generate significant product revenues to achieve profitability.

Consequently, the Company will be required to raise additional funds through equity or debt financing. Management believes that the Company has access to capital resources and continues to evaluate additional financing opportunities; however, there can be no assurance that it will be successful in securing additional capital or that the Company will be able to obtain funds on commercially acceptable terms, if at all. There is also no assurance that the amount of funds the Company might raise will enable the Company to complete its development initiatives or attain profitable operations. The aforementioned conditions raise substantial doubt about the Company's ability to continue as a going concern for at least one year from the issuance date of these financial statements.

Note 3 – Summary of Significant Accounting Policies

Since the date the Company's December 31, 2024 financial statements were issued in its 2024 Annual Report on Form 10-K, there have been no material changes to the Company's significant accounting policies.

Use of Estimates

Preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and the amounts disclosed in the related notes to the financial statements. The Company bases its estimates and judgments on historical experience and on various other assumptions that it believes are reasonable under the circumstances. The amounts of assets and liabilities reported in the Company's balance sheets and the amounts of expenses reported for each of the periods presented are affected by estimates and assumptions, which are used for, but not limited to, fair value calculations for equity securities, share based compensation and acquired intangible assets, as well as establishment of valuation allowances for deferred tax assets. Certain of the Company's estimates could be affected by external conditions, including those unique to the Company and general economic conditions. It is reasonably possible that actual results could differ from those estimates.

Net Loss Per Common Share

Basic net loss per common share is computed by dividing net loss by the weighted average number of vested common shares outstanding during the period. Diluted net income per common share is computed by dividing net income by the weighted average number of common and dilutive common-equivalent shares outstanding during each period. The following table presents the computation of basic and diluted net loss per common share:

	For the Three Months Ended March 31,	
	2025	2024
Numerator:		
Net loss attributable to common stockholders	$ (2,256,930)	$ (2,826,737)
Denominator (weighted average quantities):		
Common shares outstanding	2,545,524	623,600
Add: Prefunded warrants	561,404	-
Denominator for basic and diluted net loss per share	3,106,928	623,600
Basic and Diluted Net Loss per Common Share	$ (0.73)	$ (4.53)

The following table sets forth the outstanding potentially dilutive securities that have been excluded from the calculation of diluted net loss per share because to do so would be anti-dilutive:

	For the Three Months Ended March 31,	
	2025	2024
Warrants [1]	3,852,258	689,520
Options	9,603	10,243
Series A Convertible Preferred Stock	72	72
Series B Convertible Preferred Stock	2,067	2,067
Total potentially dilutive shares	3,864,000	701,902

1 As per of the InflamaCORE, LLC licence agreement, warrants to purchase 342 shares of common stock are to be issued upon the satisfaction of certain milestones and, accordingly, are not included in the amount currently reported. See Note 6- Commitments and Contingencies -License Agreements for details.

Segment Reporting

The Company has one operating and reporting segment (clinical stage biopharmaceutical), namely, the development of drugs for patients with chronic renal or inflammatory diseases with high unmet medical needs. The accounting policies of the segment are the same as those described in the summary of significant accounting policies. The chief operating decision maker ("CODM"), who is the Company's chief executive officer, utilizes the Company's financial information on an aggregate, consolidated basis for purposes of making operating decisions, allocating resources and assessing financial performance, as well as for making strategic operations decisions and managing the organization. The CODM is not regularly provided with disaggregated actual expense information, other than the actual expense information included in the condensed consolidated statements of operations. The measure of segment assets is reported on the balance sheet as total assets. The Company has not yet generated any revenue from product sales.

Vendor Concentration

As of March 31, 2025 and December 31, 2024, accounts payable to one vendor accounted for 55% and 56%, respectively, related to research and development. The Company relies on this vendor to perform critical research and development.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments in this update address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This update also includes certain other amendments to improve the effectiveness of income tax disclosures. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of this standard but does not expect it to have a material impact on its financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220 – 04). This update requires an entity to disclose more detailed information regarding expenses for the entity. The amendments require that at each interim and the annual reporting period, the entity must disclose amounts related to purchases of inventory, employee compensation, depreciation, and intangible asset amortization. Including the amounts, the entity is required to disclose and qualitative description of the amounts remaining in relevant expense captions, and to disclose the total amount of selling expenses and the definition of selling expenses. The amendments in this update should be applied prospectively to financial statements issued for reporting periods, and retrospectively to any prior periods presented in the financials. Although early adoption is permitted, the new guidance becomes effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Since this new ASU addresses only disclosures, the Company does not expect the adoption of this ASU to have any material effects on its financial condition, results of operations or cash flows.

