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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 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: 001-36268

Q/C Technologies, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**22-2983783**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
333 Bush Street, Suite 1400 San Francisco, CA	**94104**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (856) 848-8698

Former name, former address and former fiscal year, if changed since last report: N/A

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

Title of Each Class:	**Trading Symbol(s)**	**Name of Each Exchange on Which Registered:**
Shares of Common Stock, par value $0.001 per share	QCLS	**The Nasdaq Stock Market LLC**

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

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

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

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

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

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

As of November 13, 2026, the registrant had 8,619,201 shares of its Common Stock, par value $0.001 per share, outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Q/C TECHNOLOGIES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
September 30, 2026 and December 31, 2025

	As of	
	(unaudited) September 30, 2026	December 31, 2025
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 2,585,051	$ 986,996
Marketable Securities	6,805,270	14,801,267
Other Receivables	16,800	18,200
Prepaid Expenses	792,298	774,095
Total Current Assets	10,199,419	16,580,558
Non-Current Assets		
Property, Plant and Equipment, net	145,258	-
Operating Lease Right-of-Use Asset, net	326,315	-
Technology License	-	14,086,999
Goodwill	10,498,539	10,498,539
Other Assets	113,688	-
Total Non-Current Assets	11,083,800	24,585,538
Total Assets	$ 21,283,219	$ 41,166,096
LIABILITIES		
Current Liabilities		
Trade and Other Payables	$ 1,507,480	$ 2,445,346
Due to MyMD FL Shareholders	29,982	29,982
Operating Lease Liability	189,112	-
Dividends Payable	230,777	365,970
License Fees Payable	35,018	533,744
Derivative Liability	25,000	2,157,000
Total Current Liabilities	2,017,369	5,532,042
Non-Current Liabilities		
Contingent Consideration Payable, net of current	-	10,909,000
Operating Lease Liability, net of current	158,482	-
Total Non-Current Liabilities	158,482	10,909,000
Total Liabilities	2,175,851	16,441,042
Commitments and Contingencies		
Mezzanine Equity		
Series G Convertible Preferred Stock, no par value and a stated value of $1,000 per share, 12,826,273 shares authorized, 8,812 and 8,802 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively. Liquidation preference of $8,812,000 plus dividends at 10% per annum.	8,812,000	8,802,000
Series G Convertible Preferred Stock – Discount	(6,938,000)	(6,938,000)
Series H Convertible Preferred Stock, 7,000 shares designated, par value $0.001 and a stated value of $1,000 per share, 3,115 shares issued and outstanding as of September 30, 2026 and December 31, 2025. Liquidation preference of $3,115,000 plus dividends at 7% per annum.	3,115,000	3,115,000
Series H Convertible Preferred Stock – Discount	(168,621)	(168,621)
Series H Convertible Preferred Stock – Derivative	(1,837,000)	(1,837,000)
Total Mezzanine Equity	2,983,379	2,973,379
STOCKHOLDERS' EQUITY		
Preferred Stock, par value $0.001, 50,000,000 total preferred shares authorized		
Series D Convertible Preferred Stock, $0.001 par value and a stated value of $0.01 per share, 72,992 shares designated, as of September 30, 2026 and December 31, 2025, 72,992 shares issued and outstanding as of September 30, 2026 and December 31, 2025.	144,524	144,524
Common Stock, par value $0.001, 1,250,000,000 shares authorized, 8,499,379 and 7,690,403 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively.	8,499	7,690
Additional Paid in Capital	171,880,679	165,722,193
Accumulated Deficit	(155,909,713)	(144,122,732)
Total Stockholders' Equity	16,123,989	21,751,675
Total Liabilities and Stockholders' Equity	$ 21,283,219	$ 41,166,096

See accompanying notes to these unaudited condensed consolidated financial statements.

Q/C TECHNOLOGIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Product Revenue	$ -	$ -	$ -	$ -
Product Cost of Sales	-	-	-	-
Gross Profit	-	-	-	-
General and Administrative Expenses	1,097,572	967,833	3,630,013	2,703,815
Research and Development Expenses	383,382	356,352	1,130,049	2,775,337
Stock Based Compensation Expenses	860,667	-	5,343,060	189,490
Franchise Tax Expense	123,654	200,050	343,057	200,050
Series H Warrant Issuance Expenses	-	264,417	-	264,417
Transaction Costs Associated with Due Diligence	100,000	-	100,000	-
Impairment of Technology License	-	-	3,177,999	-
Loss from Operations	(2,565,275)	(1,788,652)	(13,724,178)	(6,133,109)
Other (Income) Expenses				
Interest and Dividend Income	(55,477)	(35,955)	(227,442)	(156,042)
Gain on Sale of Investments	(24,410)	-	(55,651)	(2,176)
Change in fair value of Marketable Securities	(2,595)	(309)	4,695	1,435
Change in fair value of Derivatives Liabilities	(1,541,000)	1,059,000	(2,132,000)	(244,000)
Total Other (Income)/Expense	(1,623,482)	1,022,736	(2,410,398)	(400,783)
Loss Before Income Tax	(941,793)	(2,811,388)	(11,313,780)	(5,732,326)
Income Tax Benefit/(Provision)	-	-	-	-
Net Loss	$ (941,793)	$ (2,811,388)	$ (11,313,780)	$ (5,732,326)
Preferred Stock Dividends & Adjustments	264,243	901,902	473,198	2,691,767
Net Loss Attributable to Common Stockholders	$ (1,206,036)	$ (3,713,290)	$ (11,786,978)	$ (8,424,093)
Basic and diluted net loss per common share	$ (0.14)	$ (2.50)	$ (1.42)	$ (14.77)
Weighted average basic and diluted common stock outstanding	8,515,493	1,483,341	8,283,441	570,353

See accompanying notes to these unaudited condensed consolidated financial statements.

Q/C TECHNOLOGIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statement of Changes in Mezzanine Equity and Stockholders' Equity
For the Three and Nine Months Ended September 30, 2026 and 2025
(unaudited)

	Series F Convertible Preferred Stock		Series F-1 Convertible Preferred Stock		Series G Convertible Preferred Stock		Series H Convertible Preferred Stock		Series D Convertible Preferred Stock		Common Stock		Additional Paid In Capital	Accumulated Deficit	Total Equity
	Shares	Series F	Shares	Series F-1	Shares	Series G	Shares	Series H	Shares	Series D	Shares	Par Value $0.001			
Balance at December 31, 2025	-	$ -	-	$ -	8,802	$ 1,864,000	3,115	$ 1,109,379	72,992	$ 144,524	7,690,403	$ 7,690	$ 165,722,193	$ (144,122,732)	$ 21,751,675
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,785,503)	(2,785,503)
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)	(3)
Preferred Stock Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	(285,671)	(285,671)
Common Stock Warrant Exercises	-	-	-	-	-	-	-	-	-	-	155,432	155	437,619	-	437,774
Stock-based Compensation - Restricted Stock Units	-	-	-	-	-	-	-	-	-	-	7,594	-	54,655	-	54,655
Stock-based Compensation - Stock Options	-	-	-	-	-	-	-	-	-	-	-	-	187,160	-	187,160
Stock-based Compensation - Warrants	-	-	-	-	-	-	-	-	-	-	-	-	830,435	-	830,435
Stock based compensation - Restricted Stock Awards	-	-	-	-	-	-	-	-	-	-	-	-	529,084	-	529,084
Balance at March 31, 2026	-	$ -	-	$ -	8,802	$ 1,864,000	3,115	$ 1,109,379	72,992	$ 144,524	7,853,429	$ 7,845	$ 167,761,146	$ (147,193,909)	$ 20,719,606
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,586,484)	(7,586,484)
Preferred Stock Dividends and Dividend Adjustments	-	-	-	-	10	10,000	-	-	-	-	-	-	-	76,716	76,716
Common Stock Warrant Issuances and Exercises	-	-	-	-	-	-	-	-	-	-	-	-	21,318	-	21,318
Stock-based Compensation - Restricted Stock Units	-	-	-	-	-	-	-	-	-	-	301,181	301	328,697	-	328,998
Stock-based Compensation - Stock Options	-	-	-	-	-	-	-	-	-	-	-	-	1,718,283	-	1,718,283
Stock-based Compensation - Warrants	-	-	-	-	-	-	-	-	-	-	-	-	460,160	-	460,160
Stock based compensation - Restricted Stock Awards	-	-	-	-	-	-	-	-	-	-	35,228	44	352,258	-	352,302
Balance at June 30, 2026	-	$ -	-	$ -	8,812	$ 1,874,000	3,115	$ 1,109,379	72,992	$ 144,524	8,189,838	$ 8,190	$ 170,641,862	$ (154,703,677)	$ 16,090,899
Net loss	-	-	-	-	-	-	-	-	-	-				(941,793)	(941,793)
Preferred Stock Dividends	-	-	-	-	-	-	-	-	-	-	127,296	127	429,023	(264,243)	164,907
Stock-based Compensation - Restricted Stock Units	-	-	-	-	-	-	-	-	-	-	165,625	166	5,930	-	6,096
Stock-based Compensation - Stock Options	-	-	-	-	-	-	-	-	-	-	-	-	33,751	-	33,751
Stock-based Compensation - Warrants	-	-	-	-	-	-	-	-	-	-	-	-	318,033	-	318,033
Stock based compensation - Restricted Stock Awards	-	-	-	-	-	-	-	-	-	-	16,620	16	452,080	-	452,096
Balance at September 30, 2026	-	$ -	-	$ -	8,812	$1,874,000	3,115	$ 1,109,379	72,992	$ 144,524	8,499,379	$ 8,499	$ 171,880,679	$ (155,909,713)	$ 16,123,989

	Series F Convertible Preferred Stock		Series F-1 Convertible Preferred Stock		Series G Convertible Preferred Stock		Series H Convertible Preferred Stock		Series I Convertible Preferred Stock		Series D Convertible Preferred Stock		Common Stock		Additional Paid In Capital	Accumulated Deficit	Total Equity
	Shares	Series F	Shares	Series F-1	Shares	Series G	Shares	Series H	Shares	Series I	Shares	Series D	Shares	Par Value $0.001			
Balance at December 31, 2024	4,211	$ 4,930,004	4,747	$ -	8,884	$ -	-	$ -	-	$ -	72,992	$144,524	33,637	$ 3,364	$138,780,138	$(129,138,286)	$ 9,789,740
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,124,743)	(1,124,743)
Accelerated Conversion of 371 shares of Series F Convertible Preferred Stock	(371)	(434,903)	-	-	-	-	-	-	-	-	-	-	6,207	621	522,595	-	523,216
Accelerated Conversion of 2,001 shares of Series F-1 Convertible Preferred Stock	-	-	(2,001)	-	-	-	-	-	-	-	-	-	31,632	3,163	259,677	-	262,840
Conversion of 319 shares of Series G Convertible Preferred Stock	-	-	-	-	(319)	-	-	-	-	-	-	-	2,450	245	(245)	-	-
Issuance of Series G Convertible Preferred Stock	-	-	-	-	656	656,000	-	-	-	-	-	-	-	-	(31,284)	-	(31,284)
Preferred Stock Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(813,496)	(813,496)
Stock based compensation - stock options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	84,636	-	84,636
Balance at March 31, 2025	3,840	$ 4,495,101	2,746	$ -	9,221	$ 656,000	-	$ -	-	$ -	72,992	$144,524	73,926	$ 7,393	$139,615,517	$(131,076,525)	$ 8,690,909
Net loss																(1,796,195)	(1,796,195)
Accelerated Conversion of 24 shares of Series F Convertible Preferred Stock	(24)	(21,185)	-	-	-	-	-	-	-	-	-	-	3,168	317	47,791	-	48,108
Accelerated Conversion of 1,748 shares of Series F-1 Convertible Preferred Stock	-	-	(1,748)	-	-	-	-	-	-	-	-	-	176,060	17,605	186,318	-	203,923
Conversion of 1,021 shares of Series G Convertible Preferred Stock	-	-	-	-	(1,021)	-	-	-	-	-	-	-	40,683	4,069	(4,069)	-	-
Issuance of Series G Convertible Preferred Stock	-	-	-	-	537	537,000	-	-	-	-	-	-	-	-	(341,192)	-	(341,192)
True-up in conjunction with 01 Jun 25 modifications	-	656,751	-	-	-	-	-	-	-	-	-	-	-	-	(656,751)	-	(656,751)
Shareholder request to reclassify a Series F share conversion to Series F-1	37	-	(60)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reconciling adjustments to outstanding shares	529	-	1,127	-	-	-	-	-	-	-	-	-	-		-	-	-
Preferred Stock Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-		-	(976,369)	(976,369)
Stock based compensation - stock options	-	-	-	-	-	-	-	-	-	-	-	-	-		104,854	-	104,854
Balance at June 30, 2025	4,382	5,130,667	2,065	-	8,737	$1,193,000	-	$ -	-	$ -	72,992	$144,524	293,837	$ 29,384	$138,952,468	$(133,849,089)	$ 5,277,287
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,811,388)	(2,811,388)
Accelerated Conversion of 4,382 shares of Series F Convertible Preferred Stock	(4,382)	(5,130,667)	-	-	-	-	-	-	-	-	-	-	1,321,156	119,248	9,873,834	-	9,993,082
Accelerated Conversion of 2,065 shares of Series F-1 Convertible Preferred Stock	-	-	(2,065)	-	-	-	-	-	-	-	-	-	399,945	30,219	1,028,622	-	1,058,841
Conversion of 606 shares of Series G	-	-	-	-	(606)	-	-	-	-	-	-	-	161,959	161	(161)	-	-

Convertible Preferred Stock																		
Issuance of Series G Convertible Preferred Stock	-	-	-	-	673	673,000	-	-	-	-	-	-	-	-	(257,400)	-	(257,400)
Issuance of 7,000 shares of Series H Convertible Preferred Stock, net of discount and offering costs of $609,578	-	-	-	-	-	-	7,000	2,433,917	-	-	-	-	-	-	2,383,920	-	2,383,920
Issuance of 747,362 shares of Series I Convertible Preferred Stock	-	-	-	-	-	-	-	-	747,362	2,697,977	-	-	-	-	-	-	-
Proceeds from the exercise of common stock warrants	-	-	-	-	-	-	-	-	-	-	-	-	800,000	800	2,258,815	-	2,259,615
Deemed dividends on final settlement of the Series F-1 Convertible Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(634,725)	-	(634,725)
Preferred Stock Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(901,902)	(901,902)
Deemed dividends on final settlement of the Series F Convertible Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,046,940)	-	(2,046,940)
Balance at September 30, 2025	-	$ -	-	$ -	8,804	$1,866,000	7,000	$2,433,917	747,362	$2,697,977	72,992	$144,524	2,976,897	$ 179,812	$151,558,433	$(137,562,379)	$14,320,390

See accompanying notes to these unaudited condensed consolidated financial statements

Q/C TECHNOLOGIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(unaudited)

	For the Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (11,313,780)	$ (5,732,326)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accrued interest/dividends	-	-
(Gain)/Loss on sale of securities	(55,585)	(2,176)
Loss on fair market value of equity investments	4,858	1,435
Gain on fair market value of derivatives	(2,132,000)	(244,000)
Amortization of ROU asset	59,472	-
Depreciation of fixed assets	18,054	-
Impairment of technology license	3,177,999	-
Share-based compensation:		
To directors – options	1,421,040	110,168
To key employees – options	-	35,103
To key employees – restricted stock units/awards (RSUs/RSAs)	120,122	-
To directors – RSUs/RSAs	50,026	-
To non-employees – options	514,202	44,219
To non-employees – warrants	1,633,899	-
To non-employees – RSUs/RSAs	1,553,079	-
Change in assets and liabilities:		
Prepaid expenses	(18,203)	(256,561)
Security deposits	(113,688)	-
Trade and other receivables	1,400	-
Trade and other payables	(958,837)	178,261
Operating lease liabilities	(38,193)	-
License Fees Payable	(564,261)	-
Net cash used in operating activities	(6,640,396)	(5,865,877)
Cash flows from investing activities:		
Purchase of capital equipment	(163,312)	-
Purchase of technology license	-	(2,009,022)
Purchases of marketable securities	(305,806)	(5,955,495)
Proceeds from sale of marketable securities	8,352,530	11,209,546
Net cash provided by investing activities	7,883,412	3,245,029
Cash flows from financing activities		
Dividends on Preferred Stock	(169,242)	-
Net proceeds from the issuance of Series H Convertible Preferred Stock	-	6,654,838
Net proceeds from the exercise of warrants for common stock	524,281	2,697,041
Net cash provided by financing activities	355,039	9,351,879
Net increase/(decrease) in cash and cash equivalents	1,598,055	6,731,031
Cash at beginning of period	986,996	173,154
Cash at end of period	$ 2,585,051	$ 6,904,185
Supplemental cash flow information		
Cash paid for:		
Interest	$ -	$ -
Income Taxes	$ -	$ -
Supplemental Schedule of Non-Cash Financing and Investing Activities		
Fair value of Series G Convertible Preferred Stock issued in-lieu of dividends	$ 10,000	$ 1,866,000
Initial fair value of derivative liabilities pursuant to the issuance of Series H Convertible Preferred Stock and Warrants	$ -	$ 1,837,000
Contingent Consideration Payable for technology license	$ -	$ 9,380,000
Issuance of Series I Convertible Preferred Stock for technology license	$ -	$ 2,697,977
Accrued dividends on Series G and Series H Convertible Preferred Stock	$ 264,244	$ -
Operating lease right of use asset obtained in exchange for lease liability	$ 385,787	$ -

See accompanying notes to these unaudited condensed consolidated financial statements.

Note 1 – Organization and Description of Business

Q/C Technologies, Inc, formerly known as TNF Pharmaceuticals, Inc., is a Delaware corporation ("QCLS" or the "Company") that was incorporated in New Jersey prior to the Reincorporation (as defined below) and was originally incorporated in Florida in November 2014. On July 22, 2024, the Company changed its name from MyMD Pharmaceuticals, Inc. to TNF Pharmaceuticals, Inc. by filing a certificate of amendment to its certificate of incorporation with the Secretary of State of Delaware. In addition, effective before the open of market trading on July 24, 2024, the Company's common stock, par value $0.001 per share ("Common Stock") ceased trading under the ticker symbol "MYMD" and began trading on the Nasdaq Stock Market under the ticker symbol "TNFA." On September 22, 2025, the Company again changed its name from TNF Pharmaceuticals, Inc. to Q/C Technologies, Inc. by filing a certificate of amendment to its certificate of incorporation with the Secretary of State of Delaware. In addition, effective before the open of market trading on September 25, 2025, the Company's Common Stock, ceased trading under the ticker symbol "TNFA" and began trading on the Nasdaq Stock Market under the ticker symbol "QCLS."

As part of the transition in the Company's business model, on September 2, 2025, the Company entered into a Membership Interest Purchase Agreement (the "MIPA"), by and among the Company, LPU Holdings LLC ("LPU") and the members of LPU (the "Sellers"), pursuant to which the Company agreed to acquire 100% of the membership interests (the "Membership Interests") of LPU from the Sellers, and as a result, LPU became a wholly-owned subsidiary of the Company.

Additionally, these consolidated financial statements include three wholly owned subsidiaries as of September 30, 2026, Akers Acquisition Sub, Inc., Bout Time Marketing Corporation and LPU (together, the "Company"). All material intercompany transactions have been eliminated in consolidation.

The Company has historically been engaged in the development and commercialization of two therapeutic platforms based on well-defined targets: (i) Isomyosamine (formerly known as MYMD-1), an oral, next-generation TNF-α inhibitor with the potential to transform the way TNF-α based diseases are treated due to its selectivity and ability to cross the blood brain barrier. Its ease of oral dosing is a significant differentiator compared to currently available TNF-α inhibitors, all of which require delivery by injection or infusion, and (ii) Supera-CBD.

In 2025, the Company shifted its business strategy to focus on energy-efficient blockchain, cryptocurrency infrastructure, and high-performance computing through quantum-class laser-based computing. The Company's core strategy had leveraged an exclusive global licensing agreement with LightSolver Ltd. ("LightSolver") to deploy innovative LPUs, specifically the Company-branded qc-LPU100™, which harnesses the natural properties of light with the goal of achieving high computational speed and energy efficiency. On June 26, 2026, the Company provided notice of its intention to terminate the License Agreement (as defined below), effective as of June 26, 2026 (the "Termination"). In connection with the Termination, the Company was automatically and immediately relieved from its obligation to make any additional milestone payments to LightSolver, and LightSolver has no right to receive any further contingent consideration thereunder. Following the Termination, the Company determined to fully focus its efforts on its optical processing unit initiative, a proprietary silicon photonic computing architecture for artificial intelligence inference. Additionally, the Company is researching and designing quantum/laser-based computer technology.

The Company is pre-revenue and only has investment income for the periods ending 2026 and 2025.

Note 2 – Significant Accounting Policies

(a) Basis of Presentation

The condensed consolidated financial statements of the Company are prepared in U.S. Dollars and in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

The accompanying unaudited condensed financial statements have been prepared by the Company. These statements include all adjustments (consisting only of normal recurring adjustments) which management believes necessary for a fair presentation of the statements and have been prepared on a consistent basis using the accounting policies described in Note 2 Significant Accounting Policies included in the Notes to Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on April 15, 2026 (the "2025 Annual Report"). Certain financial information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the accompanying disclosures are adequate to make the information presented not misleading. The Notes to Financial Statements including the 2025 Annual Report should be read in conjunction with the accompanying interim financial statements. The interim operating results for the three and nine months ended September 30, 2026, may not be necessarily indicative of the operating results expected for the full year or any future period.

(b) Use of Estimates and Judgments

The preparation of financial statements in conformity with US GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes for recording the fair value of financial instruments, derivative financial instruments valuations, research and development expenses, impairment of intangible assets and the valuation of share-based payments.

(c) Correction of Immaterial Errors in Previously Reported Interim Financial Information

In connection with the preparation of the unaudited condensed consolidated financial statements for the quarter ended September 30, 2026, the Company identified errors in the accounting for certain stock-based compensation awards. The errors resulted in the understatement of stock-based compensation expense, additional paid-in capital, and accumulated deficit in the Company's previously issued Quarterly Reports on Form 10-Q for the quarters ended March 31, 2026, and June 30, 2026.

The Company evaluated the error in accordance with SEC Staff Accounting Bulletin No. 99, Materiality, and concluded that the error was not material to any previously issued financial statements. Accordingly, the Company has revised the previously reported interim financial information presented herein.

The revision did not affect the Company's cash and cash equivalents, total assets, total liabilities, revenues, or cash flows from operating, investing or financing activities for any period presented.

(d) Functional and Presentation Currency

These condensed consolidated financial statements are presented in U.S. Dollars, which is the Company's functional currency. All financial information has been rounded to the nearest dollar. Foreign Currency Transaction Gains or Losses, resulting from cash balances denominated in Foreign Currencies, are recorded in the Condensed Consolidated Statements of Operations.

(e) Comprehensive Income (Loss)

The Company follows Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 220 in reporting comprehensive income. Comprehensive income (loss) is a more inclusive financial reporting methodology that includes disclosure of certain financial information that historically has not been recognized in the calculation of net income (loss). Since the Company has no items of other comprehensive income (loss), comprehensive loss is equal to net loss.

(f) Cash and Cash Equivalents

The Company considers all highly liquid investments, which include short-term bank deposits (up to three months from date of deposit) that are not restricted as to withdrawal date or use, to be cash equivalents.

(g) Fair Value of Financial Instruments

Fair value measurements discussed herein are based upon certain market assumptions and pertinent information available to management as of and during the three and nine months ended September 30, 2026. The carrying amounts of cash equivalents, accounts receivable, other current assets, other assets, accounts payable, and accrued expenses approximated their fair values as of September 30, 2026, due to their short-term nature. The fair value of the bifurcated embedded derivative related to the convertible preferred stock was estimated using a Monte Carlo simulation model, which uses as inputs the fair value of the Company's Common Stock and estimates for the equity volatility and traded volume volatility of the Company's Common Stock, the time to maturity of the convertible preferred stock, the risk-free interest rate for a period that approximates the time to maturity, dividend rate, a penalty dividend rate, and the probability of default. The fair value of the warrant liabilities was estimated using the Black Scholes Model which uses as inputs the following weighted average assumptions: dividend yield, expected term in years, equity volatility, and risk-free interest rate.

Fair Value Measurement

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company can access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value as of September 30, 2026 and December 31, 2025.

Marketable Securities: Valued using quoted prices in active markets for identical assets.

