

Management Certification

The undersigned, on behalf of Lipella Pharmaceuticals Inc. ("the Company"), certifies that the information provided herein is accurate and complete to the best of the Company's knowledge.

1. The Company is current in its disclosure obligations pursuant to the following reporting standard:

SEC Reporting Obligations

- ☒ The Company has a reporting obligation under Section 13 or 15(d) of the Exchange Act
- ☐ The Company has a reporting obligation under Regulation A (Tier 2)
- ☐ The Company has a reporting obligation under Regulation Crowdfunding (CF)
- ☐ Other (please describe)

Other Reporting Obligations

- ☐ The Company is a U.S. bank, bank holding company, or similar financial institution exempt from SEC registration, has a reporting obligation to a U.S. Bank Regulator and follows OTC Markets' Bank Reporting requirements.
- ☐ The Company is exempt from SEC registration and is reporting under the Alternative Reporting Standard

2. Indicate below whether the Company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

3. Indicate below whether the Company is subject to Bankruptcy or reorganization proceedings.

Yes: ☐ No: ☒

4. The Company has a Verified Company Profile on OTCMarkets.com. **YES**
5. The Company is duly organized and in good standing under the laws of the state or jurisdiction in which the Company is organized or does business. **YES**
6. The Company understands and acknowledges its obligations to report company-related actions pursuant to Exchange Act Rule 10b-17 and FINRA Rule 6490. **YES**
7. The Company understands and acknowledges its obligations to publicly disclose material information in a timely manner in accordance with applicable U.S. federal securities laws, including but not limited to Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. **YES**
8. The Company's transfer agent and its address are listed below. If the Company acts as its own transfer agent, indicate that by listing the Company and its information in the fields provided.¹

Transfer Agent: Nevada Agency and Transfer Company
 Address: 50 West Liberty Street, Suite 880
Reno NV 89501

¹ OTCQX, OTCQB, and OTCID companies are required to retain a transfer agent that participates in the Transfer Agent Verified Shares Program. OTCID companies that act as their own transfer agent may submit data directly to OTC Markets.

9. The Company's most recent Annual Report was prepared by:

Below is a list all law firm(s) and attorney(s) (including internal counsel) that acted as the Company's primary legal counsel in preparing its most recent annual report or, if no attorney assisted in preparing the disclosure, the person(s) who prepared the disclosure and their relationship to the Company.

Sullivan & Worcester LLP assisted with most recent Annual Report as General Counsel/SEC Counsel

10. The Company's Officers, Directors and 5% Beneficial Owners are listed below:

The table below provides information regarding all officers and directors of the Company, or any person that performs a similar function, regardless of the number of shares they own. To the best of the Company's knowledge, it includes all individuals or entities beneficially owning 5% or more of any class of the issuer's equity securities. To identify holders of 5% or more, companies may obtain a recent copy of their shareholder list that includes Non-Objecting Beneficial Owners or "NOBOs." SEC Reporting companies may also research their beneficial ownership and insider transaction filings such as on Schedules 13G or 13D or on Forms 3, 4, and 5.

As of (latest practicable date): See page 4 of this file.

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	Position/Company Affiliation (ex: CEO, ≥ 5% beneficial owner)	City and State (Include Country if outside U.S.)	Number of Shares Owned (List common, preferred, warrants and options separately)	Class of Shares Owned	Percentage of Class of Shares Owned (undiluted)
[see page 4]					

Any additional material details, including conversion terms of any class of the issuer's equity securities, are below:

11. The Company has Convertible Debt as detailed below:

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

☒ Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount at Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ²	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g., Loan, Services, etc.)

Total Outstanding
Balance:

Total Shares:

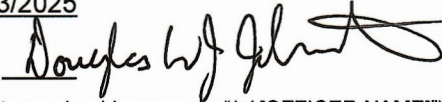
Any additional material details, including footnotes to the table are below :

Signature:

Name of Principal Executive Officer or Principal Financial Officer: Douglas Johnston

Title: Chief Financial Officer

Date: 07/03/2025

Signature: 

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

² The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any "blockers" or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