Note 4 – Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Payroll accrual	$ 1,101,584	$ 1,039,338
Bonus accrual	726,938	536,500
Interest accrual	388,450	268,972
Other accrued expenses	111,831	41,970
Accrued issuable equity	62,900	-
Registration delay liability	7,261	7,261
Total accrued expenses and other current liabilities	$ 2,398,964	$ 1,894,041

Note 5 – Income Taxes

The tax provisions for the three months ended March 31, 2025 and 2024 were computed using the estimated effective tax rates applicable to the taxable jurisdictions for the full year. The Company's tax rate is subject to management's quarterly review and revision, as necessary. The Company's effective tax rate was 0.00% and 0.00% for the three months ended March 31, 2025 and 2024, because the Company has significant net deferred tax assets, including those associated with net operating losses, that are subject to a full valuation allowance

Note 6 – Commitments and Contingencies

Litigations, Claims and Assessments

The Company may be involved in legal proceedings, claims and assessments arising in the ordinary course of business. The Company records contingent liabilities resulting from such claims, if any, when a loss is assessed to be probable and the amount of the loss is reasonably estimable.

Disputed Vendor Invoices

On June 30, 2024 and July 1, 2024, the Company received two invoices from a vendor in the amounts of $992,176 and $162,800, respectively. The June 30, 2024 invoice represents retroactive interest on invoices going back to September 30, 2022. The July 1, 2024 invoice included miscellaneous unsupported charges performed over the past several years. On August 1, 2024, ZyVersa management sent the vendor a letter disputing the interest and unsupported charges and has requested the vendor to rescind each of them. Although the Company has requested the vendor to rescind the retroactive interest on invoices, the Company believes that in accordance with the agreement, the vendor can legally charge the Company interest from the point they were notified of the vendor's intent to charge interest. As such, the Company included the calculated interest from July 1, 2024 to March 31, 2025 of $388,450 within accrued expenses and other current liabilities on the condensed consolidated balance sheet at March 31, 2025. The vendor also updated certain interest calculations such that, at March 31, 2025, the vendors interest claim that has not been accrued by the Company is $941,074.

License Agreements

L&F Research LLC

The Company entered into a License Agreement with L&F Research LLC ("L&F") effective December 15, 2015, as amended (the "L&F License Agreement") pursuant to which L&F granted the Company an exclusive royalty-bearing, worldwide, sublicensable license under the patent and intellectual property rights and know-how specific to and for the development and commercialization of VAR 200, for the treatment, inhibition or prevention of kidney disease in humans and symptoms thereof, including focal segmental glomerulosclerosis.

On February 28, 2023, the Company and L&F executed an Amendment and Restatement Agreement that waived L&F's right to terminate the L&F License Agreement or any other remedies, for non-payment of the First Milestone Payment, until (a) March 31, 2023 as to $1,000,000 of such milestone payments ("Waiver A") and (b) January 31, 2024 as to $500,000 milestone payments ("Waiver B"). Waiver A was contingent upon (i) forgiveness by the Company of $351,579 in aggregate principal amount outstanding under a certain convertible note, and (ii) a cash payment by the Company to L&F in the amount of $648,421, on or before March 31, 2023. Waiver B was contingent upon a cash payment by the Company to L&F in the amount of $500,000 on or before the earlier of (x) January 31, 2024, and (y) ten business days from the date that the Company received net proceeds of at least $30,000,000 from the issuance of new equity capital. All other terms of the L&F License Agreement remain in effect.

On March 29, 2023, the Company paid the $648,421 of cash to L&F, thus meeting the conditions of Waiver A, which also had the effect of canceling the Note Receivable and the Put Option and resulted in a reclassification of 188 shares of common stock and $331,331 classified as temporary equity to permanent equity.