		As of	
Description	**Level**	**September 30, 2026**	**December 31, 2025**
Marketable securities	1	$ 6,805,270	$ 14,801,267

(g) Fair Value of Financial Instruments, continued

Marketable securities are classified as available for sale and are valued at fair market value. Maturities of the securities are less than one year.

As of September 30, 2026 and December 31, 2025, the Company held certain mutual funds, which, under FASB ASC 321-10, were considered equity investments. As such, the change in fair value in the three months ended September 30, 2026 and 2025 was a gain of $2,432 and a gain of $309, respectively. The change in fair value in the nine months ended September 30, 2026 and 2025 were losses of $4,858 and $1,435, respectively.

Gains resulting from the sales of marketable securities were $24,345 and $0 for the three months ended September 30, 2026 and 2025, respectively.

Gains resulting from the sales of marketable securities were $55,585 and $2,176 for the nine months ended September 30, 2026 and 2025, respectively.

Proceeds from the sales of marketable securities in the nine months ended September 30, 2026 and 2025 were $8,352,530 and $11,209,546, respectively.

Fair Value on a Recurring Basis

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. The estimated fair value of the warrant liabilities and bifurcated embedded derivatives represent Level 3 measurements. The following table presents information about the Company's liabilities that are measured at fair value on a recurring basis as of September 30, 2026 and December 31, 2025, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

		As of	
Description	**Level**	**September 30, 2026**	**December 31, 2025**
Liabilities			
Derivative Liabilities	3	$ 25,000	$ 2,157,000
Contingent Consideration Payable	3	$ -	$ 10,909,000

Contingent consideration payables are classified as a Level 3 instrument with significant unobservable inputs. They are considered a non-current liability. See Note 6 below for more information regarding the termination of the LightSolver Licensing Agreement which caused the Contingent Consideration Payable liability noted above to be reduced to $0.

The following table sets forth a summary of the change in the fair value of the derivative liabilities that is measured at fair value on a recurring basis for the nine months ended September 30, 2026 and 2025, respectively:

Description	**2026**	**2025**
Balance on December 31, 2025 and 2024	$ 2,157,000	$ 1,303,000
Changes in fair value of derivative liabilities	(510,000)	(1,284,000)
Balance on March 31,	$ 1,647,000	19,000
Changes in fair value of derivative liabilities	(81,000)	(19,000)
Balance on June 30,	$ 1,566,000	$ -
Issuance of derivatives reported at fair value	-	1,837,000
Changes in fair value of derivative liabilities	(1,541,000)	- 1,059,000
Balance on September 30,	$ 25,000	$ 2,896,000

(h) Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, "*Derivatives and Hedging*." If liability accounting is required, the Company's derivative instruments are recorded at fair value at the issuance date and re-valued at each reporting date, with changes in the fair value reported in the statements of operations. Derivative assets and liabilities are classified on the balance sheet as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within twelve (12) months of the balance sheet date.

The Company has determined that the Series F Warrants are derivatives that are required to be accounted for as liabilities. The Company has also determined that the following embedded features in the Series F Preferred Shares are not clearly and closely related to the debt host instrument; 1) make-whole interest upon a contingent redemption event; 2) make-whole interest upon a conversion event; 3) an installment redemption upon an Equity Conditions Failure (as defined in the Series F Certificate of Designations (as defined herein)); and 4) variable share-settled installment conversion and as such are bifurcated from the Series F Preferred Shares and accounted for as liabilities. The fair value of the Series F Warrants and embedded features are estimated using internal valuation models. The Company's valuation models utilize inputs and other assumptions and may not be reflective of the price at which they can be settled.

The Company has determined that the Series F-1 Warrants are derivatives that are required to be accounted for as liabilities. The Company has also determined that the following embedded features in the Series F-1 Preferred Shares are not clearly and closely related to the debt host instrument: 1) make-whole interest upon a contingent redemption event; 2) make-whole interest upon a conversion event; 3) an installment redemption upon an Equity Conditions Failure (as defined in the Series F-1 Certificate of Designation); and 4) variable share-settled installment conversion and as such are bifurcated from the Series F-1 Preferred Shares and accounted for as liabilities. The fair value of the Series F-1 Warrants and embedded features are estimated using internal valuation models. The Company's valuation models utilize inputs and other assumptions and may not be reflective of the price at which they can be settled.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, *Distinguishing Liabilities from Equity* ("ASC 480") and ASC 815. The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own Common Stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be liability classified and recorded at their initial fair value on the date of issuance and remeasured at fair value and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the Statements of Comprehensive Income (Loss).

Modification of warrants

The Company applies the guidance in ASC 815-40 to account for warrants that are liability classified that are subsequently modified resulting in a reclassification to equity. The warrants are remeasured at fair value on the modification date, the change in fair value is recognized as a non-cash gain or loss on the Statement of Comprehensive Income (Loss), and the warrants are reclassified to additional paid-in capital.

(i) Prepaid Expenses

Prepaid expenses represent expenses paid prior to the date that the related services are rendered or used are comprised principally of prepaid insurance and research and development expenses.

(j) Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash on deposit with financial institutions and accounts receivable. At times, the Company's cash in banks exceeds the FDIC insurance limit. The Company has not experienced any loss because of these cash deposits. These cash balances are maintained with two banks as of September 30, 2026.

(k) Risk Management of Cash and Investments

It is the Company's policy to minimize the Company's capital resources to investment risks, prioritizing the preservation of capital over investment returns. Investments are maintained in securities, primarily publicly traded, short-term money market funds based on highly rated federal, state and corporate bonds, that minimize the risk to the Company's capital resources and provide ready access to funds.

The Company's investment portfolios are regularly monitored for risk and are held with one brokerage firm.

(l) Investments

Investments recorded using the cost method will be assessed for any decrease in value that has occurred that is other than temporary and the other than temporary decrease in value shall be recognized. As and when circumstances and facts change, the Company will evaluate the Company's ability to significantly influence operational and financial policy to establish a basis for converting the investment accounted for using the cost method to the equity method of valuation in accordance with FASB ASC 323.

In accordance with FASB ASC 323, the Company recognizes investments in joint ventures based upon the Company's ability to significantly influence the operational or financial policies of the joint venture. An objective judgment of the level of influence is made at the time of the investment based upon several factors including, but not limited to the following:

a) Representation on the Board of Directors
b) Participation in policy-making processes
c) Material intra-entity transactions
d) Interchange of management personnel
e) Technological dependencies
f) Extent of ownership and the ability to influence decision making based upon the makeup of other owners when the shareholder group is small.

The Company follows the equity method for valuating investments in joint ventures when the existence of significant influence over operational and financial policy has been established, as determined by management; otherwise, the Company will valuate these investments using the cost method.

(m) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized within "operating income" in the Condensed Consolidated Statements of Operations.

(n) Property, Plant and Equipment, continued

Depreciation is recognized over the estimated useful lives of the property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or their useful lives.

The estimated useful lives for the current and comparative periods are as follows:

	Useful Life (in years)
Plant and equipment	5-12
Furniture and fixtures	5-10
Computer equipment & software	3-5
Leasehold Improvements	Shorter of the remaining lease or estimated useful life

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(o) Intangible Assets

The Company's long-lived intangible assets, other than goodwill, are assessed for impairment when events or circumstances indicate there may be an impairment. These assets were initially recorded at their estimated fair value at the time of acquisition and assets not acquired in acquisitions were recorded at historical cost. However, if their estimated fair value is less than the carrying amount, other intangible assets with indefinite lives are reduced to their estimated fair value through an impairment charge in the Condensed Consolidated Statements of Operations.

Patents and Trade Secrets

Proprietary protection for the Company's products, technology and process is important to its competitive position. As of September 30, 2026, the Company has issued 19 U.S. patents, 71 foreign patents, and no patent application is pending. The Company also has one foreign patent which has lapsed and 4 foreign patents which have been abandoned. The issued patents are expected to expire between 2036 and 2039. Management intends to protect all other intellectual property (e.g. copyrights, trademarks, and trade secrets) using all legal remedies available to the Company.

The Company records expenses related to the application for and maintenance of patents as a component of research and development expenses on the Condensed Consolidated Statement of Comprehensive Loss.

Patent Costs

Patents may be purchased from third parties. The costs of acquiring the patent are capitalized as patent costs if it represents a future economic benefit to the Company. Once a patent is acquired it is amortized over its remaining useful life and assessed for impairment when necessary.

Other Intangible Assets

Other intangible assets that are acquired by the Company, which have definite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization

Amortization is recognized on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

	Useful Life (in years)
Patents and trademarks	12-17

(p) Goodwill

Goodwill is evaluated annually for impairment or whenever the Company identifies certain triggering events or circumstances that would more likely than not reduce the fair value below its carrying amount. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, economic factors (for example, the loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts.

Goodwill associated with the legacy business was evaluated as of September 30, 2026 due to the change in the Company's stock price, which could be viewed as a triggering event. Management views the reduction in the Company's stock price as temporary. As of this measurement date, no impairment was required.

(q) Recoverability of Long-Lived Assets

In accordance with FASB ASC 360-10-35 "Impairment or Disposal of Long-lived Assets", long-lived assets to be held and used are analyzed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable or that the useful lives of those assets are no longer appropriate. The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment.

The Company determines the existence of such impairment by measuring the expected future cash flows (undiscounted and without interest charges) and comparing such amount to the carrying amount of the assets. An impairment loss, if one exists, is then measured as the amount by which the carrying amount of the asset exceeds the discounted estimated future cash flows. Assets to be disposed of are reported at the lower of the carrying amount or fair value of such assets less costs to sell. Asset impairment charges are recorded to reduce the carrying amount of the long-lived asset that will be sold or disposed of to their estimated fair values. Charges for the asset impairment reduce the carrying amount of the long-lived assets to their estimated salvage value in connection with the decision to dispose of such assets.

(r) Right-of-Use Assets

The Company leased a facility in Baltimore, Maryland under an operating lease ("2024 Baltimore Lease") with annual rentals of $32,400 plus certain operating expenses. The 2024 Baltimore Lease took effect on May 1, 2024, for a term of 12 months with automatic renewals unless sixty-day notice was provided. On February 26, 2025, the Company provided notice of its intention not to renew the Baltimore Lease, effective April 30, 2025.

The Company began subleasing a facility in San Franscisco, California under an operating lease ("333 Bush Street Lease") with a monthly rent of $17,860. The 333 Bush Street took effect on June 10, 2026, for a term of 25 months with no option for renewal.

In accordance with FASB ASC, Topic 842, Leases ("ASC 842"), which increases transparency and comparability by recognizing a lessee's rights and obligations resulting from leases by recording them on the balance sheet as lease assets and lease liabilities. The guidance requires the recognition of the right-of-use ("ROU") assets and related operating and finance lease liabilities on the balance sheet.

The Company utilizes the package of practical expedients permitted within the standard, which allows an entity to forgo reassessing (i) whether a contract contains a lease, (ii) classification of leases, and (iii) whether capitalized costs associated with a lease meet the definition of initial direct costs. Also, the Company elected the expedient allowing an entity to use hindsight to determine the lease term and impairment of ROU assets and the expedient to allow the Company to not have to separate lease and non-lease components. The Company has also elected the short-term lease accounting policy under which the Company would not recognize a lease liability or ROU asset for any lease that at the commencement date has a lease term of twelve months or less and does not include a purchase option that the Company is more than reasonably certain to exercise.

(r) Right-of-Use Assets, continued

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments. The Company generally uses its incremental borrowing rate as the discount rate for leases, unless an interest rate is implicitly stated in the lease. The present value of the lease payments is calculated using the incremental borrowing rate for operating leases, which was determined using a portfolio approach based on the rate of interest that the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The lease term for all the Company's leases includes the non-cancellable period of the lease plus any additional periods covered by either a Company option to extend the lease that the Company is reasonably certain to exercise, or an option to extend the lease controlled by the lessor. All ROU assets are reviewed for impairment.

Lease expense for operating leases consists of the lease payments plus any initial direct costs and is recognized on a straight-line basis over the lease term.

The Company's operating leases are comprised of the 333 Bush Street Lease on the Condensed Consolidated Balance Sheets. The information related to these leases is presented below.

	As of September 30, 2026			As of December 31, 2025		
Balance Sheet Location	**2024 Baltimore Lease**	**333 Bush Street Lease**	**Total**	**2024 Baltimore Lease**	**333 Bush Street Lease**	**Total**
Operating Lease						
Lease Right of Use	$ -	$ 326,315	$ 326,315	$ -	$ -	$ -
Lease Payable, current	-	189,112	189,112	-	-	-
Lease Payable - net of current	-	158,482	158,482	-	-	-

The following provides details of the Company's lease expense:

	For the Three Months Ended September 30, 2026			For the Three Months Ended September 30, 2025		
Lease Expenses	**2024 Baltimore Lease**	**333 Bush Street Lease**	**Total**	**2024 Baltimore Lease**	**333 Bush Street Lease**	**Total**
Operating Leases						
Lease Costs	$ -	$ 51,609	$ 51,609	$ -	$ -	$ -

	For the Nine Months Ended September 30, 2026			For the Nine Months Ended September 30, 2025		
Lease Expenses	**2024 Baltimore Lease**	**333 Bush Street Lease**	**Total**	**2024 Baltimore Lease**	**333 Bush Street Lease**	**Total**
Operating Leases						
Lease Costs	$ -	$ 69,099	$ 69,099	$ 10,800	$ -	$ 10,800

(r) Right-of-Use Assets, continued

Other information as of September 30, 2026, related to leases is presented below:

Balance Sheet Location	2024 Baltimore Lease	333 Bush Street Lease	Total
Operating Leases			
Operating cash used	$ -	$ 29,959	$ 29,959
Weighted average remaining lease term (in years)	-	1.75	1.75
Discount rate	0.0%	10.58%	10.58%

Operating cash used for the 2024 Baltimore Lease during the nine months ended September 30 2025, was $10,800. The average discount rate used was 10.0% and the lease term was less than one year. On February 26, 2025, the Company provided notice of its intention not to renew the Baltimore Lease, effective April 30, 2025.

(s) Income Taxes

The Company utilizes an asset and liability approach for financial accounting and reporting for income taxes. The provision for income taxes is based upon income or loss after adjustment for those permanent items that are not considered in the determination of taxable income. Deferred income taxes represent the tax effects of differences between the financial reporting and tax basis of the Company's assets and liabilities at the enacted tax rates in effect for the years in which the differences are expected to reverse.

The Company evaluates the recoverability of deferred tax assets and establishes a valuation allowance when it is more likely than not that some portion or all the deferred tax assets will not be realized. Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In management's opinion, adequate provisions for income taxes have been made. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

Tax benefits are recognized only for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement. A liability for "unrecognized tax benefits" is recorded for any tax benefits claimed in the Company's tax returns that do not meet these recognition and measurement standards. As of September 30, 2026 and December 31, 2025, no liability for unrecognized tax benefits was required to be reported.

There was no income tax benefit recorded for the losses for the three and nine months ended September 30, 2026 and 2025 since management determined that the realization of the net deferred tax assets is not more likely than not to be realized and has recorded a full valuation allowance on the net deferred tax assets.

The Company's policy for recording interest and penalties associated with tax audits is to record such items as a component of general and administrative expense. There were no amounts accrued for penalties and interest for the three and nine months ended September 30, 2026 and 2025. The Company does not expect its uncertain tax position to change during the next twelve months. Management is currently unaware of any issues under review that could result in significant payments, accruals or material deviations from its position.

The Company files U.S. federal income tax returns and state income tax returns. Since the Company had losses in the past, all prior years that generated net operating loss carryforwards are open and subject to audit examination in relation to the net operating loss generated from those years.

(t) Basic and Diluted Earnings per Share of Common Stock

Basic earnings per Common Stock is based on the weighted average number of shares outstanding during the periods presented. Diluted earnings per share is computed using the weighted average number of Common Stock plus dilutive Common Stock equivalents outstanding during the period. Potential shares of Common Stock that would have the effect of increasing diluted earnings per share are considered anti-dilutive.

Diluted net loss per share is computed using the weighted average number of shares of Common Stock and dilutive potential Common Stock outstanding during the period.

As the Company reported a net loss for the three and nine months ended September 30, 2026 and 2025, Common Stock equivalents were anti-dilutive.

For the three and nine months ended September 30, 2026 and 2025, the following securities are excluded from the calculation of weighted average dilutive Common Stock because their inclusion would have been anti-dilutive.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Stock Options	763,084	2,819	584,230	1,943
Unvested Restricted Stock Units	182,168	484	305,568	484
Warrants to purchase Common Stock	10,467,804	4,823,701	10,400,106	2,539,277
Series D Convertible Preferred Stock	13	13	13	13
Series G Convertible Preferred Stock	2,613,828	2,657,135	2,612,049	2,598,701
Series H Convertible Preferred Stock	923,976	1,799,603	923,976	1,799,603
Series I Convertible Preferred Stock	-	665,030	-	665,030
Total potentially dilutive shares	14,950,873	9,948,785	14,825,942	7,605,051

(u) Stock-based Payments

The Company accounts for stock-based compensation under the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 718, "Compensation - Stock Compensation", which requires the measurement and recognition of compensation expense for all stock-based awards made to employees and directors based on estimated fair values on the grant date. The Company estimates the fair value of stock-based awards on the date of grant using the Black-Scholes model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods using the straight-line method. In June 2018, the FASB issued ASU No. 2018-07, Compensation – Stock Compensation ("Topic 718"), Improvements to Nonemployee Share-Based Payment Accounting (the "2018 Update"). The amendments in the 2018 Update expand the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from non-employees. Prior to the 2018 Update, Topic 718 applied only to share-based transactions to employees. Consistent with the accounting requirement for employee share-based payment awards, nonemployee share-based payment awards within the scope of Topic 718 are measured at grant-date fair value of the equity instruments that an entity is obligated to issue when the good has been delivered or the service has been rendered and any other conditions necessary to earn the right to benefit from the instruments have been satisfied.

The Company has elected to account for forfeiture of stock-based awards as they occur.

(v) Research and Development Costs

In accordance with FASB ASC 730, research and development costs are expensed as incurred and consist of fees paid to third parties that conduct certain research and development activities on the Company's behalf.

(w) Recently Issued Accounting Pronouncements

As of September 30, 2026, and for the three and nine months then ended, there were no recently issued accounting pronouncements that had a material effect on the Company's consolidated financial statements.

In April 2026, the Financial Accounting Standards Board ("FASB") issued ASU 2026-01, "Equity (Topic 505): Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock". The update provides authoritative guidance on the initial measurement of paid-in-kind ("PIK") dividends on equity-classified preferred stock and requires such dividends to be measured based on the stated PIK dividend rate and applicable liquidation preference specified in the related preferred stock agreement. The amendments are effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact that adoption of ASU 2026-01 will have on its financial statements and related disclosures. The Company has not yet adopted this standard.

In May 2026, the FASB issued ASU 2026-02, Environmental Credits and Environmental Credit Obligations (Topic 818). The standard establishes a comprehensive accounting framework for the recognition, measurement, presentation and disclosure of environmental credits and environmental credit obligations. The guidance applies to entities that generate, purchase, receive or hold environmental credits and entities that are subject to environmental compliance obligations that may be settled using such credits. Among other provisions, the standard establishes accounting models for environmental credit assets and related environmental credit obligation liabilities. The Company is evaluating the impact of the new guidance. Based on its current operations, the Company does not expect adoption of ASU 2026-02 to have a material impact on its condensed consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, "Disaggregation of Income Statement Expenses", which requires enhanced disclosures of specified natural expense categories included within relevant income statement captions. The standard is intended to improve transparency by requiring disaggregation of expenses such as employee compensation, depreciation, and amortization in tabular format within the notes to the financial statements. The amendments in ASU 2024-03 are effective for fiscal years beginning after December 15, 2026, and interim periods thereafter. Early adoption is permitted. The Company expects that adoption will primarily impact the presentation and disclosure of expenses and is currently evaluating the effect of this guidance on its disclosures.

In September 2026, the FASB issued ASU 2026-03, Fair Value Measurement (Topic 820): Investment Companies with Equity Securities Subject to Contractual Sale Restrictions. The Company evaluated the guidance and determined that it is not applicable to the Company's operations because the Company is not an investment company and does not apply ASC 946, Financial Services—Investment Companies.

Note 3 – Recent Developments, Liquidity and Management's Plans

As of September 30, 2026, the Company's cash on hand was $2,585,051 and marketable securities were $6,805,270. The Company has incurred a net loss from operations of $13,724,178 for the nine months ended September 30, 2026. As of September 30, 2026, the Company had working capital of $8,182,050 and stockholders' equity of $16,123,989 including an accumulated deficit of $155,909,713. During the nine months ended September 30, 2026, cash flows used in operating activities were $6,640,396 consisting primarily of a net loss of $11,313,780. Since its inception, the Company has met its liquidity requirements principally through the sale of its Common Stock and Preferred Stock in public and private placements.

During the year ended December 31, 2025, the Company raised $6,390,578, net of offerings costs of $609,578, through the private placement of the Company's Series H Preferred Stock and warrants to purchase shares of the Company's Common Stock. Additionally, the Company collected net proceeds of $11,719,707 from shareholders exercising Common Stock warrants. During the nine months ended September 30, 2026, the Company did not complete any equity financing transactions; however, the Company received net proceeds of $524,281 from the exercise of Common Stock warrants.

The Company evaluated the current cash requirements for operations in conjunction with management's strategic plan and believes that the Company's current financial resources as of the date of the issuance of these condensed consolidated financial statements are sufficient to fund its current operating budget and contractual obligations as of September 30, 2026 as they fall due within the next twelve-month period, alleviating any substantial doubt raised by the Company's historical operating results and satisfying its estimated liquidity needs for twelve months from the issuance of these condensed consolidated financial statements.

Note 4 – Trade and Other Payables

Trade and other payables consist of the following:

	September 30, 2026	December 31, 2025
Accounts Payable – Trade	$ 805,103	$ 2,072,352
Accrued Expenses	702,377	372,994
	$ 1,507,480	$ 2,445,346

Note 5 – Property and Equipment, Net

The major classifications of property and equipment, including their estimated useful lives, are summarized as follows at the balance sheet dates:

	Estimated Useful Life (Years)	September 30, 2026	December 31, 2025
Computer equipment	3	$ 163,312	-
Less: Accumulated depreciation		(18,054)	-
Total property and equipment, net		$ 145,258	$ -

For the three months ended September 30, 2026 and 2025, depreciation expense relating to property and equipment amounted to $12,713 and $0, respectively.

For the nine months ended September 30, 2026 and 2025, depreciation expense relating to property and equipment amounted to $18,054 and $0, respectively.

Note 6 – LightSolver Technology License Termination

On June 26, 2026, the Company provided notice of its intention to terminate the Technology License and Development Agreement, dated as of September 2, 2025 (the "License Agreement"), by and among LightSolver, LPU Holdings LLC ("LPU"), a wholly owned subsidiary of the Company, and, solely with respect to certain provisions of the License Agreement, the Company, effective as of June 26, 2026. The License Agreement had granted LPU an exclusive license (the "Exclusive License") to use and commercialize LightSolver's proprietary laser processing hardware units and related proprietary technology for cryptocurrency mining applications, which the Company had determined to be an indefinite-lived intangible asset not subject to amortization. In connection with the Termination, LPU was automatically and immediately relieved from its obligation to make any additional milestone payments to LightSolver, and LightSolver has no right to receive any further contingent consideration thereunder. As a result of the Termination, the Company recorded an impairment charge with respect to the Exclusive License, which is reflected as "Impairment of Technology License" within the Condensed Consolidated Statements of Operations for the nine months ended September 30, 2026.

Note 7 – Stock-based Payments

Equity incentive Plans

2017 Stock Incentive Plan

On August 7, 2017, the Company's stockholders approved, and the Company adopted the 2017 Stock Incentive Plan ("2017 Plan"). The 2017 Plan provides for the issuance of up to 2 shares of the Company's Common Stock. Due to the rounding up of each restricted stock grant to the respective option holder after several reverse stock splits, the total rounded shares as of September 30, 2026, totaled 15 shares of restricted stock. These restricted shares have been issued pursuant to the 2017 Plan, and 0 shares of Common Stock remain available for issuance.

2018 Stock Incentive Plan

On December 7, 2018, the Company's stockholders approved, and the Company adopted the 2018 Stock Incentive Plan ("2018 Plan"). On August 27, 2020, the 2018 Plan was modified to increase the total authorized shares available for future issuance. The 2018 Plan, as amended, provides for the issuance of up to 188 shares of the Company's Common Stock. As of September 30, 2026, grants of RSUs and restricted stock to purchase 89 shares of Common Stock have been issued pursuant to the 2018 Plan, and 99 shares of Common Stock remain available for issuance.