Individual or Entity	Position/Company Affiliation	City and State	Number of Shares Owned	Class of Shares Owned	Percentage of Class Shares Owned
Jonathan Kaufman	President, Chief Executive Officer, Secretary, Treasurer and Chairman of the Board of Directors	Pittsburgh, PA	112,353	Common Shares	2.51%
			99,937	Options	27.64%
Michael Chancellor	Chief Medical Officer and Director	Pittsburgh, PA	109,703	Common Shares	2.46%
			99,937	Options	27.64%
Douglas Johnston	Chief Financial Officer	Pittsburgh, PA	12,500	Options	3.46%
Michele Gruber	Director of Operations	Pittsburgh, PA	46,875	Options	12.96%
Janet Okonski	Director of Clinical Operations	Pittsburgh, PA	18,750	Options	5.18%
Lori Birder	Director	Pittsburgh, PA	3,125	Options	0.86%
B. Chris Kim	Director	Newton, MA	3,125	Options	0.86%
Ryan Pruchnic	Director	Pittsburgh, PA	7,500	Options	2.07%
Naoki Yoshimura	Director	Pittsburgh, PA	8,000	Options	2.21%
Dan Cohen	Director	San Francisco, CA	6,250	Options	1.73%
Vijay Singh & Richa Mishra JTWROS	Shareholder	Cherry Hill, NJ	1,260	Preferred B	100%
			11,885	Preferred B Warrants	16.51%
Richa Mishra	Shareholder	Cherry Hill, NJ	420,964	Common Shares	9.42%
Spartan Capital	Banker	New York, NY	153,442	Preferred C	100%
			158,817	Common Shares Warrant	42.58%
Dunham, Michael	Shareholder	Virgin Islands, USA	8,460	Preferred B Warrants	11.75%
Dowdle, Nutie IRA	Shareholder	Columbus, MS	6,580	Preferred B Warrants	9.14%
1062 Asset Mngmt	Shareholder	Butte, CO	5,640	Preferred B Warrants	7.83%
Gentile, Albert & Heidi	Shareholder	Mayfield, NY	4,250	Preferred B Warrants	5.90%
GSB Holdings Inc.	Shareholder	Wellington, FL	3,740	Preferred B Warrants	5.19%
Sabby Volatility Warrant Master Fund Ltd	Shareholder	Upsaddle River, NH	164,474	Common Shares Warrant	44.10%
H.C. Wainwright & Co	Banker	New York, NY	31,704	Common Shares Warrant	8.50%

Notes on Classes of Shares:

Common Shares: are shares of Common Stock, par value \$0.0001, with 200,000,000 shares authorized, and 4,467,395 shares issued and outstanding as of June 30, 2025.

Options: are stock options outstanding that were issued under the Company's 2008 Stock Incentive Plan or under the 2020 Amended and Restated Stock Incentive Plan, both of which can be viewed as exhibits to the form 10-K on the SEC's website. Each option grants the holder the right to purchase one share of Common Stock. As of December 31, 2024 and June 30, 2025, options to purchase an aggregate of 361,625 shares of our Common Stock at exercise prices ranging from \$6.16 to \$40.00 per share, with a weighted-average exercise price of \$25.53 per share, were outstanding under the 2020 Plan, with a Weighted Average Remaining Contractual Term of 4.59 years as of June 30, 2025.

Preferred B: Series B preferred stock, \$0.0001 par value per share, 72,000 shares authorized; 1,260 shares issued and outstanding at June 30, 2025 and 25,975 shares issued and outstanding at December 31, 2024. Pursuant to the Series B Certificate of Designation, each share of Series B Preferred Stock is convertible at any time into such number of shares of Common Stock obtained by the quotient of (i) the product of (x) such number of shares of Preferred Stock being converted by such holder and (y) a stated value of \$100 and (ii) the Minimum Price (as defined in Rule 5635(d)(1)(A) of The Nasdaq Stock Market LLC). Holders of shares of Series B Preferred Stock do not have any voting rights other than certain limited voting rights with respect to actions which may adversely affect the Series B Preferred Stock. A holder of shares of Series B Preferred Stock cannot convert such shares to the extent that such holder would own more than 4.99% (or at the election of such holder, 9.99%) of outstanding Common Stock immediately after such conversion.

Preferred C: Series C preferred stock, \$0.0001 par value per share, 1,050,000 shares authorized; 536,959 shares issued and outstanding at June 30, 2025 and 303,041 shares issued and outstanding at December 31, 2024. Pursuant to the Series C Certificate of Designation, each share of Series C Preferred Stock is convertible into one share of Common Stock at any time only on or after the date on which the applicable Registration Statement (as defined in the Series C Certificate of Designation) has been declared effective by the SEC. A holder of shares of Series C Preferred Stock cannot convert such shares to the extent that such holder would own more than 4.99% (or at the election of such holder, 9.99%) of outstanding Common Stock immediately after such conversion.

Preferred B Warrants: Warrants outstanding to purchase up to 72,000 shares of Series B Preferred Stock, with each Warrant exercisable for shares of Series B Preferred Stock at \$100 per share, and such shares of Series B Preferred Stock convertible into shares of Common Stock at a conversion price equal to \$2.16 per share, which was the Minimum Price of the Common Stock immediately prior to the execution of the subscription agreements for the purchase and sale of such Warrants.

Common Shares Warrant: Warrants outstanding to purchase shares of Common Stock, with exercise prices ranging from \$1 to \$40, and a weighted average remaining contractual term of 3.11 years. There were warrants outstanding to purchase an equivalent of 372,990 shares of Common Stock as of June 30, 2025 and December 31, 2025.