On January 30, 2024, the Company paid $500,000 of cash to L&F, thus meeting the conditions of Waiver B.

Operating Leases

On January 18, 2019, the Company entered into a lease agreement for approximately 3,500 square feet of office space in Weston, Florida for a term of five years. Under the lease agreement, the annual base rent, which excludes the Company's share of taxes and operating costs, was approximately $89,000 for the first year and has increased approximately 3% every year thereafter for a total base rent lease commitment of approximately $497,000. On January 15, 2024, the Company extended the lease for an additional year for a total base rent lease commitment of $112,064. On January 9, 2025, the Company extended the lease for an additional year for a total base rent lease commitment of approximately $120,819. The Company used the short-term lease practical expedient which permits the Company to not capitalize leases with a term equal to or less than 12 months.

The Company recognized rent expense in connection with its operating lease for the three months ended March 31, 2025 and 2024 of $44,196 and $22,047, respectively.

Note 7 – Stockholders' Equity

Common Stock

On March 20, 2025, the Company entered into a marketing agreement with a vendor in which the Company issued 100,000 shares of common stock and cash in exchange for digital marketing services. The fair value of the common stock was established as a prepaid expense and the Company is recognizing $70,100 of the expense over the three-month term of the contract. As of March 31, 2025, the Company had not yet issued the 100,000 shares of common stock and therefore classified the fair value of the common stock as accrued issuable equity within accrued expenses and other current liabilities on the condensed consolidated balance sheet using the market value of $62,900 on March 31, 2025.

On April 11, 2025, the Company issued the 100,000 shares of common stock to the vendor.

Stock-Based Compensation

For the three months ended March 31, 2025 the Company recorded stock-based compensation expense of $72,291 (of which, $15,447 was included in research and development and $56,844 was included in general and administrative expense) related to options issued to employees and consultants. For the three months ended March 31, 2024 the Company recorded stock-based compensation expense of $223,573 (of which, $15,447 was included in research and development and $208,126 was included in general and administrative expense) related to options issued to employees and consultants. As of March 31, 2025 there was $249,602 of unrecognized stock-based compensation expense, which the Company expects to recognize over a weighted average period of 1.1 years.

Stock Options

A summary of the option activity for the three months ended March 31, 2025 is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding, January 1, 2025	9,612	$ 2,248.58		
Granted	-	-		
Exercised	-	-		
Expired	(9)	1,760.50		
Outstanding, March 31, 2025	9,603	$ 2,249.04	6.0	$ -
Exercisable, March 31, 2025	7,013	$ 3,014.29	5.3	$ -

The following table presents information related to stock options as of March 31, 2025:

Options Outstanding		Options Exercisable	
Exercise Price	Outstanding Number of Options	Weighted Average Remaining Life In Years	Exercisable Number of Options
$ 152.50	4,157	8.1	1,674
$ 738.50	286	7.8	191
$ 791.00	38	7.9	26
$ 1,760.50	1,270	1.7	1,270
$ 3,965.50	37	7.2	37
$ 4,053.00	2,095	4.0	2,095
$ 5,726.00	1,720	6.2	1,720
	9,603	5.3	7,013

Stock Warrants

On March 7, 2025, the Company closed on a private placement (the "Private Placement") with an institutional investor, pursuant to which the Company sold pre-funded warrants (the "March 2025 Pre-Funded Warrants") to purchase 2,105,265 shares of common stock and Series A-3 common warrants (the "March 2025 Common Warrants") to purchase 2,105,265 shares of common stock at a combined purchase price of $0.9499 which resulted in gross proceeds of approximately $2.0 million. In addition, the Company and the investor entered into an amendment to certain November 5, 2024 common share purchase warrants to reduce the exercise price of certain outstanding warrants to purchase 957,200 shares of common stock from $2.06 per share to $1.00 per share. The $53,890 incremental fair value of the modified warrants as compared to the original warrants was recognized as an additional issuance cost of the Private Placement. The March 2025 Pre-Funded Warrants are exercisable immediately, may be exercised at any time until all March 2025 Pre-Funded Warrants are exercised in full, and have an exercise price of $0.0001 per share. The March 2025 Common Warrants are exercisable upon Stockholder Approval for a term of five years following stockholder approval and have an exercise price of $1.00 per share. Total cash issuance costs were $282,849 including $199,863 of placement fees, $56,844 of legal fees, and $26,142 of other costs.