2021 Stock Incentive Plan

On April 15, 2021, the Company's stockholders approved, and the Company adopted the 2021 Stock Incentive Plan, (as amended the "2021 Plan"). The 2021 Plan provides for the issuance of up to 1,400,000 shares of the Company's Common Stock. As of September 30, 2026, grants of RSUs and stock options to purchase 1,038,698 shares of Common Stock are outstanding pursuant to the 2021 Plan, and 361,302 shares of Common Stock remain available for issuance.

Stock Options

The following table summarizes the activities for the Company's stock options for the nine months ended September 30, 2026:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Balance at December 31, 2025	100,360	$ 24.66	$ 23.42	9.15	$ -
Granted	687,500	4.98	3.82	8.93	-
Exercised	-	-	-	-	-
Forfeited	(126,509)	15.27	13.86	8.58	-
Canceled/Expired	(50)	4,980.00	4,710.00	6.69	-
Balance September 30, 2026	661,301	5.62	4.52	9.03	$ -
Exercisable as of September 30, 2026	535,051	5.75	4.59	9.13	$ -

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the closing stock price of $0.85 for the Company's Common Stock on September 30, 2026 and the closing stock price of $3.99 for the Company's Common Stock on December 31, 2025.

During the three months ended September 30, 2026 and 2025, the Company recognized stock option expenses totaling $33,751 and $0, respectively. During the nine months ended September 30, 2026 and 2025, the Company recognized stock option expenses totaling $1,939,194 and $189,490, respectively.

The unamortized stock option expenses as of September 30, 2026 totaled $0.

Restricted Stock Units

On October 14, 2021, the Compensation Committee of the Board of Directors approved grants totaling 484 Restricted Stock Units to the Company's then current six directors and then current seven key employees. Each RSU had a grant date fair value of $24,270 which will be amortized upon vesting into administrative expenses within the Consolidated Statements of Operations. Such RSUs were granted under the 2021 Plan. Vesting of each RSU is:

- One-third (33%) of each RSU will vest when the Company's market capitalization is equal to or greater than $500,000,000 for at least ten trading days during any twenty (20) consecutive trading day period ending on or after December 15, 2021 and the fair market value of the Common Stock equals or exceeds $150.00 during such trading day period.
- One-third (33%) of each RSU will vest when the Company's market capitalization is equal to or greater than $750,000,000 for at least ten trading days during any twenty (20) consecutive trading day period ending on or after December 15, 2021 and the fair market value of the Common Stock equals or exceeds $150.00 during such trading day period.
- The remaining awarded units will vest when the Company's market capitalization is equal to or greater than $1,000,000,000 for at least ten trading days during any twenty (20) consecutive trading day period ending on or after December 15, 2021 and the fair market value of the Common Stock equals or exceeds $150.00 during such trading day period.
- In the event that (i) a change in control occurs or (ii) the participant incurs a termination of service by the Company without cause or due to the participant's death or total and permanent disability, then all unvested units shall become vested units immediately upon the occurrence of such event.

As of September 30, 2026 and 2025, none of the vesting milestones have been met, respectively.

On October 2, 2025, the Compensation Committee of the Board of Directors approved grants totaling 225,000 Restricted Stock Units to the Company's then current five directors and Executive Chairman. Each RSU had a grant date fair value of $5.55 and vested immediately on the grant date. The resulting equity-based compensation was fully expensed in 2025 and recorded as part of administrative expenses within the Consolidated Statements of Operations. These RSUs were granted under the 2021 Plan.

The Compensation Committee of the Board of Directors approved several RSU grants to various consultants, an employee and a new board member in 2026. All issued RSUs have either vested or were forfeited. These RSUs were granted under the 2021 Plan

The following is the status of outstanding unvested RSUs outstanding as of September 30, 2026 and the changes for the nine months ended September 30, 2026:

	Number of RSUs	Weighted Average Grant Date Fair Value
Balance at December 31, 2025	212,500	$ 6.67
Share Adjustment	27,634	3.26
Granted	311,114	3.94
Vested	(354,373)	5.11
Forfeited	(196,875)	4.68
Canceled/Expired	-	-
Balance at September 30, 2026	-	$ -

As of September 30, 2026, the unamortized value of the RSUs was $0.

Note 8 – Stock-based Compensation Expenses

Income Tax Gross-up Payments

As noted previously, on October 2, 2025, the Compensation Committee of the Board of Directors approved grants totaling 225,000 Restricted Stock Units to the Company's then current five directors, Executive Chairman and VP of Finance. The grant agreements provided for income tax gross-up payments to cover the holder's income tax burden associated with the conversion of the RSU into common stock. The conversions of the RSU and the associated cash payments occurred in the second quarter of 2026. Both the stock-based compensation expense for the fair value of the granted RSUs and the income tax gross-up payments were both recorded to Stock-based Compensation Expense shown on the Consolidated Statement of Operations. In the third quarter, an additional $30,000 of income tax gross-up payments were made to the Executive Chairman in accordance with his grants of restricted stock. In the third quarter of 2026, management determined the best classification for income tax gross-up payments was to present as General and Administrative expense on the Consolidated Statement of Operations. This is a change in classification from our reported second quarter 2026 Consolidated Statement of Operations.

Note 9 – Equity

Authorized Capital Stock

At the Company's annual meeting of stockholders, held on June 3, 2025, which was reconvened from May 20, 2025, the Company's stockholders approved an amendment to the Company's Certificate of Incorporation (the "Share Increase Amendment") to increase the number of authorized shares of Common Stock from 250,000,000 shares to 1,250,000,000 and to make a corresponding change to the number of authorized shares of the Company's capital stock. Following the 2025 annual meeting, on June 6, 2025, the Company filed the Share Increase Amendment with the Secretary of State.

As of September 30, 2026, the Company's authorized capital stock consisted of 1,300,000,000 shares, of which 1,250,000,000 are shares of Common Stock, and 50,000,000 are shares of preferred stock, $0.001 par value per share, 1,990,000 of which have been designated as Series C Convertible Preferred Stock (the "Series C Preferred Stock"), 72,992 of which have been designated as Series D Convertible Preferred Stock (the "Series D Preferred Stock"), 100,000 of which have been designated as Series E Junior Participating Preferred Stock, 15,000 of which have been designated as Series F Preferred Shares, 5,050 of which have been designated as Series F-1 Convertible Preferred Stock, 12,826,273 of which have been designated as Series G Preferred Stock, 7,000 of which have been designated as Series H Preferred Stock, and 747,362 of which have been designated as Series I Convertible Preferred Stock.

As of September 30, 2026 and December 31, 2025, there were 8,499,379 and 7,690,403 shares of Common Stock issued and outstanding, respectively. There were 72,992 shares and 72,992 shares of Series D Preferred Stock issued and outstanding as of September 30, 2026 and December 31, 2025, respectively. There were 8,812 and 8,802 shares of Series G Preferred Stock issued and outstanding as of September 30, 2026 and December 31, 2025, respectively. There were 3,115 and 3,115 shares of Series H Preferred Stock issued and outstanding as of September 30, 2026 and December 31, 2025, respectively. There were no shares of Series C Convertible Preferred Stock, Series E Junior Participating Preferred Stock, Series F Convertible Preferred Stock, Series F-1 Convertible Preferred Stock or Series I Convertible Preferred Stock issued and outstanding as of September 30, 2026 and December 31, 2025.

Preferred Stock

The holders of preferred shares or preferred warrants are entitled to vote, as determined and as limited by the certificate of designation for each class of preferred shares or warrants, at meetings of the Company stockholders.

Series D Convertible Preferred Stock

The following are the principal terms of the Series D Preferred Stock:

Rank

The Series D Preferred Stock ranks (1) on parity with Common Stock on an "as converted" basis, (2) senior to any series of the Company's capital stock hereafter created specifically ranking by its terms junior to the Series D Preferred Stock, (3) on parity with any series of the Company's capital stock hereafter created specifically ranking by its terms on parity with the Series D Preferred Stock, and (4) junior to any series of the Company's capital stock hereafter created specifically ranking by its terms senior to the Series D Preferred Stock in each case, as to dividends or distributions of assets upon the Company's liquidation, dissolution or winding up whether voluntary or involuntary.

Conversion Rights

A holder of Series D Preferred Stock is entitled at any time to convert any whole or partial number of shares of Series D Preferred Stock into shares of the Company's Common Stock, determined by dividing the stated value equal to $0.01 by the conversion price of $0.01 per share. A holder of Series D Preferred Stock is prohibited from converting Series D Preferred Stock into shares of Common Stock if, as a result of such conversion, the holder, together with its affiliates, would own more than 4.99% of the total number of shares of the Company's Common Stock then issued and outstanding (with such ownership restriction referred to as the "Series D Beneficial Ownership Limitation") immediately after giving effect to the issuance of the shares of Common Stock issuable upon conversion of the Series D Preferred Stock. However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99%, provided that any increase in such percentage shall not be effective until 61 days after such notice to us. The conversion rate of the Series D Preferred Stock is subject to proportionate adjustments for stock splits, reverse stock splits and similar events, but is not subject to adjustment based on price anti-dilution provisions.

Dividend Rights

In addition to stock dividends or distributions for which proportionate adjustments will be made, holders of Series D Preferred Stock are entitled to receive dividends on shares of Series D Preferred Stock equal, on an as-if-converted-to-common-stock basis, to and in the same form as dividends actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock. No other dividends are payable on shares of Series D Preferred Stock.

Voting Rights

Subject to the Series D Beneficial Ownership Limitation, on any matter presented to the Company's stockholders for their action or consideration at any meeting of the Company's stockholders (or by written consent of stockholders in lieu of a meeting), each holder, in its capacity as such, shall be entitled to cast the number of votes equal to the number of whole shares of the Company's Common Stock into which the Series D Preferred Stock beneficially owned by such holder are convertible as of the record date for determining stockholders entitled to vote on or consent to such matter (taking into account all Series D Preferred Stock beneficially owned by such holder). Except as otherwise required by law or by the other provisions of the Certificate of Designation of Series D Convertible Preferred Stock (the "Series D Certificate of Designation"), the holders of Series D Preferred Stock, in their capacity as such, shall vote together with the holders of the Company's Common Stock and any other class or series of stock entitled to vote thereon as a single class.

Liquidation Rights

Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of Series D Preferred Stock are entitled to receive, *pari passu* with the holders of Common Stock, out of the assets available for distribution to stockholders an amount equal to such amount per share as would have been payable had all shares of Series D Preferred Stock been converted into Common Stock immediately before such liquidation, dissolution or winding up, without giving effect to any limitation on conversion as a result of the Series D Beneficial Ownership Limitation, as described above.

Exchange Listing

Series D Preferred Stock is not listed on the Nasdaq, any national securities exchange or other nationally recognized trading system. The Company's Common Stock issuable upon conversion of the Series D Preferred Stock is listed on the Nasdaq under the symbol "QCLS".

Failure to Deliver Conversion Shares

If the Company fails to timely deliver shares of Common Stock upon conversion of the Series D Preferred Stock (the "Series D Conversion Shares") within the time period specified in the Series D Certificate of Designation (within two trading days after delivery of the notice of conversion, or any shorter standard settlement period in effect with respect to trading market on the date notice is delivered), then the Company is obligated to pay to the holder, as liquidated damages, an amount equal to $25 per trading day (increasing to $50 per trading day on the third trading day and $100 per trading day on the sixth trading day) for each $5,000 of stated value of Series D Preferred Stock being converted which are not timely delivered. If the Company makes such liquidated damages payments, the Company is also not obligated to make Series D Buy-In (as defined below) payments with respect to the same Series D Conversion Shares.

Compensation for Series D Buy-In on Failure to Timely Deliver Shares

If the Company fails to timely deliver the Series D Conversion Shares to the holder, and if after the required delivery date the holder is required by its broker to purchase (in an open market transaction or otherwise) or the holder or its brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the holder of the Series D Conversion Shares which the holder anticipated receiving upon such conversion or exercise (a "Series D Buy-In"), then the Company is obligated to (A) pay in cash to such holder (in addition to any other remedies available to or elected by such holder) the amount, if any, by which (x) such holder's total purchase price (including any brokerage commissions) for the shares of Common Stock so purchased exceeds (y) the product of (1) the aggregate number of Series D Conversion Shares that such holder was entitled to receive from the conversion at issue multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions) and (B) at the option of such holder, either reissue (if surrendered) the shares of Series D Preferred Stock equal to the number of shares of Series D Preferred Stock submitted for conversion (in which case, such conversion shall be deemed rescinded) or deliver to such holder the number of Series D Conversion Shares that would have been issued if the Company had timely complied with its delivery requirements.

As of September 30, 2026 and December 31, 2025, the Company had 72,992 shares of Series D Convertible Preferred Stock outstanding which represent 13 underlying shares of the Company's Common Stock.

Series F Convertible Preferred Stock

On February 21, 2023, the Company entered into a Securities Purchase Agreement (the "Series F Purchase Agreement") with certain accredited investors (the "Series F Investors"), pursuant to which it agreed to sell to the Investors (i) an aggregate of 15,000 shares of the Company's newly-designated Series F convertible preferred stock (the "Series F Preferred Shares") with a stated value of $1,000 per share, initially convertible into up to 66,523 shares of the Company's Common Stock at an initial conversion price of $225.50 per share (the "Series F Conversion Price"), subject to adjustment, and (ii) warrants to acquire up to an aggregate of 66,523 shares of the Company's Common Stock, subject to adjustment (the "Series F Warrants") (collectively, the "February 2023 Offering").

The Series F Preferred Stock were fully converted during the three months ended September 30, 2025. The derivative liability is reclassified to equity upon final conversion. Since the derivative had a fair value of $0 at the time of conversion, there was no impact to equity.

Series F-1 Preferred Stock

On May 20, 2024, the Company entered into a Securities Purchase Agreement (the "Series F-1 Purchase Agreement") with certain accredited investors (the "Series F-1 Investors") pursuant to which it agreed to sell to the Series F-1 Investors (i) an aggregate of 5,050 shares of the Company's newly-designated Series F-1 Preferred Stock, initially convertible into up to 27,813 shares of Common Stock at a conversion price of $181.60 per share (the "Series F-1 Conversion Shares"), (ii) short-term warrants to acquire up to an aggregate of 27,813 shares of Common Stock (the "Series F-1 Short-Term Warrants") at an exercise price of $181.60 per share, and (iii) long-term warrants to acquire up to an aggregate of 27,813 shares of Common Stock (the "Series F-1 Long-Term Warrants," and collectively with the Series F-1 Short-Term Warrants, the "Series F-1 Warrants") at an exercise price of $181.60 per share (collectively, the "Series F-1 Private Placement"). The closing of the Series F-1 Private Placement occurred on May 23, 2024 (the "Series F-1 Closing Date").

The Series F-1 Preferred Stock were fully converted during the three months ended September 30, 2025. The derivative liability was reclassified to equity upon final conversion. Since the derivative had a fair value of $0 at the time of conversion, there was no impact to equity.

Series G Preferred Stock

On May 20, 2024, the Company entered into a Securities Purchase Agreement (the "Series G Purchase Agreement" and collectively with the Series F-1 Purchase Agreement, each a "Purchase Agreement" and collectively, the "Purchase Agreements") with certain accredited investors (the "Series G Investors" and collectively with the Series F-1 Investors, the "Investors"), with certain accredited investors (the "Series G Investors"), pursuant to which it agreed to sell to the Series G Investors (i) an aggregate of 8,950 shares of the Company's newly-designated Series G Preferred Stock, initially convertible into up to 49,288 shares of the Company's Common Stock, at a conversion price of $181.60 per share (ii) short-term warrants to acquire up to an aggregate of 49,288 shares of Common Stock (the "Series G Short-Term Warrants") at an exercise price of $181.60 per share, and (iii) long-term warrants to acquire up to an aggregate of 49,288 shares of Common Stock (the "Series G Long-Term Warrants," and collectively with the Series G Short-Term Warrants, the "Series G Warrants") at an exercise price of $181.60 per share (collectively, the "Series G Private Placement" and collectively with the Series F-1 Private Placement, each a "Private Placement" and collectively, the "Private Placements"). The closing of the Series G Private Placement occurred on May 23, 2024 (the "Series G Closing Date" and collectively with the Series F-1 Closing Date, the "Closing Date"). The Series G Conversion Price is subject to customary adjustments for stock dividends, stock splits, reclassifications and the like, and subject to price-based adjustment in the event of any issuances of Common Stock, or securities convertible, exercisable or exchangeable for Common Stock, at a price below the then-applicable Series G Conversion Price (subject to certain exceptions).

On April 17, 2025, in connection with the issuance of stock options to certain officers of the Company, (i) the Series G Conversion Price was equal to $18.32 per share due to the full ratchet anti-dilution provisions contained in the Series G Certificate of Designations. In August 2025, in connection with the 2025 Reverse Stock Split, and pursuant to the stock combination event adjustment provisions contained in the Series G Certificate of Designations, the Series G Conversion Price was reduced to $3.3713 per share.

At any time after the issuance date of the Series G Preferred Shares, the Company has the option to redeem in cash all or any portion of the shares of Series G Preferred Shares then outstanding at a premium upon notice by the Company to all holders of the Series G Preferred Shares.

The holders of the Series G Preferred Shares will be entitled to dividends of 10% per annum, compounded monthly, which will be payable in arrears monthly, at the holder's options, (i) in cash, (ii) "in kind" in the form of additional shares of Series G Preferred Shares (the "PIK Shares"), or (iii) in a combination thereof, in each case, in accordance with the terms of the Certificate of Designations of the Series G Preferred Stock (the "Series G Certificate of Designations"). Upon the occurrence and during the continuance of a Triggering Event (as defined in the Series G Certificate of Designations), the Series G Preferred Stock will accrue dividends at the rate of 15% per annum. Upon conversion or redemption, the holders of the Series G Preferred Shares are also entitled to receive a dividend make-whole payment. The holders of the Series G Preferred Shares will be entitled to vote with holders of the Common Stock on as as-converted basis, with the number of votes to which each holder of Series G Preferred Share is entitled to be calculated assuming a conversion price of $2.253 per share, which was the Minimum Price (as defined in Rule 5635 of the Rule of the Nasdaq Stock Market) applicable immediately before the execution and delivery of the Series G Purchase Agreement, subject to certain beneficial ownership limitations as set forth in the Series G Certificate of Designations.

During the three months ended September 30, 2026 and 2025, the Company recorded dividends totaling $208,245 and $226,734, respectively, which are reported as Preferred Stock Dividends on the Consolidated Statements of Operations. During the nine months ended September 30, 2026 and 2025, the Company recorded dividends totaling $305,201 and $688,070, respectively, which are reported as Preferred Stock Dividends on the Consolidated Statements of Operations.

Notwithstanding the foregoing, the Company's ability to settle conversions and make dividend make-whole payments using shares of Common Stock is subject to certain limitations set forth in the Series G Certificate of Designations. Further, the Series G Certificate of Designations contains a certain beneficial ownership limitation, which applies to each Series G Investor, other than PharmaCyte Biotech, Inc., after giving effect to the issuance of shares of Common Stock issuable upon conversion of the Series G Preferred Shares or as part of any dividend make-whole payment under the Series G Certificate of Designations.

Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, each holder of shares of the Series G Preferred Stock shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount per share of Series G Preferred Stock equal to the greater of (A) 125% of the stated value of such share of Series G Preferred Stock (plus any applicable make-whole amount, unpaid late charge or other applicable amount) on the date of such payment and (B) the amount per share such holder would receive if such holder converted such share of Series G Preferred Stock into Common Stock immediately prior to the date of such payment. All shares of capital stock of the Company shall be junior in rank to all shares of Series G Preferred Stock with respect to the preferences as to payments upon liquidation.

On June 17, 2024, the Company entered into an Amendment Agreement (the "Series G Amendment") with the Required Holders (as defined in the Series G Certificate of Designations). Pursuant to the Series G Amendment, the Required Holders agreed to amend the Series G Certificate of Designations by filing a Certificate of Amendment ("Series G Certificate of Amendment") to the Series G Certificate of Designations with the Secretary of State of the State of Delaware (the "Secretary of State") to increase the number of authorized shares of Series G Preferred Stock from 8,950 to 12,826,273, in order to authorize a sufficient number of shares of Series G Preferred Stock for the payment of PIK Shares. On June 17, 2024, the Company filed the Series G Certificate of Amendment with the Secretary of State, thereby amending the Series G Certificate of Designations. The Series G Certificate of Amendment became effective with the Secretary of State upon filing.

The shares Series G Preferred Stock are classified as temporary equity as the holders of the Series G Preferred Stock have the right to require the Company to redeem for cash all or any portion of each such holder's shares upon the suspension from trading or the failure of the Common Stock to be trading or listed (as applicable) on an eligible trading market for a period of five (5) consecutive trading days. The Series G Preferred Stock is not unconditionally redeemable and is only conditionally puttable at the holder's option upon this trading suspension or failure. This would not be considered to be within the Company's control.

The estimated fair value of the Series G Preferred Stock on the issuance date of approximately $22.3 million, was determined utilizing Monte Carlo simulations. The estimated aggregate fair value of the Series G Warrants of approximately $14.1 million was determined utilizing the Black Scholes Model. The aggregate fair value of the Series G Warrants exceeds the aggregate gross proceeds from the transaction as the Series G Warrants were issued below fair market value of the Company's Common stock.

The approximately $9.0 million stock discount (contra-Preferred Stock) resulting from the difference between the gross proceeds and the allocated residual fair value of the Series G Preferred Stock (i.e. $0) is accounted for as a reduction to the carrying value of the Series G Preferred Stock and is not accreted until redemption becomes probable in accordance with ASC 480-10-S99-3A.

Since the fair value of the liabilities required to be subsequently measured at fair value exceeds the net proceeds received, the excess of the fair value over the net proceeds received is recognized as a loss in earnings. As such, the Company recognized a loss on the issuance of preferred stock of approximately $5.1 million.

On August 8, 2024, the Company entered into an Amendment Agreement (the "August Series G Amendment") with the Required Holders (as defined in the Series G Certificate of Designations). Pursuant to the August Series G Amendment, the Required Holders agreed to amend the Series G Certificate of Designations by filing a Certificate of Amendment ("August Series G Certificate of Amendment") to the Series G Certificate of Designations with the Secretary of State to adjust the calculation of the PIK Shares. On August 8, 2024, the Company filed the August Series G Certificate of Amendment with the Secretary of State, thereby amending the Series G Certificate of Designations. The August Series G Certificate of Amendment became effective with the Secretary of State upon filing.

During the three months ended September 30, 2026, the Company did not issue any shares of Series G Preferred Stock in lieu of dividends. During the nine months ended September 30, 2026, the Company issued 10 shares of Series G Preferred Stock with a stated value of $10,000 in lieu of dividends totaling $10,000.

During the three months ended September 30, 2025, the Company issued 673 shares of Series G Preferred Stock with a stated value of $673,000 in lieu of dividends totaling $415,600 and a reduction of additional paid-in capital totaling $257,400. During the nine months ended September 30, 2025, the Company issued 1,866 shares of Series G Preferred Stock with a stated value of $1,866,000 in lieu of dividends totaling $1,236,124 and a reduction of additional paid-in capital totaling $629,876. During the three and nine months ended September 30, 2024, the Company did not issue Series G Preferred Stock in lieu of dividends.

Series H Preferred Stock

On September 2, 2025, the Company entered into a Securities Purchase Agreement (the "Series H Purchase Agreement") with certain accredited investors (the "Series H Investors") pursuant to which it agreed to sell to the Series H Investors (i) an aggregate of 7,000 shares of the Company's newly-designated Series H Preferred Stock, initially convertible into up to 1,400,000 shares of Common Stock at an initial conversion price of $5.00 per share (the "Series H Conversion Shares"), and (ii) warrants to acquire up to an aggregate of 1,400,000 shares of Common Stock (the "Series H Warrants") at an exercise price of $5.00 per share (collectively, the "Series H Private Placement"). The closing of the Series H Private Placement occurred on September 4, 2025 (the "Series H Closing Date"). The aggregate gross proceeds from the Private Placement were $7,000,000.

The Series H Conversion Price is subject to customary adjustments for stock dividends, stock splits, reclassifications and the like, and subject to price-based adjustment in the event of any issuances of Common Stock, or securities convertible, exercisable or exchangeable for Common Stock, at a price below the then-applicable Series H Conversion Price (subject to certain exceptions). In September 2025, in connection with the 2025 Reverse Stock Split and pursuant to the full ratchet anti-dilution provisions contained in the Series H Certificate of Designations, the Series H Conversion Price was reduced to $3.3713 per share.