The modification date fair value of warrants modified during the three months ended March 31, 2025 and 2024 was determined using the Black Scholes method, with the following assumptions used:

	For the Three Months Ended March 31,	
	2025	2024
Fair value of common stock on date of grant	$ 0.98	n/a
Risk free interest rate	4.09%	n/a
Expected term (years)	5.3 years	n/a
Expected volatility	125%	n/a
Expected dividends	0.00%	n/a

A summary of the warrant activity for the three months ended March 31, 2025, is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life In Years	Aggregate Intrinsic Value
Outstanding, January 1, 2025	1,747,093	$ 59.59		
Issued[1]	2,105,265	1.00		
Repriced - Old [2]	(957,200)	2.06		
Repriced - New [2]	957,200	1.00		
Forfeited	-	-		
Exercised	-	-		
Outstanding, March 31, 2025[1]	3,852,258	$ 27.26	5.06	$ -
Exercisable, March 31, 2025[1]	1,746,793	$ 58.71	4.99	$ -

[1] Warrants issued, outstanding, and exercisable exclude 2,105,265 March 2025 Pre-Funded Warrants with an exercise price of $0.0001.

[2] Warrants represent the reset of the exercise price of certain November 2024 warrants to purchase 957,200 shares of common stock from $2.06 to $1.00 per share.

The following table presents information related to stock warrants as of March 31, 2025:

Warrants Outstanding		Warrants Exercisable	
Exercise Price	Outstanding Number of Warrants	Weighted Average Remaining Life In Years	Exercisable Number of Warrants
$ 1.00	3,062,465	5.19	957,200
$ 2.06	679,800	5.19	679,800
$ 12.50	7,000	2.22	7,000
$ 47.50	20,347	3.95	20,347
$ 57.75	19,965	3.27	19,965
$ 350.00	27,551	3.08	27,551
$ 700.00	13,944	2.70	13,944
$ 1,760.50	200	-	-
$ 2,415.00	3,651	2.70	3,651
$ 4,025.00	17,335	2.70	17,335
	3,852,258	4.99	1,746,793

Note 8 – Subsequent Events

The Company has evaluated subsequent events through the date the financial statements were issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements, except as discussed below.

Stock Warrants

Subsequent to March 31, 2025, the Private Placement investor exercised 2,105,265 pre-funded warrants to purchase 2,105,265 shares of common stock at an exercise price of $0.0001 per share.

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

The following discussion and analysis of the results of operations and financial condition of ZyVersa Therapeutics, Inc. (the "Company," "we," "us" or "our") as of March 31, 2025 and for the three months ended March 31, 2025 and 2024 should be read in conjunction with our unaudited condensed consolidated financial statements and the notes to those financial statements that are included elsewhere in this Quarterly Report on Form 10-Q. This discussion and analysis should be read in conjunction with the Company's audited financial statements and related disclosures as of December 31, 2024 and for the year then ended, which are included in the Form 10-K (the "Annual Report") filed with the Securities and Exchange Commission ("SEC") on March 27, 2025. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains statements that are forward-looking. These statements are based on current expectations and assumptions that are subject to risk, uncertainties and other factors. These statements are often identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate," or "continue," and similar expressions or variations. Actual results could differ materially because of the factors discussed in "Risk Factors" in our Annual Report, and other factors that we may not know. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements above, to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q.

Business Overview

We are a clinical stage specialty biopharmaceutical company leveraging advanced proprietary technologies to develop first-in-class drugs for patients with renal or inflammatory diseases with high unmet medical needs.

Our lead renal drug candidate, which we refer to as Cholesterol Efflux Mediator^{TM} VAR 200 (2-hydroxypropyl-beta-cyclodextrin or "2HβCD"), is in development to treat multiple renal indications. Our lead anti-inflammatory drug candidate, which we refer to as Inflammasome ASC Inhibitor IC 100, is a humanized monoclonal IgG4 antibody targeting ASC in development to treat multiple inflammatory diseases.