The holders of the Series H Preferred Stock are entitled to dividends of 7% per annum, compounded monthly, which will be payable in cash. Upon the occurrence and during the continuance of a Triggering Event (as defined in the Certificate of Designations of the Series H Convertible Preferred Stock (the "Series H Certificate of Designations")), the Series H Preferred Stock will accrue dividends at the rate of 15% per annum. The holders of the Series H Preferred Stock will be entitled to vote with holders of the Common Stock on as as-converted basis, with the number of votes to which each holder of Series H Preferred Stock is entitled to be calculated assuming a conversion price of $4.83 per share, which was the Minimum Price (as defined in Rule 5635 of the Rule of the Nasdaq Stock Market) applicable immediately before the execution and delivery of the Series H Purchase Agreement, subject to certain beneficial ownership limitations as set forth in the Series H Certificate of Designations.

During the three months ended September 30, 2026 and 2025, the Company recorded dividends totaling $55,999 and $78,750, respectively, which are reported as Preferred Stock Dividends on the Consolidated Statements of Operations. During the nine months ended September 30, 2026 and 2025, the Company recorded dividends totaling $167,997 and $78,750, respectively, which are reported as Preferred Stock Dividends on the Consolidated Statements of Operations.

Notwithstanding the foregoing, the Company's ability to settle conversions is subject to certain limitations set forth in the Series H Certificate of Designations, including a limit on the number of shares that may be issued until the time, if any, that the Company's stockholders have approved the issuance of more than 19.99% of the Company's outstanding shares of Common Stock in accordance with Nasdaq listing standards (the "September 2025 Stockholder Approval"). The September 2025 Stockholder Approval was obtained on November 14, 2025 at a special meeting of stockholders of the Company. Further, except with respect to Pharmacyte, the Series H Certificate of Designations contains a certain beneficial ownership limitation after giving effect to the issuance of shares of Common Stock issuable upon conversion of the Series H Preferred Stock or exercise of the Series H Warrants.

The shares of Series H Preferred Stock were determined to be more akin to a debt-like host than an equity-like host. The Company identified the following embedded features that are not clearly and closely related to the debt host instrument: 1) certain contingent redemption options, 2) optional conversion features inclusive of make-whole interest and 3) an increase in the dividend rate related to the occurrence of a triggering event. These features were bundled together, assigned probabilities of being affected and measured at fair value. Subsequent changes in fair value of these features are recognized in the Consolidated Statement of Operations. The Company estimated the $1,837,000 fair value of the bifurcated embedded derivative at issuance using a discounted cash flow scenario model, with the following inputs: the fair value of our common stock of $3.61 on the issuance date, estimated equity volatility of 100.0%, the time to maturity of 1.49 years, the redemption premium of 106%, a market interest rate of 19.51%, a risk-free rate of 3.61%, and dividend rate of 7%. The fair value of the bifurcated derivative liability was estimated utilizing the with and without method which uses the probability weighted difference between the scenarios with the derivative and the plain vanilla maturity scenario without a derivative.

The discount to the fair value is included as a reduction to the carrying value of the Series H Preferred Stock. On September 30, 2025, the Company recorded a total discount of $4,472,000 upon issuance of the Series H Preferred Stock, which was comprised of the issuance date fair value of the associated embedded derivative of $1,837,000, stock issuance costs of $425,063, and amount allocated to the Series H Warrants of $2,209,937.

In connection with the Series H Private Placement, the Company and the Series H Investors entered into that certain Registration Rights Agreement, dated as of September 2, 2025 (the "Series H Registration Rights Agreement," and, together with the Series H Purchase Agreement, the Series H Certificate of Designations, and the Series H Warrants, the "Transaction Documents"), pursuant to which, the Company agreed to, among other things, prepare and file with the SEC a registration statement (the "Series H Registration Statement") covering the resale of all of the Registrable Securities (as defined in the Series H Registration Rights Agreement) prior to the applicable Filing Deadline (as defined in the Series H Registration Rights Agreement).

On September 30, 2025, the Company entered into an Omnibus Waiver and Amendment (the "September 2025 Amendment") with the Required Holders (as defined in the Series H Certificate of Designations). Pursuant to the Amendment, the Required Holders agreed (A) to amend (i) the Series H Certificate of Designations, as described below, by filing a Certificate of Amendment ("September 2025 Certificate of Amendment") to the Series H Certificate of Designations with the Secretary of State, (ii) the Series H Purchase Agreement to amend the definition of "Excluded Securities" such that the definition includes the issuance of Common Stock issued after the date of the Series H Purchase Agreement pursuant to an Approved Stock Plan (as defined in the Series H Purchase Agreement) which in the aggregate does not exceed more than 15.0% of the sum of (x) shares of Common Stock issued and outstanding as of the date of the Series H Purchase Agreement, and (y) the shares of Common Stock issuable upon conversion of certain of the Company's outstanding shares of preferred stock (the "Excluded Securities Modification"), and (iii) the Series H Registration Rights Agreement such that the Series H Registration Statement is required to be filed with the SEC by the date that is 30 calendar days following the Series H Closing Date and (B) waive (i) any prohibitions or limitations under the Transaction Documents in connection with the issuance by the Company of certain warrants to purchase Common Stock to certain current and future consultants of the Company, (ii) any prohibitions or limitations under the Transaction Documents in connection with the registration of certain securities of the Company, and (iii) any failure by the Company to file the Series H Registration Statement by the Filing Deadline.

The September 2025 Certificate of Amendment amends the Series H Certificate of Designations to amend the definition of "Excluded Securities" substantially similar to the Excluded Securities Modification. On October 3, 2025, the Company filed the September 2025 Certificate of Amendment with the Secretary of State, thereby amending the Series H Certificate of Designations. The September 2025 Certificate of Amendment became effective with the Secretary of State upon filing.

See Note 16 for a subsequent amendment extending the maturity date of the Series H Preferred Stock conversion.

Common Stock

The holders of Common Stock are entitled to one vote per share at meetings of stockholders of the Company.

As of September 30, 2026, the Company had 8,499,379 shares of Common Stock issued and outstanding.

During the three and nine months ended September 30, 2026, the Company issued 309,541 and 808,976 shares of Common Stock, respectively. The shares issued during the three months ended September 30, 2026 consisted of 127,296 shares of Common Stock issued upon the $429,150 payment of Series G Dividends to PharmaCyte in Common Shares for February through July 2026 at $3.3713/share, 165,625 shares of Common Stock issued upon the settlement of vested restricted stock units and 16,620 shares of restricted Common Stock issued pursuant to restricted stock awards.

Common Stock Warrants

The table below summarizes the warrant activity for the nine months ended September 30, 2026:

	Number of Warrants	Weighted Average Exercise Price	Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Balance at December 31, 2025	10,502,236	$ 6.37	4.31	$ 7,933,065
Issued	200,000	6.25	4.01	-
Exercised	(155,432)	3.37	-	-
Forfeited	(53,125)	5.10	-	-
Canceled/Expired	(1,674)	12,360	-	-
Balance at September 30, 2026	10,492,005	$ 4.30	4.24	$ -
Exercisable as of September 30, 2026	10,492,005	$ 4.30	4.24	$ -

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the closing stock price of $0.85 for the Company's Common Stock on September 30, 2026 and the closing stock price of $3.99 for the Company's Common Stock on December 31, 2025.

On April 17, 2025, in connection with the issuance of Stock Options, (i) the Series F Conversion Price, Series F-1 Conversion Price and Series G Conversion Price was adjusted to $18.32 per share pursuant to the full ratchet anti-dilution provisions contained in the applicable Certificate of Designations and, (ii) the Series F Exercise Price, the Series F-1 Exercise Price and the Series G Exercise Price was adjusted to $18.32 per share and the number of shares of Common Stock issuable upon exercise of such warrants was adjusted proportionally pursuant to the full ratchet anti-dilution provisions contained in the applicable warrants.

Series F Common Stock Warrants

Pursuant to the February 2023 Offering, the Company issued to investors the Series F Warrants to purchase 66,523 shares of Common Stock, with an initial exercise price of $225.50 per share, which, as of September 30, 2026, was adjusted to $3.3713 per share and the number of shares of Common Stock issuable upon exercise of the Series F Warrants was adjusted proportionally to 3,139,325 shares pursuant to the full ratchet anti-dilution provisions contained in the Series F Warrants in connection with the issuance of shares of Common Stock upon conversion of the Series F-1 Preferred Shares (the "Series F Exercise Price"), for a period of five years from the date of issuance. The Series F Exercise Price and the number of shares issuable upon exercise of the Series F Warrants are subject to customary adjustments for stock dividends, stock splits, reclassifications and the like, and subject to price-based adjustment, on a "full ratchet" basis, in the event of any issuances of Common Stock, or securities convertible, exercisable or exchangeable for Common Stock, at a price below the then-applicable Exercise Price (subject to certain exceptions). Upon any such price-based adjustment to the exercise price, the number of shares issuable upon exercise of the Series F Warrants will be increased proportionately.

Following the 2024 Reverse Stock Split, the exercise price of the Series F Warrants was reduced to $318.00 per share pursuant to the stock combination event adjustment provisions contained in the Series F Warrants and the number of shares of Common Stock issuable upon exercise of the Series F Warrants was adjusted proportionately. In May 2024, in connection with the Private Placements, the exercise price of the Series F Warrants was reduced to $181.60 per share pursuant to the full ratchet anti-dilution provisions contained in the Series F Warrants and the number of shares of Common Stock issuable upon exercise of the Series F Warrants was adjusted proportionately. On April 17, 2025, in connection with the issuance of stock options to certain officers of the Company and pursuant to the full ratchet anti-dilution provisions contained in the Series F Warrants, the exercise price of the Series F Warrants was reduced to $18.32 per share and the number of shares of Common Stock issuable upon exercise of the Series F Warrants was adjusted proportionately. In September 2025, in connection with the 2025 Reverse Stock Split and pursuant to the stock combination event adjustment provisions contained in the Series F Warrants, the exercise price of the Series F Warrants was reduced to $3.3713 per share and the number of shares of Common Stock issuable upon exercise of the Series F Warrants was adjusted proportionately.

The Series F Warrants were initially accounted for as liabilities based on the following analysis:

The Series F Warrants were determined to be within the scope of ASC 480-10 as they are puttable to the Company at the Holders' election upon the occurrence of a Fundamental Transaction (as defined in the agreements). As such, the Company recorded the Series F Warrants as a liability at fair value with subsequent changes in fair value recognized in earnings. The Company utilized the Black Scholes Model to calculate the value of these warrants. The fair value of the Series F Warrants of $10,623,000 was estimated at the date of issuance using the following weighted average assumptions: dividend yield 0%; term of 5.0 years; equity volatility of 125.0%; and a risk-free interest rate of 4.09%.

Transaction costs incurred attributable to the issuance of the Series F Warrants of $762,834 were immediately expensed in accordance with ASC 480.

Series F-1 Warrants

Pursuant to the Series F-1 Private Placement, the Company issued to investors (i) the Series F-1 Long-Term Warrants to purchase 27,813 shares of Common Stock, with an initial exercise price of $181.60 per share (subject to adjustment), for a period of five years from the date of issuance and (ii) the Series F-1 Short-Term Warrants to purchase 27,813 shares of Common Stock, with an initial exercise price of $181.60 per share (subject to adjustment), for a period of eighteen months from the date of issuance. The exercise price of the Series F-1 Warrants and the number of shares issuable upon exercise of the Series F-1 Warrants are subject to customary adjustments for stock dividends, stock splits, reclassifications and the like, and subject to price-based adjustment, on a "full ratchet" basis, in the event of any issuances of Common Stock, or securities convertible, exercisable or exchangeable for Common Stock, at a price below the then-applicable exercise price (subject to certain exceptions). Upon any such price-based adjustment to the exercise price, the number of shares issuable upon exercise of the Series F-1 Warrants will be increased proportionately.

On April 17, 2025, in connection with the issuance of stock options to certain officers of the Company and pursuant to the full ratchet anti-dilution provisions contained in the Series F-1 Warrants, the exercise price of the Series F-1 Warrants was reduced to $18.32 per share and the number of shares of Common Stock issuable upon exercise of the Series F-1 Warrants was adjusted proportionately. In September 2025, in connection with the 2025 Reverse Stock Split and pursuant to the stock combination event adjustment provisions contained in the Series F-1 Warrants, the exercise price of the Series F-1 Warrants was reduced to $3.3713 per share and the number of shares of Common Stock issuable upon exercise of the Series F-1 Warrants was adjusted proportionately.

Pursuant to the April 2025 Amendment Agreement, the Series F-1 Short-Term Warrants were extended to expire five years from the date of issuance.

The Series F-1 Preferred Shares were determined to be more akin to a debt-like host than an equity-like host. The Company identified the following embedded features that are not clearly and closely related to the debt host instrument: 1) make-whole interest upon a contingent redemption event, 2) make-whole interest upon a conversion event, 3) an installment redemption upon an Equity Conditions Failure (as defined in the Series F-1 Certificate of Designations), and 4) variable share-settled installment conversion. These features were bundled together, assigned probabilities of being affected and measured at fair value. Subsequent changes in fair value of these features are recognized in the Consolidated Statements of Operations. The Company estimated at issuance the $3,149,800 fair value of the bifurcated embedded derivative using a Monte Carlo simulation model, with the following inputs: the fair value of the Company's Common Stock of $190.00 on the issuance date, estimated equity volatility of 120.0%, estimated traded volume volatility of 190.0%, the time to maturity of 1.35 years, a discounted market interest rate of 6.8%, dividend rate of 10.0%, a penalty dividend rate of 15.0%, and probability of default of 0.5%. The fair value of the bifurcated derivative liabilities was estimated utilizing the with and without method which uses the probability weighted difference between the scenarios with the derivative and the plain vanilla maturity scenario without a derivative.

Series G Warrants

Pursuant to the Series G Private Placement, the Company issued to investors (i) the Series G Long-Term Warrants to purchase 49,288 shares of Common Stock, with an initial exercise price of $181.60 per share (subject to adjustment), for a period of five years from the date of issuance and (ii) the Series G Short-Term Warrants to purchase 49,288 shares of Common Stock, with an initial exercise price of $181.60 per share (subject to adjustment), for a period of eighteen months from the date of issuance.

The exercise price of the Series G Warrants and the number of shares issuable upon exercise of the Series G Warrants are subject to customary adjustments for stock dividends, stock splits, reclassifications and the like, and subject to price-based adjustment, on a "full ratchet" basis, in the event of any issuances of Common Stock, or securities convertible, exercisable or exchangeable for Common Stock, at a price below the then-applicable exercise price (subject to certain exceptions). Upon any such price-based adjustment to the exercise price, the number of shares issuable upon exercise of the Series G Warrants will be increased proportionately.

On April 17, 2025, in connection with the issuance of stock options to certain officers of the Company and pursuant to the full ratchet anti-dilution provisions contained in the Series G Warrants, the exercise price of the Series G Warrants was reduced to $18.32 per share and the number of shares of Common Stock issuable upon exercise of the Series G Warrants was adjusted proportionately. In September 2025, in connection with the 2025 Reverse Stock Split and pursuant to the stock combination event adjustment provisions contained in the Series G Warrants, the exercise price of the Series G Warrants was reduced to $3.3713 per share and the number of shares of Common Stock issuable upon exercise of the Series G Warrants was adjusted proportionately.

The Series G Preferred Shares were determined to be more akin to a debt-like host than an equity-like host. The Company identified the following embedded features that are not clearly and closely related to the debt host instrument: 1) make-whole interest upon a contingent redemption event, 2) make-whole interest upon a conversion event, 3) an installment redemption upon an Equity Conditions Failure (as defined in the Series G Certificate of Designations), and 4) variable share-settled installment conversion. These features were bundled together, assigned probabilities of being affected and measured at fair value. Subsequent changes in fair value of these features are recognized in the Consolidated Statements of Operations. The Company estimated at issuance the $3,149,800 fair value of the bifurcated embedded derivative using a Monte Carlo simulation model, with the following inputs: the fair value of the Company's Common Stock of $190.00 on the issuance date, estimated equity volatility of 120.0%, estimated traded volume volatility of 190.0%, the time to maturity of 1.35 years, a discounted market interest rate of 6.8%, dividend rate of 10.0%, a penalty dividend rate of 15.0%, and probability of default of 0.5%. The fair value of the bifurcated derivative liabilities was estimated utilizing the with and without method which uses the probability weighted difference between the scenarios with the derivative and the plain vanilla maturity scenario without a derivative.

During the three and nine months ended September 30, 2026, there were no exercises of Series G Short-Term Warrants.

During the three months ended September 30, 2025, holders of Series G Short-Term Warrants exercised 175,000 warrants for 175,000 shares of Common Stock. These transactions generated gross proceeds of $589,978 for the three months ended September 30, 2025. During the nine months ended September 30, 2025, holders of Series G Short-Term Warrants exercised 175,000 warrants for 175,000 shares of Common Stock. These transactions generated gross proceeds of $589,978 for the nine months ended September 30, 2025.

Series H Warrants

Pursuant to the Series H Private Placement, the Company issued investors the Series H Warrants to purchase 1,400,000 shares of Common Stock, with an initial exercise price of $5.00 per share (subject to adjustment), for a period of five years from the date of the September 2025 Stockholder Approval. The exercise price of the Series H Warrants and the number of shares issuable upon exercise of the Series H Warrants are subject to customary adjustments for stock dividends, stock splits, reclassifications and the like, and subject to price-based adjustment, on a "full ratchet" basis, in the event of any issuances of Common Stock, or securities convertible, exercisable or exchangeable for Common Stock, at a price below the then-applicable exercise price (subject to certain exceptions). Upon any such price-based adjustment to the exercise price, the number of shares issuable upon exercise of the Series H Warrants will be increased proportionately. In September 2025, in connection with the 2025 Reverse Stock Split and pursuant to the full ratchet anti-dilution provisions contained in the Series H Warrants, the exercise price of the Series H Warrants was reduced to $3.3713 per share and the number of shares of Common Stock issuable upon exercise of the Series H Warrants was adjusted proportionately.

Note 10 – Commitments and Contingencies

Consulting Agreement with James Altucher and Z-List Media

On October 1, 2025, the Company entered into a consulting agreement (the "Altucher Consulting Agreement") with James Altucher and Z-List Media, Inc. (collectively, the "Consultants"), pursuant to which, the Consultants agreed to provide certain consulting services to the Company, including fund raising, crypto portfolio management, investor relations, strategic planning, deal flow analysis, introductions to further its business goals, advice related to sector growth initiatives and any other consulting or advisory services which the Company reasonably requests that the Consultants provide to the Company. The Altucher Consulting Agreement has a term of two years unless earlier terminated pursuant to the terms of the Altucher Consulting Agreement or upon the mutual written consent of the Company and the Consultants in accordance with the terms of the Altucher Consulting Agreement.

Pursuant to the Altucher Consulting Agreement, the Company agreed to issue to Z-List Media, Inc. warrants to purchase up to an aggregate of 400,000 shares of Common Stock, consisting of: (i) a warrant to purchase up to 100,000 shares of Common Stock at an exercise price of $5.00 per share (the "First Tranche Warrant"), which were issued on the date of the Altucher Consulting Agreement (such date, the "Effective Date"), (ii) a warrant to purchase up to 100,000 shares of Common Stock at an exercise price of $5.00 per share, which will be issued three months from the Effective Date (the "Second Tranche Warrant"), (iii) a warrant to purchase up to 100,000 shares of Common Stock at an exercise price of $7.50 per share (the "Third Tranche Warrant"), which will be issued nine months from the Effective Date, and (iv) a warrant to purchase up to 100,000 shares of Common Stock at exercise price of $10.00 per share (the "Fourth Tranche Warrant", and together with the First Tranche Warrant, the Second Tranche Warrant and the Third Tranche Warrant, the "Consultant Warrants"), which will be issued twelve months from the Effective Date, in each case, with each Consultant Warrant subject to exercisability, forfeiture and such other terms as set forth therein.

Litigation and Settlements

Raymond Akers Actions

On April 14, 2021, Raymond F. Akers, Jr., Ph.D. filed a lawsuit against the Company (f/k/a Akers Biosciences, Inc.) in the Superior Court of New Jersey, Law Division, Gloucester County (the "First Raymond Akers Action"). Dr. Akers asserts one common law whistleblower retaliation claim against the Company.

On September 23, 2021, the Court granted the Company's Motion to Dismiss Plaintiff's Amended Complaint and dismissed Plaintiff's Amended Complaint. The Court indicated that Dr. Akers is "free to file another complaint, however, tort-based 'Pierce' allegations, and/or CEPA claims are barred by the statute of limitations."

On March 1, 2022, Dr. Akers filed a second action against the Company in the Superior Court of New Jersey, Law Division, Gloucester County (the "Second Raymond Akers Action") again asserting one common law whistleblower retaliation claim against the Company. The Company believes that the Second Raymond Akers Action was filed against the Court's specific admonition that Plaintiff does not attempt to circumvent the statute of limitations.

On May 27, 2022, the Court granted-in-part and denied-in-part the Company's Motion to Dismiss Plaintiff's Complaint. The Court reaffirmed the ruling in the First Raymond Akers Action that any tort-based Pierce claims are time-barred. However, the Court denied the Motion as it pertained to Plaintiff's contract-based Pierce claim and "Repayment of Monies Owed" claim. On July 29, 2022, the Company filed its Answer, which included affirmative defenses.

On April 29, 2025, the complaint was confidentially settled between the parties. There was no material impact on the Company's financial condition or the results of operations. All legal fees incurred were expensed as and when incurred.

Note 11 – Related Parties

Consulting Agreement with Chelsea Voss

On January 16, 2026, the Company entered into a consulting agreement (the "Voss Consulting Agreement") with Chelsea Voss, then a member of the Company's Board of Directors, pursuant to which, Ms. Voss agreed to provide certain consulting services to the Company, including evaluating companies and making related introductions, analyzing technologies and operations, reviewing and advising on potential acquisitions and any other consulting or advisory services which the Company reasonably requests that Ms. Voss provide to the Company. The Voss Consulting Agreement had a term of twelve (12) months, unless earlier terminated pursuant to the terms of the Voss Consulting Agreement or upon the mutual written consent of the Company and Ms. Voss in accordance with the terms of the Voss Consulting Agreement.

Pursuant to the Voss Consulting Agreement, Ms. Voss was entitled to a monthly fee equal to $12,500 per month (or, $150,000 annually) payable in arrears on a monthly basis. In addition, pursuant to the Voss Consulting Agreement, Ms. Voss was granted (i) 212,500 restricted stock units, subject to the terms and conditions of the Company's standard restricted stock unit award agreement and the 2021 Plan which vest in four substantially equal instalments on the quarterly anniversaries of the issuance date, provided that Ms. Voss continues to provide services to the Company through such applicable vesting dates and subject to the related restricted stock unit award agreement, and (ii) stock options to purchase up to an aggregate of 212,500 shares of Common Stock at an exercise price equal to the greater of (a) $5.097 per share and (b) the fair market value per share of Common Stock on the date of grant (the "Consultant Options"), subject to the terms and conditions of the Company's standard nonqualified stock option award agreement and the Plan. The Consultant Options vest and become exercisable in four (4) substantially equal instalments on each quarterly anniversary of the issuance date, provided that Ms. Voss continues to provide services to the Company through such applicable vesting dates.

On September 10, 2026, the Company and Ms. Voss mutually terminated, effective immediately, the Voss Consulting Agreement, which was originally reported on the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "*SEC*") on January 23, 2026. Also on September 10, 2026, Ms. Voss resigned as a member of the Company's Board of Directors. In connection with the termination, the unvested portions of the restricted stock units and Consultant Options granted to Ms. Voss were forfeited.

Upon termination of the consulting agreement with Chelsea Voss on September 10, 2026, the Company accelerated recognition of the remaining unrecognized compensation expense associated with the vested restricted stock units and stock options. Accordingly, the Company recognized a one-time stock-based compensation charge during the three months ended September 30, 2026, related to the acceleration and ceased recognizing compensation expense related to the forfeited awards and warrants.

Consulting Agreement with Ocean Avenue

On September 10, 2026, the Company and Ocean Avenue Holdings LLC mutually terminated, effective immediately, the consulting agreement, which was originally reported on the Company's Current Report on Form 8-K filed with the SEC on December 9, 2025. In connection with the termination, the unvested portions of the warrants and restricted shares issued to Ocean Avenue Holdings LLC (53,125 of each) were forfeited.