Financial Operations Overview

We have not generated any revenue to date and have incurred significant operating losses. Our net losses were $2.3 million for the period from January 1, 2025 through March 31, 2025, compared to $2.8 million for the period from January 1, 2024 through March 31, 2024. As of March 31, 2025, we had an accumulated deficit of approximately $114.9 million and cash of $1.6 million. We expect to continue to incur significant expenses for the foreseeable future and to incur operating losses. We expect our expenses will increase in connection with our ongoing activities as we:

- progress development of VAR 200 and IC 100;
- prepare and file regulatory submissions;
- begin to manufacture our product candidates for clinical trials;
- hire additional research and development, finance, and general and administrative personnel;
- protect and defend our intellectual property; and
- meet the requirements of being a public company.

We will need additional financing to support our continuing operations. We will seek to fund our operations through public or private equity or debt financings or other sources, which may include government grants and collaborations with third parties. Adequate additional financing may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. We will need to generate significant revenues to achieve profitability, and we may never do so.

Components of Operating Results

Revenue

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

Operating Expenses

Research and Development Expenses

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

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

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

Research and development activities are central to our business model. We expect that our research and development expenses will continue to increase for the foreseeable future as we continue clinical development for our product candidates. As products enter later stages of clinical development, they will generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. Historically, our research and development costs have primarily related to the development of VAR 200 and IC 100. As we advance VAR 200 and IC 100, as well as identify any other potential product candidates, we will continue to allocate our direct external research and development costs to the products. We expect to fund our research and development expenses from our current cash and cash equivalents and any future equity or debt financings, or other capital sources, including potential collaborations with other companies or other strategic transactions.

The successful development of our product candidates is highly uncertain. At this time, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the remainder of the development of, or when, if ever, material net cash inflows may commence from our product candidates. This uncertainty is due to the numerous risks and uncertainties associated with the duration and cost of clinical trials, which vary significantly over the life of a project as a result of many factors, including:

- the number of clinical sites included in the clinical trials;
- the length of time required to enroll suitable patients;
- the size of patient populations participating in the clinical trials;
- the number of doses a patient receives;
- the duration of patient follow-ups;
- the development state of the product candidates; and
- the efficacy and safety profile of the product candidates.

Our expenditures are subject to additional uncertainties, including the terms and timing of regulatory approvals, and the expense of filing, prosecuting, defending and enforcing any patent claims or other intellectual property rights. We may never succeed in achieving regulatory approval for our product candidates. We may obtain unexpected results from our clinical trials. We may elect to discontinue, delay or modify clinical trials of our product candidates. A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and timing associated with the development of that product candidate. For example, if the FDA or other regulatory authorities were to require us to conduct clinical trials beyond those that we currently anticipate, or if we experience significant delays in enrollment in any of our clinical trials, we could be required to expend significant additional financial resources and time on the completion of clinical development. Product commercialization will take several years and likely millions of dollars in development costs.

General and Administrative Expenses

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

We expect that our general and administrative expenses will increase in the future as we increase our general and administrative headcount to support our continued research and development and potential commercialization of our product candidates. We also expect to incur increased expenses associated with being a public company, including costs of accounting, audit, legal, regulatory and tax compliance services, director and officer insurance, and investor and public relations costs.

Results of Operations

As we continue to explore commercial opportunities and partners in both U.S. and international markets, we remain attentive to evolving global economic conditions, including uncertainties related to international trade policies, tariffs, and supply chain dynamics. Although these factors have not had a material impact on our operations to day, future changes in trade regulations, tariff structures, or logistical constraints could influence the cost, availability, or timing of materials, services and other components associated with the development of our product candidates and manufacturing capabilities. We continue to monitor these developments closely to maintain operational efficiency and help mitigate potential future impacts.

Comparison of the three months ended March 31, 2025 and the three months ended March 31, 2024

The following table summarizes our results of operations for the three months ended March 31, 2025 and for the three months ended March 31, 2024.