Upon termination of the consulting agreement with Ocean Avenue Holdings LLC on September 10, 2026, the Company accelerated recognition of the remaining unrecognized compensation expense associated with the vested restricted stock awards and warrants. Accordingly, the Company recognized a one-time stock-based compensation charge during the three months ended September 30, 2026, related to the acceleration and ceased recognizing compensation expense related to the forfeited awards and warrants.

SRQ Patent Holdings and SRQ Patent Holdings II

The Company is a party to two Amended and Restated Confirmatory Patent Assignment and Royalty Agreements, both dated November 11, 2020, with SRQ Patent Holdings and SRQ Patent Holdings II, under which the Company (or its successor) is obligated to pay to SRQ Patent Holdings or SRQ Patent Holdings II (or its designees) certain royalties on product sales or other revenue received on products that incorporate or are covered by the intellectual property that was assigned to the Company. The royalty is equal to 8% of the net sales price on product sales and, without duplication, 8% of milestone revenue or sublicense compensation. SRQ Patent Holdings and SRQ Patent Holdings II are affiliates of Mr. Jonnie Williams, Sr., a former significant stockholder. No revenue has been received subject to these agreements for the three and nine months ended September 30, 2026 and 2025.

MIRA Pharmaceuticals Limited License Agreement

The Company is a party to an Amended and Restated Limited License Agreement, dated June 27, 2022 and amended on April 20, 2023, with MIRA Pharmaceuticals, Inc. (Nasdaq: MIRA), under which the parties agreed to share technical information and know-how pertaining to the synthetic manufacture and formulation of the parties' respective Supera-CBD™ and MIRA1a™ product candidates. The Company, which holds patent rights to MIRA1a™ in 22 foreign countries, was granted a perpetual, non-exclusive, royalty-free license to use improvements to MIRA1a™ made under the agreement, and MIRA was granted a limited, perpetual, worldwide, non-exclusive, royalty-free license to use Supera-CBD™ as a synthetic intermediate in the manufacture of MIRA1a™.

Series G Preferred Stock Issuance

On May 20, 2024, the Company entered into the Series G Purchase Agreement with the Series G Investors, including PharmaCyte Biotech, Inc. ("PharmaCyte"), pursuant to which it agreed to sell to the Series G Investors (i) an aggregate of 8,950 shares of Series G Preferred Stock, initially convertible into up to 49,288 shares of the Company's Common Stock at an initial conversion price of $181.60 per share, (ii) Series G Short-Term Warrants to acquire up to an aggregate of 49,288 shares of Common Stock at an exercise price of $181.60 per share, and (iii) Series G Long-Term Warrants to acquire up to an aggregate of 49,288 shares of Common Stock at an exercise price of $181.60 per share, for aggregate gross proceeds equaling approximately $8.9 million. The interim Chief Executive Officer, President and Director of PharmaCyte, Joshua Silverman, serves as the Company's Executive Chairman.

Series H Preferred Stock Issuance

On September 2, 2025, the Company entered into the Series H Purchase Agreement with the Series H Investors, including PharmaCyte Biotech, Inc., pursuant to which it agreed to sell to the Series H Investors (i) an aggregate of 7,000 shares of Series H Preferred Stock, initially convertible into up to 1,400,000 shares of the Company's Common Stock, at an initial conversion price of $5.00 per share and (ii) Series H Investor Warrants to acquire up to an aggregate of 1,400,000 shares of Common Stock at an initial exercise price of $5.00 per share, for aggregate gross proceeds equaling approximately $7 million. The interim Chief Executive Officer, President and Director of PharmaCyte, Joshua Silverman, serves as the Company's Executive Chairman.

On November 15, 2026, the Company entered into a Consent and Warrant Exchange Agreement with PharmaCyte. See Note 16.

Note 12 – Employee Benefit Plan

The Company maintains a defined contribution benefit plan under section 401(k) of the Internal Revenue Code covering substantially all qualified employees of the Company (the "401(k) Plan"). Under the 401(k) Plan, the Company matches 100% up to a 3% contribution, and 50% over a 3% contribution, up to a maximum of 5%.

The Company made matching contributions to the 401(k) Plan during the three and nine months ended September 30, 2026 of $3,046 and $8,557, respectively.

The Company made matching contributions to the 401(k) Plan during the three and nine months ended September 30, 2025 of $2,283 and $6,513, respectively.

Note 13—Patent Assignment and Royalty Agreement

In November 2016, the Company entered into an agreement with the holders of certain intellectual property relating to the Company's current product candidate. Under the terms of the agreement, the counterparty assigned its rights and interest in certain patents to the Company in exchange for future royalty payments based on a fixed percentage of future revenues, as defined. The agreement is effective until the later of (1) the date of expiration of the assigned patents or (2) the date of expiration of the last strategic partnership or licensing agreement including the assigned patents. No revenue has been received subject to this agreement for the three and nine months ended September 30, 2026 and 2025.

On September 2, 2025, the Company entered into a Membership Interest Purchase Agreement (the "MIPA") whereas, the Company agreed to acquire 100% of the membership interests of LPU Holdings LLC from the Sellers, and entered into certain other related agreements, including (i) a Support Agreement, (ii) a Registration Rights Agreement, and (iii) a License Agreement, by and between LPU and LightSolver Ltd. (the "License Agreement", and, collectively, with the MIPA, the "Acquisition"). The Acquisition closed on September 4, 2025 (the "Acquisition Closing Date").

The Acquisition was accounted for as an asset acquisition pursuant to ASC 805-50 as all of the fair value was concentrated in a single intangible asset, the Exclusive License.

As consideration for the Membership Interests, the Company delivered to the Sellers 747,362 shares of Series I Convertible Preferred Stock, subject to certain conversion limitations as set forth in the Certificate of Designations of the Series I Convertible Preferred Stock (see Note 8).

The Acquisition price consisted of total upfront consideration comprised of $1.75 million in cash and 747,362 shares of the Company's Series I Preferred Stock with a fair value of $2.70 million. In addition, the Company incurred approximately $0.26 million of acquisition costs, which are capitalized in an asset acquisition and included in the total consideration transferred.

Additionally, after the closing of the Acquisition, the Company is required to pay additional contingent consideration under both the MIPA and the License Agreement (the "Contingent Consideration") upon the achievement of various specified milestones, including completion of an offering of the Company's Common Stock or Common Stock equivalents ("Equity Offering"), which Contingent Consideration including certain specified cash payments, cash payments calculated based on any Equity Offering proceeds, shares of Common Stock that would result in the Sellers collectively beneficially owning specified percentage of the Company and warrants to purchase Common Stock. The Contingent Consideration was determined to be comprised of liabilities which meet the definition of a derivative under ASC 815, and was thus required to be recognized at its fair value at closing, with such fair value included as a component of the cost of the asset acquisition. The liability will then be remeasured each reporting period with changes in fair value recognized in earnings. As of the Acquisition Closing Date, the Company estimated the fair value of $9,380,000 using a probability-weighted discounted cash flow approach.

The following table presents the total purchase consideration and the allocation of the purchase consideration for the Acquisition as of September 2, 2025:

Acquisition Consideration (cash)	$	1,750,000
Fair value of Series I Preferred Stock (747,362 shares)		2,697,977
Transaction Costs		259,022
Total Preliminary Consideration Transferred		4,706,999
Contingent Consideration		9,380,000
Purchase Price	$	14,086,999

The total purchase price was allocated in its entirety to the exclusive license under the License Agreement. The agreement has no specified term and will only be terminated upon mutual agreement between the Company and LightSolver, material breach of contract by either party, insolvency of either party, certain other failures to perform under the terms of the agreement, or at the Company's convenience. As of the Acquisition date, the Company believes that the probability of termination under any of the above conditions is remote; the Company intends to hold the Exclusive License into perpetuity thus does not foresee a limit on the asset's useful life as of the Acquisition Date. Management thus concludes that the Exclusive License is an indefinite-lived asset and will perform an annual assessment for impairment and will reassess whether events and circumstances indicate that the life of the asset is no longer indefinite each reporting period.

On June 26, 2026, the Company provided notice of its intention to terminate the Technology License and Development Agreement, dated as of September 2, 2025 (the "License Agreement"), by and among LightSolver, LPU Holdings LLC ("LPU"), a wholly owned subsidiary of the Company, and, solely with respect to certain provisions of the License Agreement, the Company, effective as of June 26, 2026. See Note 6 above for further information.

Note 14—Segments

The Company has two reportable segments. The legacy segment focuses on the previous endeavors of TNF Pharmaceuticals, Inc. This business segment operates in the clinical-stage pharmaceutical space and is specifically focused on Isomyosamine (formerly MYMD-1). The second and primary segment is focused on the development and eventual application of quantum computing technology. The Company's chief operating decision maker ("CODM"), who is responsible for evaluating financial performance and allocating resources, is the Executive Chairman of the Board. The accounting policies of the dual segments are the same as those described in the summary of significant accounting policies. The CODM does not use assets to assess the segment. The CODM assesses performance for each segment and decides how to allocate resources based on net operating loss excluding stock-based compensation and warrant issuance expenses. The CODM uses a non-GAAP measure, net of operating loss excluding stock-based compensation and warrant issuance expenses, as the primary measure of operating performance and to monitor the Company's cash burn and adherence to budget.

To date, the Company has not generated any product revenues and has incurred losses and negative cash flows from operations since inception.

The following table presents certain financial data for the Company's two reportable segments and a reconciliation to the Company's consolidated net loss.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Sales				
Pharmaceuticals	-	-	-	-
Computing Technology	-	-	-	-
Total Sales	-	-	-	-
Product Cost of Sales				
Pharmaceuticals	-	-	-	-
Computing Technology	-	-	-	-
Total Cost of Sales	-	-	-	-
Gross Profit	-	-	-	-
Operating Expenses				
Administrative Expenses				
Pharmaceuticals	109,757	967,833	363,001	2,703,815
Computing Technology	987,815	-	3,267,012	-
Total Administrative Expenses	1,097,572	967,833	3,630,013	2,703,815
Research and Development Expenses				
Pharmaceuticals	4,074	356,352	28,172	2,775,337
Computing Technology	379,308	-	1,101,877	-
Total Research and Development Expenses	383,382	356,352	1,130,049	2,775,337
Stock Based Compensation				
Pharmaceuticals	-	-	-	189,490
Computing Technology	860,667	-	5,343,060	-
Total Stock Based Compensation	860,667	-	5,343,060	189,490
Franchise Tax Expense				
Pharmaceuticals	12,365	200,050	34,306	200,050
Computing Technology	111,289	-	308,751	-
Total Franchise Tax Expense	123,654	200,050	343,057	200,050
Warrant Issuance Expenses				
Pharmaceuticals	-	264,417	-	264,417
Computing Technology	-	-	-	-
Total Warrant Issuance Expenses	-	264,417	-	264,417
Transaction costs associated with due diligence				
Pharmaceuticals	-	-	-	-
Computing Technology	100,000	-	100,000	-
Total Transaction costs associated with due diligence	100,000	-	100,000	-
Segment Net Loss				
Pharmaceuticals	126,196	1,788,652	425,479	6,133,109
Computing Technology	2,439,079	-	10,120,700	-
Total Segment Net Loss	2,565,275	1,788,652	10,546,179	6,133,109
Reconcilement of Net Loss				
Adjustments and Reconciling Items				
Interest and Dividend Income				
Pharmaceuticals	-	35,955	-	156,042
Computing Technology	55,477	-	227,442	-
Total Interest and Dividend Income	55,477	35,955	227,442	156,042
Gain (Loss) on Sales of Marketable Securities				
Pharmaceuticals	-	-	-	2,176
Computing Technology	24,410	-	55,651	-
Total Gain (Loss) on Sales of Marketable Securities	24,410	-	55,651	2,176
Unrealized Gain (Loss) on Marketable Securities				
Pharmaceuticals	-	309	-	(1,435)-
Computing Technology	2,595	-	(4,695)	-
Total Unrealized Gain (Loss) on Marketable Securities	2,595	309	(4,695)	(1,435)-
Change in Fair Value of Derivative Liabilities				
Pharmaceuticals	-	(1,059,000)	-	244,000
Computing Technology	1,541,000	-	2,132,000	-
Total Change in Fair Value of Derivative Liabilities	1,541,000	(1,059,000)	2,132,000	244,000
Impairment of Technology License				
Pharmaceuticals	-	-	-	-
Computing Technology	-	-	(3,177,999)	-
Total Impairment of Technology License	-	-	(3,177,999)	-
Total Adjustments and Reconciling Items:				
Pharmaceuticals	-	(1,022,736)-	-	400,783-
Computing Technology	1,623,482	-	(767,601)	-
Total Adjustments and Reconciling Items	1,623,482	(1,022,736)-	(767,601)	400,783-
Consolidated Net Loss:				
Pharmaceuticals	(126,196)	(2,811,388)	(425,479)	(5,732,326)
Computing Technology	(815,597)	-	(10,888,301)	-
Consolidated Net Loss	(941,793)	(2,811,388)	(11,313,780)	(5,732,326)

Segment assets are not reviewed by the CODM and, accordingly, asset information is not presented.

Note 15—Leases

Operating Leases

The Company entered into a lease for office space in June 2026 which expires in June 2028.

Future minimum lease payments included in the measurement of operating lease liabilities on the condensed consolidated balance sheet as of September 30, 2026, were as follows:

2026 (Remaining)	$	53,581
2027		217,914
2028		110,763
Total Minimum Lease Payments	$	382,258
Less: effects of discounting		(34,664)
Present value of future minimum lease payments	$	347,594
Less: current portion		(189,112)
Lease liabilities, net of current portion	$	158,482

Total operating lease expense was $51,609 and $0 for the three months ended September 30, 2026 and 2025, respectively. Total operating lease expense was $69,099 and $10,800 for the nine months ended September 30, 2026 and 2025, respectively. Operating lease expense is recorded in general and administrative expenses in the Company's condensed consolidated statements of operations. The weighted-average discount rate and remaining lease term in years as of September 30, 2026 was 10.58% and 1.75, respectively. Total amortization expense for the ROU asset was $59,472 and $0 for the nine months ended September 30, 2026 and 2025, respectively. Total amortization expense for the ROU asset was $45,226 and $0 for the three months ended September 30, 2026 and 2025, respectively.

Note 16—Subsequent Events

The Company has evaluated subsequent events through November 16, 2026, the date these condensed consolidated financial statements were available to be issued, and identified the following items:

Nasdaq Minimum Bid Price Deficiency Notice

On November 6, 2026, the Company received a written notice from Nasdaq stating that the Company no longer meets the $1.00 minimum bid price requirement for continued listing on The Nasdaq Capital Market under Nasdaq Listing Rule 5550(a)(2). The Company has until May 5, 2027 to regain compliance.

Consent and Warrant Exchange Agreement

On November 15, 2026, the Company entered into a Consent and Warrant Exchange Agreement with PharmaCyte Biotech, Inc., a related party (see Note 11). Under the agreement, PharmaCyte agreed to exchange 851,304 Series G Long-Term Warrants for an aggregate of 4,982,272 shares of Common Stock, determined based on the Black Scholes value of the exchanged warrants divided by $0.3101 per share, the closing price of the Company's Common Stock on the last trading day prior to execution of the agreement, and PharmaCyte consented to a six-month extension of the maturity date of the Series H Preferred Stock from March 2, 2027 to September 2, 2027. The exchange is expected to close on or about November 16, 2026. As a result of the issuance of the exchange shares, and pursuant to the anti-dilution provisions of the applicable certificates of designations and warrants, the conversion price of the Series G Preferred Stock and Series H Preferred Stock and the exercise price of certain series of the Company's outstanding warrants were adjusted to $0.3101 per share. The Company is evaluating the accounting for these transactions, which will be recorded in the fourth quarter of 2026. See Part II, Item 5 of this Quarterly Report.

Note 17–Correction of Immaterial Errors in Previously Reported Interim Financial Information

The following presents the effect of the revision described in Note 2 above on selected line items in the Company's previously reported financial statements:

	As previously reported in the Form 10-Q for the three months ended March 31, 2026 and June 30, 2026, respectively	Revision	As Revised
March 31, 2026			
Stock-based Compensation	$ 58,606	$ 1,542,726	$ 1,601,332
Loss from Operations	(1,855,193)	(1,542,726)	(3,397,919)
Net loss	(1,242,777)	(1,542,726)	(2,785,503)
Net Loss Attributable to Common Stockholders	(1,528,448)	(1,542,726)	(3,071,174)
Basic and Dilutive net loss per common share	(0.19)	(0.19)	(0.38)
Additional paid-in capital	166,218,419	1,542,726	167,761,145
Accumulated deficit	(145,651,183)	(1,542,726)	(147,193,909)
June 30, 2026			
Stock-based Compensation	$ 2,373,655	$ 970,248	$ 3,343,903
Loss from Operations	(6,790,736)	(970,248)	(7,760,984)
Net loss	(6,616,236)	(970,248)	(7,586,484)
Net Loss Attributable to Common Stockholders	(6,539,520)	(970,248)	(7,509,768)
Basic and Dilutive net loss per common share	(0.79)	(0.12)	(0.91)
Additional paid-in capital	168,128,886	2,512,975	170,641,861
Accumulated deficit	(152,190,703)	(2,512,975)	(154,703,678)

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

The information set forth below should be read in conjunction with our condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the Securities and Exchange Commission on April 15, 2026. This discussion and analysis contains forward-looking statements based on our current expectations, assumptions, estimates and projections. These forward-looking statements involve risks and uncertainties. Our actual results could differ materially from those indicated in these forward-looking statements as a result of certain factors, including those discussed in Part II, Item 1A of this Quarterly Report on Form 10-Q, entitled "Risk Factors." References in this discussion and analysis to "us," "we," "our," or "the Company" refer collectively to Q/C Technologies, Inc.

Our financial statements are prepared in accordance with GAAP. These accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Our financial statements would be affected to the extent there are material differences between these estimates and actual results. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in its application. There are also areas in which management's judgment in selecting any available alternative would not produce a materially different result. The following discussion should be read in conjunction with our financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q (this "Form 10-Q").

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of forward-looking terms such as "anticipates," "assumes," "believes," "can," "could," "estimates," "expects," "forecasts," "guides," "intends," "is confident that," "may," "plans," "seeks," "projects," "targets," "would" and "will" or the negative of such terms or other variations on such terms or comparable terminology. Such forward-looking statements include, but are not limited to, future financial and operating results, the company's plans, objectives, expectations and intentions, statements concerning the Company's expectations regarding the development of its optical processing unit initiative and related optical computing technologies and other statements that are not historical facts. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition, and results of operations. These forward-looking statements speak only as of the date of this Form 10-Q and are subject to a number of risks, uncertainties, and assumptions that could cause actual results to differ materially from our historical experience and our present expectations, or projections described under the sections in this Form 10-Q and our other reports filed with the SEC titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

For a more detailed discussion of other factors that may affect our business and that could cause our actual results to differ materially from those projected in these forward-looking statements, see the risk factors and uncertainties set forth in Part II, Item 1A of this Form 10-Q and in Part I, Item 1A of our Annual Report on Form 10-K as filed with the SEC on April 15, 2026. Any one or more of these uncertainties, risks and other influences could materially affect our results of operations and whether forward-looking statements made by us ultimately prove to be accurate. We undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise, except as required by law.

Overview

QCLS is engaged in the development of a proprietary silicon photonic computing architecture for artificial intelligence ("AI") inference. The Company focuses its efforts on its optical processing unit initiative (the "OPU Initiative"). The OPU Initiative is focused on developing next-generation optical computing technologies designed to address the performance, bandwidth, and energy limitations of traditional electronic computing architectures, including through internally developed intellectual property and strategic collaborations addressing challenges such as analog precision, nonlinear computation, and memory integration. The Company has assembled a team of experts in AI, photonics, and advanced computing to support the OPU Initiative and intends to develop proprietary optical chip architectures designed to address key bottlenecks in bandwidth, energy efficiency, and scalability for AI inference applications, while building a portfolio of foundational intellectual property through patent filings. In connection with this shift in strategic focus, the Company relocated its headquarters to San Francisco, California, where it is establishing an integrated photonics laboratory to accelerate research and development of the OPU Initiative.

Recent Events

Appointment of Chief Financial Officer

On August 11, 2026, the Board terminated Ian Rhodes from his role as the Company's Interim Chief Financial Officer and appointed Todd Fagan, who had served as the Company's Corporate Controller since March 2026, as Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer), in each case effective August 11, 2026. In connection with Mr. Fagan's appointment, the Company and Mr. Fagan entered into an amendment to Mr. Fagan's employment agreement, dated as of March 16, 2026, to reflect his new title.

Termination of Consulting Agreements and Director Resignation

On September 10, 2026, the Company and Chelsea Voss mutually terminated, effective immediately, the consulting agreement, dated as of January 16, 2026, between the Company and Ms. Voss, and the Company and Ocean Avenue Holdings LLC, an entity affiliated with Martin Shkreli, mutually terminated, effective immediately, the consulting agreement, dated as of December 8, 2025, between the Company and Ocean Avenue Holdings LLC. Also on September 10, 2026, Ms. Voss resigned as a member of the Board. Ms. Voss's resignation was not the result of any disagreement with the operations, policies or practices of the Company.

Appointment of Chief Technology Officer

On September 14, 2026, Yossef Ehrlichman, Ph.D., who had served as the Company's Founding Manager of Photonic Integrated Circuit Development since August 1, 2026, was appointed Chief Technology Officer of the Company. In connection with his appointment, the Company and Dr. Ehrlichman entered into a first amendment to his employment agreement, dated August 1, 2026, to change his title to Chief Technology Officer and increase his annual base salary from $260,000 to $275,000. The employment agreement also provides for a grant of restricted shares of Common Stock with a grant date fair market value of $250,000, subject to stockholder approval of an increase in the number of shares of Common Stock reserved for issuance under the Company's long-term incentive plan, which grant would vest in three equal installments on the annual anniversaries of the grant date, subject to Dr. Ehrlichman's continued employment.

Executive Employment Agreement

On April 13, 2026, the Company entered into an executive compensation agreement (the "Employment Agreement") with Joshua Silverman, who serves as the Company's Executive Chairman, setting forth the terms and conditions of Mr. Silverman's continued employment as a member of the Company's Board of Directors and as the Company's Executive Chairman. The Employment Agreement has a three-year initial term commencing on April 13, 2026 (the "Effective Date"), which term automatically renews each year for successive one-year terms, unless earlier terminated by either party in accordance with the terms of the Employment Agreement.

The Employment Agreement provides that Mr. Silverman will be entitled to receive an annual base salary of one hundred and twenty thousand dollars ($120,000) ("Base Salary"), payable in accordance with the Company's normal payroll practices. For each fiscal year during the employment period, Mr. Silverman is eligible to receive an annual bonus upon achievement of target objectives and performance criteria, payable on or before March 15 of the fiscal year following the fiscal year to which the bonus relates. The Employment Agreement also entitles Mr. Silverman to receive customary benefits and reimbursement for ordinary business expenses.

Pursuant to the Employment Agreement, Mr. Silverman is entitled to receive, on the Effective Date and subsequently on the first day of each calendar quarter thereafter, a number of fully vested restricted stock units ("RSUs") equal to an aggregate value of $60,000 per grant calculated based on the closing price of the Company's Common Stock as of the grant date or the closing price of the last preceding business day if the grant date is not a business day (rounded down for any fractional shares). The RSUs granted pursuant to the Employment Agreement are subject to the terms and conditions of the Company's standard restricted stock unit award agreement and the Company's long-term equity incentive plan. With respect to the RSU grants provided in the Employment Agreement, the Company further agreed to provide Mr. Silverman with an additional lump-sum cash payment equal to any estimated personal income and applicable employment taxes to be withheld or paid in connection with Mr. Silverman's receipt of the applicable RSUs.

In the event Mr. Silverman's employment is terminated by the Company for Cause (as defined in the Employment Agreement) or by Mr. Silverman without Good Reason (as defined in the Employment Agreement), Mr. Silverman will be entitled to: (i) any earned but unpaid Base Salary earned during his employment and applicable to all pay periods prior to the termination date, and (ii) any unpaid expense reimbursements and vested amounts and benefits in accordance with the terms of any applicable plan, program, corporate governance document, policy, agreement or arrangement of the Company (collectively, "Accrued Compensation").

If Mr. Silverman's employment is terminated prior to the end of the term by the Company without Cause or by Mr. Silverman for Good Reason, then, subject to certain conditions set forth in the Employment Agreement (including the execution and non-revocation of a general release of claims), Mr. Silverman will be entitled to: (i) Accrued Compensation; (ii) severance equal to two times the sum of (A) Mr. Silverman's Base Salary in effect at the time his employment terminates and (B) the target bonus for the year of termination prorated based upon the number of days worked for the year of termination; and (iii) accelerated vesting of the unvested portion of any outstanding equity awards.