	For the Three Months Ended March 31,		Favorable (Unfavorable)	
(in thousands)	2025	2024	$ Change	% Change
Operating expenses:				
Research and development	$ 259	$ 513	$ 254	49.5%
General and administrative	1,886	2,314	428	18.5%
Total Operating Expenses	2,145	2,827	682	24.1%
Loss from Operations	(2,145)	(2,827)	682	24.1%
Other (Income) Expense, Net	112	-	(112)	N.M.%
Net loss	$ (2,257)	$ (2,827)	$ 570	20.2%

Research and Development Expenses

Research and development expenses were $259 thousand for the three months ended March 31, 2025, a decrease of $254 thousand or 49.5% from the three months ended March 31, 2024. The decrease is attributable to lower manufacturing costs of IC100 of $62 thousand, lower CRO fees of $106 thousand for VAR200 and lower research and development consultant costs of $95 thousand due to fewer consultants.

General and Administrative Expenses

General and administrative expenses were $1.9 million for the three months ended March 31, 2025, a decrease of $428 thousand or 18.5% from the three months ended March 31, 2024. The decrease is primarily attributable to a decrease of $156 thousand in stock-based compensation expense due to options becoming fully amortized in January 2025, a decrease of $143 thousand due to lower director and officer insurance, and a $119 thousand decrease in investor and public relations marketing expense due to fewer firms hired.

Other (Income) Expense, Net

Other (income) expense, net was $112 thousand for the three months ended March 31, 2025, an increase of $112 thousand from the three months ended March 31, 2024. The increase in expense is attributable to interest charged by a vendor for outstanding amounts owed.

Cash Flows

The following table summarizes our cash flows from operating and financing activities for the three months ended March 31, 2025 and for the three months ended March 31, 2024:

	For the Three Months Ended March 31,		Increase
(in thousands)	2025	2024	(decrease)
Net cash provided by (used in)			
Operating activities	$ (1,772)	$ (3,777)	$ 2,005
Financing activities	1,853	2,673	(820)
Net Increase (Decrease) in Cash	$ 81	$ (1,104)	$ 1,185

Cash Flows from Operating Activities

Net cash used in operating activities was $1.8 million and $3.8 million for the three months ended March 31, 2025 and 2024, respectively. For the three months ended March 31, 2025 and for the three months ended March 31, 2024, the net cash used in operating activities was primarily attributable to the net loss of approximately $2.3 million and $2.8 million, respectively, offset by $0.2 million and $0.3 million, respectively, of net non-cash expenses, and approximately $0.3 million and ($1.3) million, respectively, of cash generated from (used for) changes in the levels of operating assets and liabilities, respectively.

Net Cash Provided By Financing Activities

Net cash provided by financing activities was $1.9 million and $2.7 million for the three months ended March 31, 2025 and 2024, respectively. Cash provided by financing activities during the three months ended March 31, 2025 represented proceeds of $2.0 million from the private placement of pre-funded warrants and warrants offset by $0.1 million of cash registration and issuance costs associated with the warrant issuance.

Liquidity and Capital Resources

The following table summarizes our total current assets, liabilities and working capital deficiency at March 31, 2025 and 2024, respectively:

(in thousands)	March 31, 2025	December 31, 2024
Current Assets	$ 2,110	$ 1,716
Current Liabilities	$ 12,004	$ 11,231
Working Capital Deficiency	$ (9,894)	$ (9,515)

Since our inception in 2014 through March 31, 2025, we have not generated any revenue and have incurred significant operating losses and negative cash flows from our operations. Based on our current operating plan, we expect our cash of $1.6 million as of March 31, 2025 will only be sufficient to fund our operating expenses and capital expenditure requirements on a month-to-month basis. However, it is difficult to predict our spending for our product candidates prior to obtaining FDA approval. Moreover, changing circumstances may cause us to expend cash significantly faster than we currently anticipate, and we may need to spend more cash than currently expected because of circumstances beyond our control.