If Mr. Silverman's employment is terminated prior to the end of the term by the Company without Cause or by Mr. Silverman for Good Reason within two (2) years after a Change in Control (as defined in the Employment Agreement) or within six (6) months prior to a Change in Control, Mr. Silverman will be entitled to: (i) Accrued Compensation; (ii) severance equal to three times the sum of (A) Mr. Silverman's Base Salary in effect at the time his employment terminates and (B) the target bonus for the year of termination prorated based upon the number of days worked for the year of termination; and (iii) accelerated vesting of the unvested portion of any outstanding equity awards.

The Employment Agreement also contains customary provisions relating to, among other things, confidentiality and non-disparagement.

Liquidity and Capital Resources

As of September 30, 2026, the Company's cash on hand was $2.59 million and marketable securities were $6.81 million. The Company has incurred a loss from operations of $13.72 million for the nine months ended September 30, 2026. As of September 30, 2026, the Company had working capital of $8.18 million and stockholders' equity of $16.12 million including an accumulated deficit of $155.91 million. During the nine months ended September 30, 2026, cash flows used in operating activities were $6.64 million consisting primarily of a net loss of $11.31 million. Since its inception, the Company has met its liquidity requirements principally through the sale of its Common Stock and Preferred Stock in public and private placements.

The Company evaluated the current cash requirements for operations in conjunction with management's strategic plan and believes that the Company's current financial resources as of the date of the issuance of these condensed consolidated financial statements are sufficient to fund its current operating budget and contractual obligations as of September 30, 2026 as they fall due within the next twelve-month period, alleviating any substantial doubt raised by the Company's historical operating results and satisfying its estimated liquidity needs for twelve months from the issuance of these condensed consolidated financial statements.

Financial Operations Overview

We will not generate meaningful revenue from product sales unless and until we successfully complete development and commercialization of optical computing products under our OPU Initiative. Our ability to generate revenue from our strategic focus depends on our capacity to design, fabricate and validate optical processing unit prototypes, demonstrate performance for artificial intelligence inference applications, secure any applicable regulatory and hardware certifications, and achieve commercial adoption. The development and commercialization of new photonic hardware systems require substantial time, engineering resources, and capital, and any delay or failure in these efforts would materially adversely affect our business.

Although our primary resources are now directed toward optical computing, we continue to own our historical Isomyosamine and Supera-CBD therapeutic platforms. We are evaluating strategic alternatives for these programs, including potential divestiture, partnering or licensing transactions intended to maximize their residual value.

As a result of anticipated expenditures in both our optical computing operations and our efforts to preserve and monetize our legacy pharmaceutical assets, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. If we are unable to raise additional capital on acceptable terms or at all, we may be required to delay or reduce planned development activities, defer commercialization milestones, or modify our strategic objectives.

Components of our Results of Operations

Revenue

We have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products or services in the near future.

Operating Expenses

Our operating expenses are broken into several components, including research and development and general and administrative costs.

We expect operating expenses to increase as we advance development activities for our OPU Initiative.

Research and Development

Our research and development expenses consist of costs associated with both our optical computing business and the maintenance of our legacy pharmaceutical product candidates, Isomyosamine and Supera-CBD. For our optical computing business, these costs include personnel costs for our engineering staff, design, fabrication and testing costs for optical processing unit prototypes, consulting and general development expenses, and related engineering and technical costs. For our legacy pharmaceutical business, these costs include, but are not limited to:

- Contractual agreements with third parties, including contract research organizations, for the maintenance of legacy pharmaceutical programs;
- Outside consultants including fees and expenses;
- Laboratory supplies and equipment;
- Regulatory compliance; and
- Patent application and maintenance costs to protect our intellectual property.

Three of our six employees are involved in the research and development activities for the optical computing business. None of our other employees are principally involved in the research and development of our legacy pharmaceutical product candidates, Isomyosamine or Supera-CBD. Their salaries, wages and benefits are captured as a component of research and development but not allocated to specific projects.

We utilize third party contractors and consultants with expertise in specific research or development activities to perform work under the supervision of our researchers. We believe this allows us to control costs and to progress through the development cycle and to utilize our staff more efficiently.

It is difficult to project with absolute accuracy the duration or final cost of the development of our optical computing products or our legacy pharmaceutical product candidates, Isomyosamine and Supera-CBD, or if revenue will be generated from the commercialization of any of these products. For our optical computing business, costs will depend on the pace of prototype design and fabrication, testing and performance results, any required certifications, and commercialization timelines. For our legacy pharmaceutical business, the process of achieving regulatory approval is very costly and time consuming.

General and Administrative

General and administrative expenses primarily consist of salaries, wages and benefits for our employees in the executive, legal and accounting functions and third-party costs for legal, accounting, insurance, investor relations, stock market and board expenses.

Although treated as components of general and administrative expenses, we have chosen to disclose the following significant items separately:

Stock Based Compensation

Stock based compensation includes the fair market value, as determined using the Black-Scholes option pricing model, of stock options issued to key staff and consultants.

Other Income (Expense), net

Other income (expense), net consists of interest and dividends earned on our cash, cash equivalents, and investments, gains on the sale of marketable securities, and gains or losses on investments.

Results of Operations

Summary of Statements of Consolidated Operations for the Three Months Ended September 30, 2026 and 2025

The following table summarized the results of consolidated operations for the three months ended September 30, 2026 and 2025.

	For the Three Months Ended September 30,	
Description	2026	2025
Operating Expenses		
General and Administrative	$ 1,097,572	$ 967,833
Research and Development	383,382	356,352
Stock-Based Compensation	860,667	-
Franchise Tax Expenses	123,654	200,050
Warrant Issuance Expenses	-	264,417
Transaction costs associated with due diligence	100,000	-
Impairment of Technology License	-	-
Total Operating Expenses	2,565,275	1,788,652
Loss from Operations	(2,565,275)	(1,788,652)
Other Income (Expense), net	1,623,482	(1,022,736)
Net Income (Loss)	$ (941,793)	$ (2,811,388)

Revenue

We had no revenue from operations during the three months ended September 30, 2026 and 2025.

General and Administrative Expenses

The table below summarizes our general and administrative expenses for the three months ended September 30, 2026 and 2025:

	For the Three Months Ended September 30,	
Description	2026	2025
Personnel Costs	$ 295,129	$ 100,977
Professional Service Costs	380,836	450,766
Stock Market & Investor Relations Costs	75,414	138,080
Other Administrative Costs	346,193	278,010
Total General and Administrative Expenses	$ 1,097,572	$ 967,833

Personnel costs increased $194,152, or 193%, during the three months ended September 30, 2026, as compared to the three months ended September 30, 2025. During the three months ended September 30, 2025, the Company had three employees. During the three months ended September 30, 2026, there are six employees. Employment for two employees terminated in 2025 and three new employees joined the Company for the three months ended September 30, 2026. The increase in personnel cost directly relates to the increased compensation (salaries) of the new employees hired in 2026.

Professional services costs decreased $69,930, or 16%, during the three months ended September 30, 2026, compared to the three months ended September 30, 2025. These costs included legal and accounting and specialized consulting services regularly incurred in the normal course of business. The decrease is primarily related to the decreases in fees for recruiting services, legal fees, and general business consulting services; primarily supporting the 2025 financial statement audit and 2025 SEC Form 10-K preparation efforts.

Stock market and investor relations costs decreased $62,666, or 45%, during the three months ended September 30, 2026, compared to the three months ended September 30, 2025. These costs include the annual Nasdaq listing fees, activities related to keeping the shareholder base informed through press releases, printing materials and proxies, presentations and other communication efforts and the costs of annual stockholder meetings. The decrease is primarily due to the costs associated with a special stockholder meeting scheduled in the first half of 2025 along with the required annual stockholder meeting.

Other administrative expenses increased $68,183, or 25%, during the three months ended September 30, 2026, compared to the three months ended September 30, 2025. These costs include board of director expenses, business insurance, corporate travel and other general operating expenses. Costs were generally unchanged during the three months ended September 30, 2026, compared to the three months ended September 30, 2025.

Stock-Based Compensation

Stock-based compensation was $860,667 for the three months ended September 30, 2026, compared to $0 for the three months ended September 30, 2025. The increase is due to several stock-based grants issued in December 2025, January 2026 and July 2026 that incurred amortization expense during the three months ended September 30, 2026.

Franchise Tax Expenses

Franchise taxes for the state of Delaware totaled $123,654 and $200,050 for the three months ended September 30, 2026 and 2025, respectively.

Warrant Issuance Expenses

Warrant issuance expenses associated with the issuance of the Series H Convertible Preferred Stock, par value $0.001 per share, and associated warrants totaled $0 and $264,417 for the three months ended September 30, 2026 and 2025, respectively. These costs included placement agent, legal and accounting fees.

Research and Development Expenses

The table below summarizes our research and development expenses for the three months ended September 30, 2026 and 2025:

	For the Three Months Ended September 30,	
Description	2026	2025
Salaries and Wages	$ 170,217	$ 60,000
Development Programs	17,400	285,019
Professional Services	193,505	5,918
Other Research and Development Expenses	2,260	5,415
Total Research and Development Expenses	$ 383,382	$ 356,352

Salaries and wages increased $110,217 or 184%, during the three months ended September 30, 2026, compared to the three months ended September 30, 2025. During the three months ended September 30, 2025, the Company had one staff member. During the three months ended September 30, 2026, the Company increased its research and development headcount, including the hiring of Dr. Ehrlichman as Founding Manager of Photonic Integrated Circuit Development in August 2026.

Development program costs include those associated with pre-clinical development, clinical trials and other material and development programs for the three months ended September 30, 2025. Costs decreased $267,619, or 94%, during the three months ended September 30, 2026, compared to the three months ended September 30, 2025. The decrease is related to the suspension of the Company’s Phase 2b study of Isomyosamine.

Professional services costs increased $187,587, or 3,170%, during the three months ended September 30, 2026, compared to the three months ended September 30, 2025. These costs are primarily related to consulting services not related to a specific development program and legal and maintenance fees associated with the protection of our intellectual property.

Other research and development expenses decreased $3,155, or 58%, during the three months ended September 30, 2026, compared to the three months ended September 30, 2025. These expenses include laboratory supplies, training and travel for department personnel while working with third-party trial sites. The decrease during the three months ended September 30, 2026 is directly related to the suspension of the Phase 2b study and the transition from pharmaceutical research to laser-based and optical computing.

Other Income and Expense

The table below summarizes our other income and expenses for the three months ended September 30, 2026 and 2025:

Description	For the Three Months Ended September 30, 2026	2025
Interest and Dividend Income	$ (55,477)	$ (35,955)
Gain on Sale of Investments	(24,410)	-
Change in fair value of Marketable Securities	(2,595)	(309)
Change in fair value of Derivative Liabilities	(1,541,000)	1,059,000
Total Other (Income)/Expense	$ (1,623,482)	$ 1,022,736

Other income, net of expense totaled $1,623,482 for the three months ended September 30, 2026, and other expenses net of income, totaled $1,022,736 for the three months ended September 30, 2025.

During the three months ended September 30, 2026, compared to the three months ended September 30, 2025, interest and dividend income increased $19,522 primarily because the average investable funds balance in the third quarter of 2025 was significantly lower than the balance in the third quarter of 2026.

During the three months ended September 30, 2026, we recorded a gain of $1,541,000 related to the change in fair value of the Series H Derivative liabilities, which is recorded in other income on the Statements of Operations. We estimated the $25,000 fair value of the bifurcated embedded derivative at September 30, 2026 using a Monte Carlo simulation model, with the following inputs: the fair value of our common stock of $0.85 on the valuation date, estimated equity volatility of 105.0%, the time to maturity of 0.42 years, a discounted market interest rate of 4.2%, dividend rate of 7.0%, a penalty dividend rate of 15.0%, and probability of default of 4.4%.

During the three months ended September 30, 2025, we recorded a loss of $1,059,000 related to the change in fair value of the Series H Derivative liabilities, which is recorded in other income (expense) on the Statements of Operations. We estimated the $2,896,000 fair value of the bifurcated embedded derivative at September 30, 2025 using a Monte Carlo simulation model, with the following inputs: the fair value of our common stock of $1.62 on the valuation date, estimated equity volatility of 100.0%, estimated traded volume volatility of 275.0%, the time to maturity of 1 year, a discounted market interest rate of 4.18%, dividend rate of 10.0%, a penalty dividend rate of 15.0%, and probability of default of 5.2%.

Summary of Statements of Consolidated Operations for the Nine Months Ended September 30, 2026 and 2025

The following table summarized the results of consolidated operations for the nine months ended September 30, 2026 and 2025.

Description	For the Nine Months Ended September 30, 2026	2025
Operating Expenses		
General and Administrative	$ 3,630,013	$ 2,703,815
Research and Development	1,130,049	2,775,337
Stock-Based Compensation	5,343,060	189,490
Franchise Tax Expenses	343,057	200,050
Warrant Issuance Expenses	-	264,417
Transaction costs associated with due diligence	100,000	-
Impairment of Technology License	3,177,999	-
Total Operating Expenses	13,724,178	6,133,109
Loss from Operations	(13,724,178)	(6,133,109)
Other Income, net	2,410,398	400,783
Net Loss	$ (11,313,780)	$ (5,732,326)

Revenue

We had no revenue from operations during the nine months ended September 30, 2026 and 2025.

General and Administrative Expenses

The table below summarizes our general and administrative expenses for the nine months ended September 30, 2026 and 2025:

	For the Nine Months Ended September 30,	
Description	2026	2025
Personnel Costs	$ 573,129	$ 322,087
Professional Service Costs	1,467,231	972,933
Stock Market & Investor Relations Costs	220,842	544,102
Other Administrative Costs	1,368,811	864,693
Total General and Administrative Expenses	$ 3,630,013	$ 2,703,815

Personnel costs increased $251,042, or 78%, during the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025. During the nine months ended September 30, 2025, the Company had three employees, during the nine months ended September 30, 2026, there are three employees. Employment for two employees terminated in 2025 and two new employees joined the Company for the nine months ended September 30, 2026. The increase in personal cost directly relates to the increased compensation (salaries) of the new employees hired in 2026.

Professional services costs increased $494,298, or 51%, during the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. These costs included legal and accounting and specialized consulting services regularly incurred in the normal course of business. The increase is primarily related to increases in fees for recruiting services, legal fees, and general business consulting services; primarily supporting the 2025 financial statement audit and 2025 SEC Form 10-K preparation efforts.

Stock market and investor relations costs decreased $323,260, or 59%, during the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. These costs include the annual Nasdaq listing fees, activities related to keeping the shareholder base informed through press releases, printing materials and proxies, presentations and other communication efforts and the costs of annual stockholder meetings. The decrease is primarily due to the costs associated with a special stockholder meeting scheduled in the first half of 2025 along with the required annual stockholder meeting.

Other administrative expenses increased $504,118 or 38%, during the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. These costs include board of director expenses, business insurance, corporate travel and other general operating expenses. Costs were generally unchanged during the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025.

Stock-Based Compensation

Stock-based compensation increased $5,616,412, or 2,055%, during the nine months ended September 30, 2026, as compared to the nine months ended September 30, 2025. The increase is primarily a result of restricted stock units and options issued to Chelsea Voss during the first quarter, stock options issued to the Board of Directors during the second quarter, restricted stock awards, warrants issued to consultants, stock options, and the acceleration of the stock-based compensation expense for Chelsea Voss and Ocean Avenue Holdings during the third quarter of 2026.

Franchise Tax Expenses

Franchise taxes for the state of Delaware totaled $343,057 and $200,050 for the nine months ended September 30, 2026 and 2025, respectively. The increase is because the Franchise tax for 2025 was paid late and is reflected in the condensed consolidated financial statements as of September 30, 2026 as well as a quarterly tax payment which did not occur in 2025.

Impairment of Technology License

During the nine months ended September 30, 2026, impairment of technology license increased by $3,177,999 related to the termination of the LightSolver agreement.

Warrant Issuance Expenses

Warrant issuance expenses associated with the issuance of the Series H Convertible Preferred Stock, par value $0.001 per share, and associated warrants totaled $0 and $264,417 for the nine months ended September 30, 2026 and 2025, respectively. These costs included placement agent, legal and accounting fees.

Research and Development Expenses

The table below summarizes our research and development expenses for the nine months ended September 30, 2026 and 2025:

	For the Nine Months Ended September 30,	
Description	2026	2025
Salaries and Wages	$ 314,805	$ 183,362
Development Programs	541,451	2,326,514
Professional Services	271,533	234,927
Other Research and Development Expenses	2,260	30,534
Total Research and Development Expenses	$ 1,130,049	$ 2,775,337

Salaries and wages increased $131,443, or 72%, during the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. During the nine months ended September 30, 2025, the Company had one staff member. During the nine months ended September 30, 2026, the Company began to build out R&D staffing for the computing technology business.

Development program costs include those associated with pre-clinical development, clinical trials and other material and development programs. Costs decreased $1,785,063, or 77%, during the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The decrease is related to the suspension of the Company's Phase 2b study of Isomyosamine.

Professional services costs increased $36,606, or 16%, during the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. These costs are primarily related to consulting services not related to a specific development program and legal and maintenance fees associated with the protection of our intellectual property.

Other research and development expenses decreased $28,274, or 93%, during the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. The 2025 expenses would normally include laboratory supplies, training and travel for department personnel while working with third-party trial sites. The decrease during the nine months ended September 30, 2026 is primarily due to no spending in 2026 related to the pharmaceutical business.

Other Income and Expense

The table below summarizes our other income and expenses for the nine months ended September 30, 2026 and 2025:

	For the Nine Months Ended September 30,	
Description	2026	2025
Interest and Dividend Income	$ (227,442)	$ (156,042)
(Gain)/Loss on Investments	(55,651)	(2,176)
Loss on changes in fair value of Equity Investments	4,695	1,435
(Gain)/Loss on changes in fair value of Derivative Liabilities	(2,132,000)	(244,000)
Total Other Income	$ (2,410,398)	$ (400,783)

Other income, net of expenses totaled $2,410,398, for the nine months ended September 30, 2026, and other income, net of expenses, totaled $400,783 for the nine months ended September 30, 2025.

During the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025, interest and dividend income increased $71,400 primarily because the average investable funds balance for the nine months ended September 30, 2025 was significantly lower than the balance for the nine months ended September 30, 2026.

During the nine months ended September 30, 2026, we recorded a gain of $2,132,000 related to the change in fair value of the Series H Derivative liabilities, which is recorded in other income on the Statements of Operations. We estimated the $25,000 fair value of the bifurcated embedded derivative at September 30, 2026 using a Monte Carlo simulation model, with the following inputs: the fair value of our common stock of $0.85 on the valuation date, estimated equity volatility of 105.0%, the time to maturity of 0.42 years, a discounted market interest rate of 4.2%, dividend rate of 7.0%, a penalty dividend rate of 15.0%, and probability of default of 4.4%.

During the nine months ended September 30, 2025, we recorded a gain of $244,000 related to the change in fair value of the derivative liabilities as follows:

- For the Series F-1 Derivative (as defined herein), we recorded a gain of $1,303,000. We estimated the $0 fair value of the bifurcated embedded derivative at September 30, 2025 using a Monte Carlo simulation model, with the following inputs: the fair value of our Common Stock of $0.12 on the valuation date, estimated equity volatility of 125.0%, estimated traded volume volatility of 345.0%, the time to maturity of 0.5 year, a discounted market interest rate of 4.28%, dividend rate of 10.0%, a penalty dividend rate of 15.0%, and probability of default of 4.4%.

- For the Series H Derivative (as defined herein), we recorded a loss of $1,059,000. We estimated the $2,896,000 fair value of the bifurcated embedded derivative at September 30, 2025 using a Monte Carlo simulation model, with the following inputs: the fair value of our common stock of $1.62 on the valuation date, estimated equity volatility of 100.0%, estimated traded volume volatility of 275.0%, the time to maturity of 1 year, a discounted market interest rate of 4.18%, dividend rate of 10.0%, a penalty dividend rate of 15.0%, and probability of default of 5.2%.

Liquidity and Capital Resources

Overview

Our primary source of liquidity to date has been funding from our stockholders through the sale of equity securities and the exercise of derivative securities, including warrants. We expect our primary sources of future liquidity in the short to mid-term to be derived from the exercise of outstanding warrants, and future equity or debt financings. However, as of September 30, 2026, the exercise prices of our outstanding warrants exceeded the closing price of our Common Stock of $0.85 per share, and there can be no assurance that any outstanding warrants will be exercised.

As of September 30, 2026, the Company's cash on hand was $2,585,051 and marketable securities were $6,805,270. The Company has incurred a net loss attributable to common stockholders of $11,786,978 for the nine months ended September 30, 2026. As of September 30, 2026, the Company had working capital of $8,182,050 and stockholders' equity of $16,123,989, including an accumulated deficit of $155,909,713. Since its inception, the Company has met its liquidity requirements principally through the sale of its Common Stock and preferred stock in public and private placements.

Based on our current operating plan, existing cash balances, and expected cash flows, management believes that the Company has sufficient liquidity to fund its operations for at least the next twelve months. However, our ability to continue as a going concern, fund our operations beyond that period, and to pursue our growth strategy, is dependent on our ability to manage operating expenses and access additional capital as needed. Liquidity constraints and access to capital markets could negatively affect our liquidity and require changes to our operating or investment strategy.

Our future capital requirements will depend on numerous factors, including the timing and extent of market acceptance of our products and services, investments in product development, sales and marketing activities, working capital requirements, and the timing and amount of future revenue. We may seek to raise additional capital through equity or debt financings, strategic partnerships, or other arrangements. There can be no assurance that such financing will be available on acceptable terms, or at all.

Operating Activities

During the nine months ended September 30, 2026, cash flows used in operating activities were $6,640,396, consisting primarily of a net loss of $11,313,780 and changes in operating assets and liabilities.

During the nine months ended September 30, 2025, cash flows used in operating activities were $5,865,877, consisting primarily of a net loss of $5,732,326, and a gain on the fair value of derivatives of $244,000, offset by an increase in prepaid expenses of $256,561, an increase in trade and other payables of $178,261, and an increase in share-based compensation of $189,490.

Investing Activities

Our net cash provided by investing activities totaled $7,883,412 for the nine months ended September 30, 2026. During the nine months ended September 30, 2026, we purchased securities totaling $305,806 and sold securities totaling $8,352,530. We also purchased equipment for $163,312.

Our net cash provided by investing activities totaled $3,245,029 for the nine months ended September 30, 2025. During the nine months ended September 30, 2025, we purchased the LightSolver license totaling $2,009,022, securities totaling $5,955,495 and sold securities totaling $11,209,546.

Financing Activities

Net cash provided by financing activities during the nine months ended September 30, 2026 was $355,039 which consisted of dividends paid on preferred stock offset by receipts for the exercise of outstanding warrants.

Net cash provided by financing activities during the nine months ended September 30, 2025 was $9,351,879 which consisted of receipts for the exercise of outstanding warrants and the proceeds from the sale of the Series H Preferred Stock.

February 2023 Offering

In February 2023, the Company issued shares of its Series F Convertible Preferred Stock and warrants to purchase shares of Common Stock (the "Series F Warrants") in a private placement (collectively, the "February 2023 Offering"). All shares of Series F Convertible Preferred Stock issued in the February 2023 Offering have been converted and none remain outstanding. As of September 30, 2026, Series F Warrants to purchase up to 3,139,325 shares of Common Stock were outstanding at an exercise price of $3.3713 per share (the "Series F Exercise Price"), which warrants expire on August 15, 2030. See Note 8 to the condensed consolidated financial statements included in this Form 10-Q for additional information.

Series F-1 Private Placement

On May 20, 2024, the Company entered into a Securities Purchase Agreement (the "Series F-1 Purchase Agreement") with certain accredited investors (the "Series F-1 Investors") pursuant to which it agreed to sell to the Series F-1 Investors (i) shares of the Company's newly-designated Series F-1 Preferred Stock, (ii) short-term warrants to acquire up to an aggregate of 27,813 shares of Common Stock (the "Series F-1 Short-Term Warrants") at an exercise price of $181.60 per share (the "Series F-1 Short-Term Warrants Exercise Price"), and (iii) long-term warrants to acquire up to an aggregate of 27,813 shares of Common Stock (the "Series F-1 Long-Term Warrants," and collectively with the Series F-1 Short-Term Warrants, the "Series F-1 Warrants") at an initial exercise price of $181.60 (the "Series F-1 Long-Term Exercise Price" and, together with the Series F-1 Short-Term Warrants Exercise Price, the "Series F-1 Exercise Price") per share (collectively, the "Series F-1 Private Placement"). The closing of the Series F-1 Private Placement occurred on May 23, 2024 (the "Series F-1 Closing Date").