Going Concern

Since inception we have been engaged in organizational activities, including raising capital and research and development activities. We have not generated revenues and have not yet achieved profitable operations, nor have we ever generated positive cash flow from operations. There is no assurance that profitable operations, if achieved, could be sustained on a continuing basis. We are subject to those risks associated with any pre-clinical stage pharmaceutical company that has substantial expenditures for research and development. There can be no assurance that our research and development projects will be successful, that products developed will obtain necessary regulatory approval, or that any approved product will be commercially viable. In addition, we operate in an environment of rapid technological change and are largely dependent on the services of our employees and consultants. Further, our future operations are dependent on the success of our efforts to raise additional capital. These uncertainties raise substantial doubt about our ability to continue as a going concern for 12 months after the issuance date of our financial statements. The accompanying financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of us to continue as a going concern, which contemplates the continuation of operations, realization of assets and liquidation of liabilities in the ordinary course of business. We incurred a net loss of $2.3 million for the three months ended March 31, 2025 and had an accumulated deficit of $114.9 million on March 31, 2025. We anticipate incurring additional losses until such time, if ever, that we can generate significant revenue from our product candidates currently in development. Our primary source of capital has been the issuance of debt and equity securities. We believe that current cash is only sufficient to fund operations and capital requirements on a month-to-month basis. Additional financing will be needed by us to fund our operations, to complete development of and to commercially develop our product candidates. There is no assurance that such financing will be available when needed or on acceptable terms.

Contractual Obligations

The following summarizes our contractual obligations as of March 31, 2025 that will affect our future liquidity. Based on our current operating plan, we plan to satisfy the obligations identified below from our current cash balance and future financing.

Cash requirements for our current liabilities as of March 31, 2025 include approximately $12.0 million for accounts payable and accrued expenses.

Future Capital Needs

We expect our cash on hand will enable us to make investments in our continued development of VAR 200 and IC 100 on a month-to-month basis as cash is available. We intend to raise additional capital in the future to fund continued development.

We expect to raise additional capital by issuing equity, equity-linked securities, or debt in subsequent offerings. If we are unable to raise additional capital on terms favorable to us, we may not have sufficient liquidity to execute our business strategy. We have various warrants outstanding that can be exercised for our common stock, many of which must be exercised in exchange for cash paid to us by the holders of such warrants. If the market price of our common stock is less than the exercise price of a holder's warrants, it is unlikely that holders will exercise their warrants. As such, we do not expect to receive significant proceeds in the near term from the exercise of most of our warrants based on the current market price of our common stock and the exercise prices of such warrants.

Our policy is to invest any cash in excess of our immediate requirements in investments designed to preserve the principal balance and provide liquidity while producing a modest return on investment. Accordingly, our excess cash equivalents will be invested primarily in money market funds.

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

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

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

To continue to grow our business over the longer term, we plan to commit substantial resources to research and development, clinical trials of our product candidates, and other operations and potential product acquisitions and in-licensing. We have evaluated and expect to continue to evaluate a wide array of strategic transactions as part of our plan to acquire or in-license and develop additional products and product candidates to augment our internal development pipeline. Strategic transaction opportunities that we may pursue could materially affect our liquidity and capital resources and may require us to incur additional indebtedness, seek equity capital or both. In addition, we may pursue development, acquisition or in-licensing of approved or development products in new or existing therapeutic areas or continue the expansion of our existing operations. Accordingly, we expect to continue to opportunistically seek access to additional capital to license or acquire additional products, product candidates or companies to expand our operations, or for general corporate purposes. Strategic transactions may require us to raise additional capital through one or more public or private debt or equity financings or could be structured as a collaboration or partnering arrangement. We have no arrangements, agreements, or understandings in place at the present time to enter into any acquisition, in-licensing or similar strategic business transaction. In addition, we continue to evaluate commercial collaborations and strategic relationships with established pharmaceutical companies, which would provide us with more immediate access to marketing, sales, market access and distribution infrastructure.

If we raise additional funds by issuing equity securities, our stockholders will experience dilution. Debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any debt financing or additional equity that we raise may contain terms, such as liquidation and other preferences that are not favorable to us or our existing stockholders. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish valuable rights to our technologies, future revenue streams or product candidates or to grant licenses on terms that may not be favorable to us.