Pursuant to that certain Omnibus Amendment Agreement, dated as of April 8, 2025, by and among the Company and the Required Holders (as defined in the Series F-1 Warrants) (the "April 2025 Amendment Agreement"), the Series F-1 Short-Term Warrants were extended to expire five years from the date of issuance, the Series F-1 Short-Term Warrants were extended to expire five years from the date of issuance.

The exercise price of the Series F-1 Warrants and the number of shares issuable upon exercise of the Series F-1 Warrants are subject to customary adjustments for stock dividends, stock splits, reclassifications and the like, and subject to price-based adjustment, on a "full ratchet" basis, in the event of any issuances of Common Stock, or securities convertible, exercisable or exchangeable for Common Stock, at a price below the then-applicable exercise price (subject to certain exceptions). Upon any such price-based adjustment to the exercise price, the number of shares issuable upon exercise of the Series F-1 Warrants will be increased proportionately.

On April 17, 2025, in connection with the issuance of stock options to certain officers of the Company and pursuant to the full ratchet anti-dilution provisions contained in the Series F-1 Warrants, the Series F-1 Exercise Price was adjusted to $18.32 per share. In September 2025, in connection with the 2025 Reverse Stock Split, and pursuant to the stock combination event adjustment provisions contained in the Series F-1 Warrants, the Series F-1 Exercise Price was reduced to $3.3713 per share and the number of shares of Common Stock issuable upon exercise of the Series F-1 Warrants was adjusted proportionally.

As of September 30, 2026, the Series F-1 Exercise Price was equal to $3.3713 per share and Series F-1 Short-Term Warrants and Series F-1 Long-Term Warrants were outstanding to purchase up to 1,322,942 shares and 1,497,942 shares of Common Stock, respectively.

Series G Private Placement

On May 20, 2024, the Company entered into a Securities Purchase Agreement (the "Series G Purchase Agreement" and collectively with the Series F-1 Purchase Agreement, each a "Purchase Agreement" and collectively, the "Purchase Agreements") with certain accredited investors (the "Series G Investors" and collectively with the Series F-1 Investors, the "Investors"), pursuant to which it agreed to sell to the Series G Investors (i) an aggregate of 8,950 shares of the Company's newly-designated Series G Preferred Stock, initially convertible into up to 49,288 shares of the Company's Common Stock at an initial conversion price of $181.60 per share (the "Series G Conversion Price"), (ii) short-term warrants to acquire up to an aggregate of 49,288 shares of Common Stock (the "Series G Short-Term Warrants") at an exercise price of $181.60 per share, and (iii) long-term warrants to acquire up to an aggregate of 49,288 shares of Common Stock (the "Series G Long-Term Warrants," and collectively with the Series G Short-Term Warrants, the "Series G Warrants") at an initial exercise price of $181.60 per share (the "Series G Exercise Price") (collectively, the "Series G Private Placement" and collectively with the Series F-1 Private Placement, each a "Private Placement" and collectively, the "Private Placements"). The closing of the Series G Private Placement occurred on May 23, 2024 (the "Series G Closing Date" and collectively with the Series F-1 Closing Date, the "Closing Date").

On April 17, 2025, in connection with the issuance of stock options to certain officers of the Company, the Series G Conversion Price was equal to $18.32 per share due to the full ratchet anti-dilution provisions contained in the Series G Certificate of Designations. In August 2025, in connection with the 2025 Reverse Stock Split, and pursuant to the stock combination event adjustment provisions contained in the Series G Certificate of Designations, the Series G Conversion Price was reduced to $3.3713 per share.

We received net proceeds from the Series G Private Placement of approximately $8.9 million, after deducting various fees and expenses. We intend to use the net proceeds from this offering for general corporate purposes.

As of September 30, 2026, there were 8,812 shares of Series G Preferred Stock outstanding, Series G Short-Term Warrants were fully expired, and Series G Long-Term Warrants were outstanding to purchase up to 2,135,667 shares of Common Stock.

Series G Warrants

Pursuant to the Series G Private Placement, the Company issued to investors (i) the Series G Long-Term Warrants to purchase 49,288 shares of Common Stock, with an initial exercise price of $181.60 per share (subject to adjustment, the "Series G Exercise Price"), for a period of five years from the date of issuance and (ii) the Series G Short-Term Warrants to purchase 49,288 shares of Common Stock, with an initial exercise price of $181.60 per share (subject to adjustment), for a period of eighteen months from the date of issuance. On April 17, 2025, in connection with the issuance of stock options to certain officers of the Company and pursuant to the full ratchet anti-dilution provisions contained in the Series G Warrants, the Series G Exercise Price was equal to $18.32 per share and the number of shares of Common Stock issuable upon exercise of the Series G Warrants was adjusted proportionally. In August 2025, in connection with the 2025 Reverse Stock Split and pursuant to the stock combination event adjustment provisions contained in the Series G Warrants, the Series G Exercise Price was reduced to $3.3713 per share and the number of shares of Common Stock issuable upon exercise of the Series G Warrants was adjusted proportionally.

The exercise price of the Series G Warrants and the number of shares issuable upon exercise of the Series G Warrants are subject to customary adjustments for stock dividends, stock splits, reclassifications and the like, and subject to price-based adjustment, on a "full ratchet" basis, in the event of any issuances of Common Stock, or securities convertible, exercisable or exchangeable for Common Stock, at a price below the then-applicable exercise price (subject to certain exceptions). Upon any such price-based adjustment to the exercise price, the number of shares issuable upon exercise of the Series G Warrants will be increased proportionately.

Placement Agent Warrants

In connection with the Private Placements, pursuant to (A) an engagement letter (the "GPN Agreement") with GP Nurmenkari Inc. ("GPN") and (B) an engagement letter (the "Palladium Agreement," and collectively with the GPN Agreement, the "Engagement Letters") with Palladium Capital Group, LLC ("Palladium," and collectively with GPN, the "Placement Agents"), the Company engaged the Placement Agents to act as non-exclusive placement agents in connection with each Private Placement, pursuant to which, the Company agreed to (i) pay the Placement Agents a cash fee equal to 3% of the gross proceeds of each Private Placement (including any cash proceeds realized by the Company from the exercise of the Series F Warrants), (ii) reimbursement and payment of certain expenses, and (iii) issue to the Placement Agents on the Closing Date, warrants to purchase up to an aggregate of 693,833 of shares of Common Stock to each Placement Agent, which is equal to 3% of the aggregate number of shares of Common Stock underlying the securities issued in each Private Placement, including upon exercise of any Series F Warrants, with terms identical to the Series G Long-Term Warrants and Series F-1 Long-Term Warrants.

Series H Preferred Stock

On September 2, 2025, we entered into the Securities Purchase Agreement (the "Series H Purchase Agreement") with certain accredited investors (the "Series H Investors"), pursuant to which we issued and sold on September 4, 2025 (the "Series H Closing Date") in a private placement (i) an aggregate of 7,000 shares of Series H Preferred Stock, initially convertible into up to 1,400,000 shares of the Company's Common Stock (the "Series H Conversion Shares") at an initial conversion price of $5.00 per share (the "Series H Conversion Price") and (ii) warrants to acquire up to an aggregate of 1,400,000 shares of Common Stock at an initial exercise price of $5.00 per share (the "Series H Investor Warrants") (collectively, the "Series H Private Placement").

The terms of the shares of Series H Preferred Stock are as set forth in the Certificate of Designations of the Series H Convertible Preferred Stock (the "Series H Certificate of Designations"), which was filed and became effective with the Secretary of State of the State of Delaware on September 3, 2025. The Series H Investor Warrants became exercisable upon receipt of the Series H Stockholder Approval (as defined herein) and expire five years from the date of the Series H Stockholder Approval.

In connection with the Series H Private Placement, pursuant to an engagement agreement (the "GPN Engagement Agreement"), dated August 28, 2025, between the Company and GP Nurmenkari Inc. ("GPN"), the Company engaged GPN to act as a non-exclusive placement agent in connection with the Series H Private Placement. Pursuant to the GPN Engagement Agreement, the Company agreed to (i) pay GPN a cash fee equal to 4% of the gross proceeds of the Series H Private Placement (including any cash proceeds realized by the Company from the exercise of outstanding warrants of the Company), (ii) reimbursement and payment of certain expenses, and (iii) issue to GPN on the Series H Closing Date, warrants to purchase up to an aggregate number of shares of Common Stock equal to 4% of the aggregate number of shares of Common Stock underlying the securities issued in the Series H Private Placement, with terms identical to the Series H Investor Warrants.

Additionally, pursuant to an engagement agreement (the "Rodman Engagement Agreement" and, collectively with the GPN Engagement Agreement, the "Engagement Agreements"), dated August 27, 2025, between the Company and Rodman & Renshaw LLC ("Rodman"), the Company engaged Rodman and H.C. Wainwright & Co., LLC ("Wainwright" and, together with Rodman and GPN, the "Placement Agents") to act as non-exclusive placement agents in connection with the Series H Private Placement. Pursuant to the Rodman Engagement Agreement, the Company agreed to (i) pay Rodman and Wainwright an aggregate cash fee equal to 5% of the gross proceeds of the Series H Private Placement (including any cash proceeds realized by the Company from the exercise of outstanding warrants of the Company) (provided, however, that such cash fee shall be reduced to 2.5% with respect to any gross proceeds raised from the enumerated list of existing investors of the Company (the "Existing Series H Investors")), (ii) reimburse and pay certain expenses, and (iii) issue to Rodman and Wainwright on the Series H Closing Date, warrants to purchase up to an aggregate number of shares of Common Stock equal to 5% (or 2.5% in case of securities issued to Existing Series H Investors) of the aggregate number of shares of Common Stock underlying the securities issued in the Series H Private Placement, with terms identical to the Series H Investor Warrants.

The Series H Private Placement was exempt from the registration requirements of the Securities Act pursuant to the exemption for transactions by an issuer not involving any public offering under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D of the Securities Act and in reliance on similar exemptions under applicable state laws. Each of the Series H Investors in the Series H Private Placement has represented to us that it is an accredited investor within the meaning of Rule 501(a) of Regulation D and that it is acquiring the securities for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof. The shares of Series H Preferred Stock and Series H Investor Warrants were offered without any general solicitation by us or our representatives.

Shares of Series H Preferred Stock

All shares of capital stock of the Company rank junior to the shares of Series H Preferred Stock, with respect to the preferences as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company. Further to the foregoing, shares of Series H Preferred Stock rank junior to shares of (i) Series F Convertible Preferred Stock, par value $0.001 per share, of the Company issued and outstanding pursuant to the Series F Certificate of Designations, (ii) Series F-1 Convertible Preferred Stock, par value $0.001 per share, of the Company issued and outstanding pursuant to the Series F-1 Certificate of Designations, and (iii) Series G Convertible Preferred Stock, par value $0.001 per share, of the Company issued and outstanding pursuant to the Series G Certificate of Designations, in each case, with respect to the preferences as to dividends, distributions and payments upon the liquidation, dissolution and winding up of the Company.

Following the receipt of the Series H Stockholder Approval (as defined herein), the shares of Series H Preferred Stock became convertible into Common Stock at the election of the holder at any time at the initial Series H Conversion Price of $5.00. The Series H Conversion Price is subject to customary adjustments for stock dividends, stock splits, reclassifications, stock combinations and the like. The Series H Conversion Price may also be voluntarily reduced by the Company to any amount and for any period of time deemed appropriate by the Board at any time with the prior written consent of the holders of at least a majority of the outstanding shares of Series H Preferred Stock, subject to the rules and regulations of Nasdaq.

The holders of the shares of Series H Preferred Stock are entitled to dividends of 7% per annum, compounded each calendar quarter, which are payable in arrears (i) on the first trading day of each quarter, commencing on October 1, 2025 and (ii) upon any redemption or any required payment upon any Triggering Event (as defined in the Series H Certificate of Designations). The holders of the shares of Series H Preferred Stock are also entitled to receive a dividend make-whole payment.

Upon the occurrence and during the continuance of a Triggering Event, the shares of Series H Preferred Stock accrue dividends at the rate of 15% per annum. The holders of the shares of Series H Preferred Stock are entitled to vote with holders of the Common Stock on an as-converted basis, with the number of votes to which each holder of shares of Series H Preferred Stock is entitled to be calculated assuming a conversion price of $4.83 per share, which was the Minimum Price (as defined in Rule 5635 of the Rules of the Nasdaq Stock Market) applicable immediately before the execution and delivery of the Series H Purchase Agreement, subject to certain beneficial ownership limitations as set forth in the Series H Certificate of Designations.

The Series H Certificate of Designations includes certain Triggering Events (as defined in the Series H Certificate of Designations), including, among other things, the suspension from trading or the failure of our Common Stock to be trading or listed (as applicable) on an eligible market for a period of five (5) consecutive trading days and our failure to pay any amounts due to the holders of the shares of Series H Preferred Stock when due. Upon the occurrence of a Triggering Event, each holder of shares of Series H Preferred Stock will be able to require us to redeem in cash any or all of the holder's shares of Series H Preferred Stock at a premium set forth in the Series H Certificate of Designations. Further, upon a Triggering Event, a holder of shares of Series H Preferred Stock, at such holder's option, by delivery of a notice of conversion ("Triggering Event Conversion Notice") to the Company, may convert all, or any number of shares of Series H Preferred Stock held by such holder into shares of Common Stock at a price equal to the lowest of (A) the applicable Series H Conversion Price as in effect on the applicable date of conversion, and (B) $0.616, which was 20% of the "Minimum Price" (as defined in Nasdaq Stock Market Rule 5635) on the date on which the Series H Stockholder Approval (as defined herein) was obtained or, in any case, such lower amount as permitted, from time to time, by the Nasdaq Capital Market, and, in each case, subject to adjustment for stock splits, stock dividends, stock combinations, recapitalizations or other similar events, which are subject to certain adjustments as set forth in the Series H Certificate of Designations (the "Floor Price"), and (ii) 80% of the lowest volume weighted average price of the Common Stock of any trading day during the twenty (20) consecutive trading day period ending and including the trading day immediately preceding the delivery or deemed delivery of the applicable Triggering Event Conversion Notice.

Notwithstanding the foregoing, our ability to issue any shares of Common Stock upon conversion of any shares of Series H Preferred Stock or otherwise pursuant to the terms of the Series H Certificate of Designations is subject to certain limitations set forth in the Series H Certificate of Designations, including a limit on the number of shares that may be issued until the time, if any, that our stockholders have approved the issuance of the Series H Conversion Shares and shares issuable upon exercise of the Series H Investor Warrants (the "Series H Stockholder Approval"). The Series H Stockholder Approval was obtained on November 14, 2025 at a special meeting of stockholders of the Company. Further, the Series H Certificate of Designations contains a certain beneficial ownership limitation which applies to each holder of the shares of Series H Preferred Stock, other than PharmaCyte Biotech, Inc. ("PharmaCyte"), after giving effect to the issuance of shares of Common Stock issuable upon conversion of the shares of Series H Preferred Stock.

Warrants

The Series H Investor Warrants were exercisable upon receipt of Series H Stockholder Approval, at an exercise price of $5.00 per share, and expire five years from the date of the Series H Stockholder Approval. The exercise price of each Series H Investor Warrant is subject to customary adjustments for stock dividends, stock splits, reclassifications, stock combinations and the like. Upon any such price-based adjustment to the exercise price, the number of shares of Common Stock issuable upon exercise of the Series H Investor Warrants will be increased proportionately. The exercise price may also be voluntarily reduced by the Company to any amount and for any period of time with the prior written consent of the holders of at least a majority of the outstanding Series H Investor Warrants, subject to the rules and regulations of Nasdaq. The Series H Investor Warrants may be exercised for cash, provided that, if there is no effective registration statement available registering the exercise of the Series H Investor Warrants, the Series H Investor Warrants may be exercised on a cashless basis.

MIPA

On September 2, 2025, the Company entered into a Membership Interest Purchase Agreement (the "MIPA"), by and among the Company, LPU and the members of LPU identified on the signature pages attached thereto (the "Sellers"), pursuant to which the Company agreed to acquire 100% of the membership interests (the "Membership Interests") of LPU from the Sellers (the "Acquisition").

As consideration for the Membership Interests, the Company delivered to the Sellers that number of shares of Series I Preferred Stock that is convertible into a number of shares of Common Stock equal to 747,362, subject to certain conversion limitations as described in the Certificate of Designations for the Series I Convertible Preferred Stock. As of September 30, 2026, no shares of Series I Preferred Stock are issued and outstanding.

Following the closing of the Acquisition, the Sellers are entitled to additional contingent consideration (the "Contingent Consideration") upon the achievement of various specified milestones, including completion of an offering of the Company's Common Stock or Common Stock equivalents (an "Equity Offering"), which Contingent Consideration includes certain specified cash payments, cash payments calculated based on any Equity Offering proceeds, shares of Common Stock that would result in the Sellers collectively beneficially owning a specified percentage of the Company, and warrants to purchase Common Stock (collectively, the "Milestone Securities").

Notwithstanding the foregoing, the Company's ability to issue the Milestone Securities or the Common Stock underlying the Milestone Securities is subject to certain limitations, including a limit on the number of shares that may be issued until the time, if any, that the Company's stockholders have approved the issuance in accordance with Nasdaq listing standards (the "MIPA Stockholder Approval"). The MIPA Stockholder Approval was obtained on November 14, 2025, at a special meeting of stockholders of the Company.

In connection with the transaction contemplated by the MIPA, the Company engaged Palladium to act as a non-exclusive financial advisor pursuant to the Advisory Agreement. Pursuant to the Advisory Agreement, the Company agreed to (i) pay Palladium a monthly retainer of $15,000 and (ii) issue to Palladium 15,433 shares of Common Stock of the Company, which shares were issued following the date of the receipt of the MIPA Stockholder Approval.

License Agreement

In connection to the transactions contemplated by the MIPA, prior to entering into the MIPA, on September 2, 2025, LPU and LightSolver Ltd., an Israeli company ("LightSolver" or "Licensor") entered into a license agreement (as may be subsequently amended, supplemented, amended and restated or otherwise modified, the "License Agreement"). Pursuant to the License Agreement, LightSolver granted LPU, among other things, an exclusive license to use and commercialize its proprietary laser processing hardware units (the "Machines") specifically configured for cryptocurrency mining applications and its proprietary intangible technology necessary or useful to utilize the Machines (the "Technology") solely for cryptocurrency mining applications.

In addition, pursuant to the License Agreement, LightSolver agreed to perform certain development work to develop, customize, configure, and enhance its proprietary Machines and Technology for cryptocurrency mining applications, for which LPU will pay LightSolver, upon the achievement of certain associated developmental milestones by LightSolver, (the "Milestone Events"), a total of up to $8,500,000 in non-recurring engineering fees. In addition to such non-recurring engineering fees, no later than one (1) business day after the effective date of the License Agreement, LPU agreed to make a one-time cash payment to LightSolver equal to the greater of (i) 25% of the aggregate proceeds received by the Company from the Private Placement and (ii) $1,500,000. Furthermore, promptly upon the occurrence of any of the Milestone Events, LPU agreed to deliver, or cause to be delivered, to LightSolver the consideration described above.

On June 26, 2026, the Company provided notice of its intention to terminate the License Agreement, effective as of June 26, 2026. In connection with such termination, LPU was automatically and immediately relieved from its obligation to make any additional Milestone Event payments or other payments described above, and LightSolver has no right to receive any further contingent consideration under the License Agreement or the MIPA.

Critical Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results inevitably will differ from those estimates, and such differences may be material to the financial statements. The most significant accounting estimates inherent in the preparation of our financial statements include estimates associated with the determinations of the fair-market value of the preferred stock, stock-based compensation, and the impairment analysis of intangibles.

Our financial position, results of operations and cash flows are impacted by the accounting policies we have adopted. In order to get a full understanding of our financial statements, one must have a clear understanding of the accounting policies employed. A summary of our critical accounting policies is presented within the notes to our consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Our management's discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of our financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, costs and expenses, and the disclosure of contingent assets and liabilities in our financial statements. These items are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on historical experience, known trends and events, and on various other factors that we believe are 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. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may materially differ from these estimates under different assumptions or conditions.

Our critical accounting estimates have not changed materially from those previously reported in our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the SEC on April 15, 2026.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Our principal executive officer and principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act") Rule 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q, have concluded that, based on such evaluation, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our principal executive officer and principal financial officer as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our last fiscal quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time we are a party to litigation and subject to claims incident to the ordinary course of business. Future litigation may be necessary to defend ourselves and our customers by determining the scope, enforceability, and validity of third-party proprietary rights or to establish our proprietary rights. For a description of certain legal proceedings, please read Note 9 to the interim condensed consolidated financial statements, which information is incorporated herein by reference.

Item 1A. Risk Factors

Except as set forth below, there have been no material changes to the risk factors previously disclosed in "Item 1A. Risk Factors" of our annual report on Form 10-K for the fiscal year ended December 31, 2025, as filed with the SEC on April 15, 2026. Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including but not limited to those described in our annual report and below, any one or more of which could, directly or indirectly, cause our actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, operating results, and stock price.

If we fail to maintain compliance with Nasdaq's minimum bid price requirement or other continued listing requirements, our Common Stock could be delisted, which could trigger redemption and other rights under our outstanding preferred stock and adversely affect the liquidity and price of our Common Stock.

Our Common Stock is listed on The Nasdaq Capital Market. To maintain our listing, we must satisfy Nasdaq's continued listing requirements, including, among other things, a minimum closing bid price of $1.00 per share under Nasdaq Listing Rule 5550(a)(2) and minimum stockholders' equity of $2.5 million. On September 30, 2026, the closing price of our Common Stock was $0.85 per share. If the closing bid price of our Common Stock remains below $1.00 per share for 30 consecutive business days, we expect to receive a deficiency notice from Nasdaq. On November 6, 2026, we received a written notice from the Listing Qualifications Department of Nasdaq indicating that we were not in compliance with the minimum bid price requirement, and we have been provided a compliance period until May 5, 2027 to regain compliance. We previously received a deficiency notice relating to the minimum bid price requirement in March 2025 and regained compliance in September 2025 following the 2025 Reverse Stock Split. To regain or maintain compliance, we may be required to effect an additional reverse stock split, which would require stockholder approval and may not result in a sustained increase in the price of our Common Stock. In addition, Nasdaq's rules limit the availability of compliance periods for companies that have effected reverse stock splits within specified look-back periods, and, as a result, we may not be afforded a compliance period, or may have a shorter period, to regain compliance with the minimum bid price requirement. There can be no assurance that we will be able to regain or maintain compliance with Nasdaq's continued listing requirements.

In addition, under the certificates of designations governing our Series G Preferred Stock and Series H Preferred Stock, the suspension from trading or the failure of our Common Stock to be trading or listed on an eligible market for a period of five consecutive trading days would permit the holders to require us to redeem their shares for cash and, in the case of the Series H Preferred Stock, constitutes a triggering event upon which the holders may require us to redeem their shares in cash at a premium or convert their shares into Common Stock at a price as low as the applicable floor price, which would result in substantial dilution to our stockholders. Any such redemption could require us to use a significant portion of our cash and marketable securities. A delisting of our Common Stock could also materially reduce the liquidity of our Common Stock, result in a reduction in the price of our Common Stock, subject our Common Stock to the SEC's "penny stock" rules, harm our ability to raise capital and cause a loss of confidence by investors, employees and business partners.

We recently terminated our license agreement with LightSolver and shifted our strategic focus to our OPU Initiative, which is at an early stage of development and may not be successful.

On June 26, 2026, we terminated the License Agreement with LightSolver and recorded an impairment charge of $3,177,999 with respect to the related license, and we have determined to fully focus our efforts on our OPU Initiative, which is focused on developing a proprietary silicon photonic computing architecture for artificial intelligence inference. As a result, the risk factors in our annual report on Form 10-K for the fiscal year ended December 31, 2025 relating to our dependence on LightSolver, our laser processing units and the qc-LPU100 no longer describe our current business. The OPU Initiative is at an early stage of development, and we have not yet developed a commercial product. Developing optical computing technologies involves significant technical challenges, including with respect to analog precision, nonlinear computation and memory integration, and will require substantial time, capital and specialized engineering personnel, including our recently appointed Chief Technology Officer. We may not be able to develop prototypes or products that achieve their intended performance, obtain adequate intellectual property protection, or compete successfully with companies that have substantially greater resources. If we are unable to successfully develop and commercialize products under the OPU Initiative, our business, financial condition and results of operations would be materially and adversely affected.