JOBS Act Accounting Election

ZyVersa is an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. The JOBS Act permits companies with emerging growth company status to take advantage of an extended transition period to comply with new or revised accounting standards, delaying the adoption of these accounting standards until they would apply to private companies. ZyVersa expects to use this extended transition period to enable it to comply with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date the Company (1) is no longer an emerging growth company or (2) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with the new or revised accounting standards as of public company effective dates.

In addition, the Company intends to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements between us and any other entity that have, or are reasonably likely to have, a current or future effect on financial conditions, changes in financial conditions, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Critical Accounting Estimates

We prepare our condensed consolidated financial statements in accordance with U.S. generally accepted accounting principles, which require our management to make estimates that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet dates, as well as the reported amounts of revenues and expenses during the reporting periods. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on our own historical experience and other assumptions that we believe are reasonable after taking account of our circumstances and expectations for the future based on available information. We evaluate these estimates on an ongoing basis.

We consider an accounting estimate to be critical if: (i) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (ii) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. Our critical accounting estimates are described below.

Impairment of Long-Lived Assets and Goodwill

The Company reviews for the impairment of long-lived assets and goodwill whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized for the amount by which the carrying value of the asset exceeds its fair value. The evaluation of asset impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts.

There are other items within our financial statements that require estimation but are not deemed critical, as defined above.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer (who serve as our Principal Executive Officer and Principal Financial and Accounting Officer, respectively), to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2025. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

Changes in Internal Control over Financial Reporting

Management has implemented additional controls to address the material weakness identified as of December 31, 2024. This includes the implementation of proper segregation of duties controls between preparer and reviewer.

Inherent Limitations of the Effectiveness of Controls

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. A control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

As a "smaller reporting company", we are not required to provide information required by this Item. However, investors are encouraged to review our current risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 27, 2025.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Insider Trading Plans

During the three months ended March 31, 2025, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS.

Exhibit	Description
3.1	Second Amended and Restated Certificate of Incorporation of ZyVersa Therapeutics, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 10-Q filed with the SEC on August 9, 2024).
3.2	Second Amended and Restated Bylaws of ZyVersa Therapeutics, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on December 13, 2022).
3.3	Certificate of Designation relating to the Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed with the SEC on December 13, 2022).
4.1	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on March 7, 2025).
4.2	Form of Series A-3 Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the SEC on March 7, 2025).
4.3	Form of Amendment to Common Share Purchase Warrant entered into by and between the Company and the Investor, dated March 5, 2025 (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed with the SEC on March 7, 2025).
10.1	Form of Securities Purchase Agreement, dated March 5, 2025, by and between the Company and the Investor named therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 7, 2025).
10.2	Placement Agency Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on March 7, 2025).
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a).
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a).
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
101.INS**	XBRL Inline Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibits 101).

* Filed herewith.
** Furnished herewith.

SIGNATURES

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

Dated: May 12, 2025

By: */s/ Stephen C, Glover*

Stephen C. Glover
Chief Executive Officer
(Principal Executive Officer)

Dated: May 12, 2025

By: */s/ Peter Wolfe*

Peter Wolfe
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

Certification of
Principal Executive Officer
of ZYVERSA THERAPEUTICS, INC.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Stephen C. Glover, certify that:

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

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

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 we 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 annual 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 quarterly 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 quarter in the case of an annual report) that has materially affected, or is 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 function):

   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.

Dated: May 12, 2025

By: */s/ Stephen C. Glover*
Stephen C. Glover
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of
Principal Executive Officer
of ZYVERSA THERAPEUTICS, INC.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Peter Wolfe, certify that:

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

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

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 we 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 annual 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 quarterly 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 quarter in the case of an annual report) that has materially affected, or is 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 function):

   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.

Dated: May 12, 2025

By: */s/ Peter Wolfe*
Peter Wolfe
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ZyVersa Therapeutics, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Dated: May 12, 2025

By: */s/ Stephen C. Glover*
Stephen C. Glover
Chief Executive Officer
(Principal Executive Officer)

Dated: May 12, 2025

By: */s/ Peter Wolfe*
Peter Wolfe
Chief Financial Officer
(Principal Financial and Accounting Officer)