A significant portion of our total assets consists of goodwill, which may become impaired.

As of September 30, 2026, goodwill of $10,498,539 represented approximately 49% of our total assets. We evaluate goodwill for impairment annually and whenever events or changes in circumstances indicate that the fair value of a reporting unit may be less than its carrying amount. As of September 30, 2026, our market capitalization, based on the closing price of our Common Stock of $0.85 per share, was approximately $7.2 million, which was substantially below the carrying amount of our stockholders' equity of $16,174,679. A sustained decline in our stock price or market capitalization, changes in our strategy or other adverse developments could result in an impairment of all or a portion of our goodwill, which would result in a significant non-cash charge to earnings and a reduction in our stockholders' equity, which could in turn adversely affect our ability to satisfy Nasdaq's stockholders' equity requirement.

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

There were no unregistered sales of the Company's equity securities during the three months ended September 30, 2026, other than those previously reported in a Current Report on Form 8-K.

Item 3. Defaults Upon Senior Securities

There has been no default in the payment of principal, interest, sinking or purchase fund installment, or any other material default, with respect to any indebtedness of the Company.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information.

None of the Company's officers or directors adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended September 30, 2026, as such terms are defined under Item 408(a) of Regulation S-K.

Consent and Warrant Exchange Agreement

On November 15, 2026, the Company entered into a Consent and Warrant Exchange Agreement (the "Consent Agreement") with PharmaCyte Biotech, Inc. ("PharmaCyte"). Under the Consent Agreement, PharmaCyte agreed to exchange 851,304 Series G Long-Term Warrants (the "Exchange Warrants") for an aggregate of 4,982,272 shares of the Company's Common Stock (the "Exchange Shares"). The number of Exchange Shares was determined based on the Black Scholes value of the Exchange Warrants divided by $0.3101 per share, the closing price of the Company's common stock on the last trading day prior to execution of the Consent Agreement. PharmaCyte paid no additional consideration in the exchange.

The closing occurs upon actual delivery of the Exchange Shares to PharmaCyte, and the Exchange Warrants are cancelled at that time. The exchange is expected to close on or about November 16, 2026. PharmaCyte's remaining Series G Long-Term Warrants remain outstanding in accordance with their terms.

In addition, PharmaCyte holds more than a majority of the outstanding shares of the Company's Series H Convertible Preferred Stock (the "Series H Preferred Stock") and therefore constitutes the "Required Holders" under the Certificate of Designations of the Series H Preferred Stock (the "Series H Certificate of Designations"). In that capacity, PharmaCyte consented under the Consent Agreement to an amendment to the Series H Certificate of Designations that extends the maturity date of the Series H Preferred Stock from March 2, 2027 to September 2, 2027 (the "Series H Amendment"). The Series H Amendment was approved by the special committee of the Board of Directors described below. The Company agreed to file the Series H Amendment with the Secretary of State of the State of Delaware within four business days after the date of the Consent Agreement. Neither the closing of the exchange nor the exchange itself was conditioned on the Series H Amendment, and PharmaCyte paid no additional consideration for the Series H Amendment.

The Consent Agreement also grants PharmaCyte demand registration rights. At any time beginning 90 days after the closing, PharmaCyte may demand that the Company register the resale of the Exchange Shares. Within 30 days after receiving the demand, the Company must file a resale registration statement, use commercially reasonable efforts to have it declared effective, and keep it effective until the Exchange Shares have been sold or may be sold under Rule 144 without restriction. The Company will bear the registration expenses. The Consent Agreement also includes customary indemnification provisions.

As a result of the issuance of the Exchange Shares, and pursuant to the anti-dilution provisions of the applicable certificates of designations and warrants, (i) the conversion price of the Company's Series G Convertible Preferred Stock and Series H Convertible Preferred Stock was adjusted to $0.3101 per share, and (ii) the exercise price of certain series of the Company's outstanding warrants was adjusted to $0.3101 per share and the number of shares of Common Stock issuable upon exercise of such warrants was adjusted proportionately. The Company has delivered notice of such adjustments to the affected holders.

PharmaCyte is a related party of the Company. Joshua Silverman, the interim Chief Executive Officer, President and a director of PharmaCyte, serves as the Company's Chief Executive Officer. PharmaCyte is also a holder of the Company's Series G Preferred Stock. The Consent Agreement was approved by a special committee of the Board of Directors consisting of independent and disinterested directors. Mr. Silverman did not participate in the special committee's deliberations or approval.

The Exchange Shares were issued in reliance on the exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act"). The exchange is between the Company and an existing security holder, and no commission or other remuneration was paid or given, directly or indirectly, for soliciting the exchange.

The foregoing description of the Consent Agreement is a summary and is qualified in its entirety by the full text of the Consent Agreement, which is filed as Exhibit 10.5 to this Quarterly Report on Form 10-Q and incorporated herein by reference.

Item 6. Exhibits.

Exhibit Number	Exhibit Description
10.1#	Employment Agreement, dated March 16, 2026, by and between the Company and Todd Fagan (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 12, 2026).
10.2#	First Amendment to Employment Agreement, dated August 11, 2026, by and between the Company and Todd Fagan (incorporated herein by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 12, 2026).
10.3#+	Employment Agreement, dated August 1, 2026, by and between the Company and Yossef Ehrlichman (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 18, 2026).
10.4#+	First Amendment to Employment Agreement, dated September 14, 2026, by and between the Company and Yossef Ehrlichman (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 18, 2026).
10.5+	Consent and Warrant Exchange Agreement, dated November 14, 2026, by and between Q/C Technologies, Inc. and PharmaCyte Biotech, Inc.
31.1+	Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).
31.2+	Certification of the Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).
32.1*	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Interactive Data Files of Financial Statements and Notes.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

+ Filed herewith
* Furnished herewith
# Indicates management contract or compensatory plan 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.

Q/C TECHNOLOGIES INC.

Date: November 16, 2026

By: */s/ Joshua Silverman*
Name: Joshua Silverman
Title: Chief Executive Officer
(Principal Executive Officer)

Date: November 16, 2026

By: */s/ Todd Fagan*
Name: Todd Fagan
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.5

CONSENT AND WARRANT EXCHANGE AGREEMENT

This **CONSENT AND WARRANT EXCHANGE AGREEMENT** (this "***Agreement***") is made effective as of November 15, 2026, by and between Q/C Technologies, Inc. (the "***Company***") and PharmaCyte Biotech, Inc. (the "***Holder***"), in its capacity as the holder of the Warrants (as defined below) and of the Holder Series H Shares (as defined below).

RECITALS

WHEREAS, on May 20, 2024, the Company entered into a Securities Purchase Agreement (the "***Series G Purchase Agreement***"), pursuant to which the Company sold long-term warrants (the "***Series G Long-Term Warrants***") to acquire up to 3,854,626 shares of the Company's common stock, par value $0.001 per share (the "***Common Stock***");

WHEREAS, the Holder acquired and is the record and beneficial owner of 2,076,351 Series G Long-Term Warrants (the "***Warrants***");

WHEREAS, the Company has outstanding shares of its Series H Convertible Preferred Stock, par value $0.001 per share (the "***Series H Preferred Stock***"), issued pursuant to the Certificate of Designations of Series H Convertible Preferred Stock filed with the Secretary of State of the State of Delaware, dated September 1, 2025, as amended by the Certificate of Amendment thereto dated October 3, 2025 (as amended, the "***Series H Certificate of Designations***"), which provides for a "Maturity Date" (as defined therein) of March 2, 2027, and which may be amended with the vote or written consent of the Required Holders (as defined in the Series H Certificate of Designations), voting separately as a single class;

WHEREAS, the Holder is the record and beneficial owner of 3,000,000 shares of Series H Preferred Stock (the "***Holder Series H Shares***"), which constitute more than a majority of the outstanding shares of Series H Preferred Stock and, accordingly, the Required Holders; and

WHEREAS, the Company and the Holder have agreed to enter into this Agreement pursuant to which, subject to satisfaction or waiver of the conditions to Closing (as defined below) and the other terms of this Agreement, (i) 851,304 Series G Long-Term Warrants (collectively, the "***Exchange Warrants***") and the rights and obligations of the Holder thereunder will be exchanged for 4,982,272 shares of Common Stock (the "***Shares***"), with all Warrants other than the Exchange Warrants remaining outstanding in accordance with their terms, and (ii) the Holder, as a holder of Series H Preferred Stock, will consent to the extension of the Maturity Date of the Series H Preferred Stock by six (6) months, as set forth in Section 1.03.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, intending to be legally bound, the parties hereto agree as follows:

AGREEMENT

ARTICLE I. EXCHANGE

1.01 The Exchange. At the Closing (as defined below), the Company and the Holder shall, pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended (the "***Securities Act***"), exchange the Exchange Warrants for the Shares (the "***Exchange***"), as described herein.

(a) Closing. Subject to the satisfaction (or waiver by the Holder in its sole discretion) of the conditions set forth in Section 1.02 and the other terms of this Agreement, the closing of the Exchange (the "***Closing***") shall occur remotely upon, and shall be deemed to occur simultaneously with, the actual delivery of all of the Shares to the Holder or its designee in accordance with Section 1.01(c) (the date of such delivery, the "***Closing Date***"). The Holder shall not be required to surrender or deliver the Exchange Warrants before the Shares have been actually delivered to the Holder or its designee as provided herein. The Company's delivery of the Shares and the Holder's surrender or deemed surrender of the Exchange Warrants are concurrent conditions to the effectiveness of the Exchange and cancellation of the Exchange Warrants, and no Exchange Warrant shall be deemed surrendered, cancelled or extinguished before such actual delivery. The Holder acknowledges that immediately following the Exchange, the Holder is deemed an "affiliate" of the Company, as such term is defined in Rule 144(a)(1) promulgated under the Securities Act.

(b) Consideration. At the Closing, the Shares shall be issued to Holder solely in exchange for the Exchange Warrants, without payment of any additional consideration by such Holder that would not be consistent with the application of Section 3(a)(9) of the Securities Act. Notwithstanding anything to the contrary, the Company's obligations under the Exchange Warrants shall not be terminated, cancelled or waived, and no Exchange Warrant shall be deemed surrendered or extinguished, until Holder has actually received all Shares required under this Agreement. Upon such actual receipt, the Exchange Warrants shall be deemed surrendered and cancelled, and Holder shall deliver or cause to be delivered the original Exchange Warrants in accordance with Section 1.01(c); this Section 1.01(b) shall constitute an instrument of termination and cancellation effective upon such actual receipt, without affecting any claim or remedy arising before or from the Company's failure to perform this Agreement.

(c) Delivery. The Company shall deliver or cause its transfer agent (the "***Transfer Agent***") to deliver the Shares to Holder or its designee in certificated or other book-entry form no later than two (2) business days after the date on which the conditions set forth in Section 1.02 have been satisfied (or waived by the Holder), and such delivery shall constitute the Closing. Prior to such delivery, the Company shall deliver an irrevocable instruction letter to the Transfer Agent, acknowledged by the Transfer Agent, directing the issuance, delivery, and holding-period tacking contemplated by this Agreement, and the Company shall bear all reasonable transfer-agent, legal-opinion, and other costs of issuance and delivery. The Holder shall deliver or cause to be delivered to the Company (or its designee), within five (5) trading days after Holder's actual receipt of all Shares, the original Exchange Warrants.

(d) Tacking. The holding period of the Shares for purposes of Rule 144 and Section 4(a)(1) of the Securities Act tacks on to the holding period of the Exchange Warrants.

(e) Other Documents. The Company and the Holder shall execute and/or deliver such other documents and agreements as are reasonably necessary to effectuate the Exchange pursuant to the terms of this Agreement.

1.02 Conditions to Holder's Closing Obligation. The Holder's obligation to consummate the Exchange, including its obligation to surrender the Exchange Warrants, is subject to the satisfaction (or waiver by the Holder in its sole discretion) on or before the Closing of each of the following conditions:

(a) The Company shall have executed and delivered this Agreement and all other documents required hereunder, including the irrevocable instruction letter to the Transfer Agent specified in Section 1.01(c).

(b) The representations and warranties of the Company shall be true and correct in all material respects as of the Closing, and the Company shall have performed in all material respects all covenants and obligations required to be performed at or before the Closing.

(c) The Shares shall have been approved for listing on The Nasdaq Stock Market LLC ("***Nasdaq***") (or the principal Nasdaq market on which the Common Stock is then listed), subject only to official notice of issuance, and trading of the Common Stock shall not have been suspended or threatened in writing with suspension by Nasdaq or the Securities and Exchange Commission (the "***SEC***").

(d) No law, order or injunction shall prohibit the Exchange, and no event shall have occurred since the date hereof that has materially impaired, or would reasonably be expected to materially impair, the Company's ability to issue, deliver, list or permit the transfer of the Shares or perform its obligations under this Agreement.

1.03 Maturity Date Extension. The Holder, in its capacity as the holder of the Holder Series H Shares and for purposes of Section 32(b) of the Series H Certificate of Designations and Section 228 of the Delaware General Corporation Law (the "***DGCL***"), hereby irrevocably consents to, approves and adopts amending and restating Section 33(jj) of the Series H Certificate of Designations to read:

> "Maturity Date" shall mean September 2, 2027; provided, however, the Maturity Date may be extended upon the mutual consent of a Holder and the Company with respect to such Holder; and provided further, however, the Maturity Date may be extended at the option of a Holder with respect to such Holder (i) in the event that, and for so long as, a Triggering Event shall have occurred and be continuing or any event shall have occurred and be continuing that with the passage of time and the failure to cure would result in a Triggering Event or (ii) through the date that is twenty (20) Business Days after the consummation of a Fundamental Transaction in the event that a Fundamental Transaction is publicly announced or a Change of Control Notice is delivered prior to the Maturity Date, provided further that if a Holder elects to convert some or all of its Preferred Shares pursuant to Section 4 hereof, and the Conversion Amount would be limited pursuant to Section 4(d) hereunder, the Maturity Date shall automatically be extended until such time as such provision shall not limit the conversion of such Preferred Shares.

Such consent shall constitute the written consent without a meeting of the Required Holders, voting separately as a single class (the "***Required Holder Consent***").

1.04 Demand Registration Rights. The Company shall, upon Holder's written demand made at any time after ninety (90) days following the Closing (the "***Demand***"), promptly, and in any event within thirty (30) days after receipt of the Demand, file with the SEC a registration statement covering the resale by Holder of all Shares then held by Holder (the "***Registration Statement***"), and shall use commercially reasonable efforts to cause the Registration Statement to become effective as soon as practicable after such filing and to remain effective and available for use continuously until the earlier of (A) the date on which all Shares covered by the Registration Statement have been sold or (B) the date on which all such Shares may be sold by Holder pursuant to Rule 144 under the Securities Act (or any successor rule thereto), without any requirement that the Company comply with Rule 144(c) (or any successor provision) and without any volume, manner-of-sale, or current public information limitations; provided that the Company shall promptly prepare and file with the SEC such amendments and supplements to the Registration Statement and the related prospectus as may be necessary to keep the Registration Statement effective and available for use throughout and to comply with applicable securities laws. The Company shall promptly notify Holder in writing (i) when the Registration Statement is filed and when it is declared effective, (ii) of any request by the SEC for an amendment or supplement to the Registration Statement or related prospectus or for additional information, (iii) of the issuance by the SEC of any stop order or the initiation of any proceeding for that purpose, (iv) of any event that causes the Registration Statement or related prospectus to contain an untrue statement of a material fact or omit a material fact necessary to make the statements therein not misleading, and (v) of any suspension of the use of the Registration Statement permitted below and the date on which such suspension ends, and shall promptly furnish Holder with copies of all such amendments, supplements, and notices. The Company may suspend the use of the Registration Statement only (A) if the Company's board of directors determines in good faith that continued use would require disclosure of material non-public information that would be materially prejudicial to the Company or its stockholders or would materially interfere with a bona fide material financing, acquisition, or similar corporate transaction, or (B) to the extent required by applicable securities laws or an SEC stop order; provided that any suspension under clause (A) shall be for the shortest period reasonably necessary and shall not exceed thirty (30) consecutive days or, in the aggregate, sixty (60) days in any twelve-month period, and no more than two (2) suspensions under clause (A) may occur in any twelve-month period. During any permitted suspension, the Company shall use commercially reasonable efforts to terminate the suspension as soon as practicable, and Holder may continue to sell Shares pursuant to Rule 144 or another available exemption. Upon receipt of a notice of a permitted suspension, Holder shall discontinue use of the Registration Statement until receipt of written notice from the Company that use may resume, and the Company shall promptly notify Holder when the Registration Statement is again available for use. The Company shall bear all reasonable out-of-pocket expenses incident to the registration contemplated hereby, including SEC and FINRA filing fees, Nasdaq listing fees, printing and distribution expenses, fees and disbursements of the Company's counsel and independent public accountants, and the reasonable fees and disbursements of one counsel selected by Holder. The Company shall indemnify, defend, and hold harmless Holder, its directors, officers, partners, members, employees, agents, and representatives, and each person, if any, who controls Holder within the meaning of the Securities Act, from and against any loss, claim, damage, liability, cost, or expense (including reasonable attorneys' fees and disbursements) arising out of or based upon (A) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any related prospectus, or any amendment or supplement thereto, or (B) any omission or alleged omission to state therein a material fact required to be stated or necessary to make the statements therein not misleading, except, in each case, to the extent that such loss, claim, damage, liability, cost, or expense results from information furnished in writing by Holder expressly for use therein; provided that the Company shall not be liable to the extent that any such loss, claim, damage, liability, cost, or expense results from Holder's failure to deliver a current prospectus after the Company has furnished Holder with a corrected or supplemented prospectus. Holder shall indemnify, defend, and hold harmless the Company, its directors, officers, agents, and representatives, and each person, if any, who controls the Company within the meaning of the Securities Act, from and against any loss, claim, damage, liability, cost, or expense arising out of or based upon any untrue statement or omission in the Registration Statement or related prospectus to the extent, but only to the extent, that such statement or omission was made in reliance upon and in conformity with information furnished in writing by Holder expressly for use therein; provided that Holder's liability under this sentence shall not exceed the net proceeds received by Holder from sales pursuant to the Registration Statement. The rights and obligations set forth in this subsection shall survive the Closing and the surrender or cancellation of the Exchange Warrants.

ARTICLE II. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Holder as of the date hereof as follows:

2.01 Organization, Good Standing and Power. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power to own, lease and operate its properties and assets and to conduct its business as it is now being conducted.

2.02 Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and perform this Agreement and to issue the Shares in accordance with the terms hereof. The execution, delivery and performance of this Agreement by the Company and the consummation by it of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action of the Company, and no further consent or authorization of the Company or its board of directors or stockholders is required, other than, with respect to the Series H Amendment, the Series H Resolutions and the Required Holder Consent described in Section 1.03 and Section 2.06. When executed and delivered by the Company, this Agreement shall constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, moratorium, liquidation, conservatorship, receivership or similar laws relating to, or affecting generally the enforcement of, creditor's rights and remedies or by other equitable principles of general application.

2.03 Issuance of Shares. When the Shares are issued and delivered in accordance with the terms of this Agreement, the Shares shall be duly authorized, validly issued, fully paid and non-assessable, free and clear of all liens, claims, security interests and other encumbrances, and free of any pre-emptive, participation, rights of first refusal or similar rights. The Company shall have reserved sufficient authorized and unissued Common Stock for the issuance and delivery of the Shares.

2.04 No Conflicts. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby do not and will not: (i) conflict with or violate any provision of the Company's certificate or articles of incorporation, bylaws or other organizational or charter documents; or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any liens, claims, security interests, other encumbrances or defects upon any of the properties or assets of the Company in connection with, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any material agreement, credit facility, debt or other material instrument (evidencing Company debt or otherwise) or other material understanding to which such Company is a party or by which any property or asset of the Company is bound or affected; or (iii) conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company is bound or affected, except, in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a material adverse effect upon the business, prospects, properties, operations, condition (financial or otherwise) or results of operations of the Company, taken as a whole, or in its ability to perform its obligations under this Agreement.

2.05 Nasdaq Listing. The Company represents, warrants and covenants that it has taken, and will continue to take, all actions and make all filings necessary to cause the Shares to be approved for listing on Nasdaq, subject to official notice of issuance, to remain listed following the Closing. The Company shall promptly notify Holder of any notice of suspension, delisting or threatened suspension or delisting of the Common Stock or any refusal by Nasdaq to approve listing of the Shares.

2.06 Series H Amendment. The special committee of the Company's board of directors, composed solely of directors who are disinterested with respect to the transactions contemplated hereby (the "***Special Committee***"), has duly adopted resolutions (the "***Series H Resolutions***") approving and declaring advisable a certificate of amendment to the Series H Certificate of Designations amending and restating Section 33(jj) thereof as set forth in Section 1.03 (the "***Series H Amendment***"), and such resolutions are in full force and effect and have not been rescinded or modified. Upon the Required Holder Consent, the Series H Amendment has been duly approved in accordance with Section 242 of the DGCL, the Company's certificate of incorporation and Section 32(b) of the Series H Certificate of Designations, and no other vote or consent of the holders of any class or series of the Company's capital stock is required. The Company will file the Series H Amendment with the Secretary of State of the State of Delaware within four (4) business days after the date hereof and will provide prompt notice of such action to the holders of Series H Preferred Stock that did not consent in writing as required by Section 228(e) of the DGCL. Upon such filing, the Series H Amendment will be effective, and the Maturity Date of the Series H Preferred Stock will be September 2, 2027. The Closing and the Exchange are not conditioned on the Series H Amendment, and no additional consideration shall be paid by the Holder in respect of the Series H Amendment.

ARTICLE III. REPRESENTATIONS AND WARRANTIES OF THE HOLDER

The Holder represents and warrants to the Company as of the date hereof as follows:

3.01 Organization and Standing of the Holder. Holder is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

3.02 Authorization and Power. Holder has the requisite power and authority to enter into and perform this Agreement. The execution, delivery and performance of this Agreement by Holder and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate action, and no further consent or authorization of Holder or its board of directors or stockholders is required. When executed and delivered by Holder, this Agreement shall constitute the valid and binding obligations of Holder enforceable against Holder in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, receivership or similar laws relating to, or affecting generally the enforcement of, creditor's rights and remedies or by other equitable principles of general application.

3.03 Ownership of Holder Series H Shares. Holder is the record and beneficial owner of the Holder Series H Shares, which constitute a majority of the outstanding shares of Series H Preferred Stock, free and clear of any voting agreement, proxy or other restriction that would prevent Holder from delivering the consent set forth in Section 1.03.

ARTICLE IV. MISCELLANEOUS

4.01 Amendment. No provision of this Agreement may be waived or amended except in a written instrument signed by the Company and Holder.

4.02 Notices. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery by telecopy or facsimile at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur or (c) upon delivery by e-mail (if delivered on a business day during normal business hours where such notice is to be received) upon recipient's actual receipt and acknowledgement of such e-mail. The addresses for such communications shall be:

If to the Company:

Q/C Technologies, Inc.
333 Bush Street, Suite 1400
San Francisco, CA 94104
Attn: Joshua Silverman
Title: Chief Executive Officer

If to the Holder:

PharmaCyte Biotech, Inc.
3960 Howard Hughes Parkway, Suite 500
Las Vegas, NV, 89169
Attn: Carlos Trujillo
Title: Chief Financial Officer

Any party hereto may from time to time change its address for notices by giving written notice of such changed address to the other party hereto.

4.03 Waivers. No waiver by either party of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right accruing to it thereafter.

4.04 Survival. All representations, warranties, covenants and agreements of the Company under this Agreement shall survive the Closing and the surrender or cancellation of the Exchange Warrants and remain in effect until fully performed or satisfied.

4.05 Headings. The article, section and subsection headings in this Agreement are for convenience only and shall not constitute a part of this Agreement for any other purpose and shall not be deemed to limit or affect any of the provisions hereof.

4.06 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to any of the conflicts of law principles that would result in the application of the substantive law of another jurisdiction.

4.07 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and shall become effective when counterparts have been signed by each party and delivered to the other parties hereto, it being understood that all parties need not sign the same counterpart. Signature pages to this Agreement may be delivered by facsimile or other means of electronic transmission.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Consent and Warrant Exchange Agreement to be duly executed by their respective authorized officers as of the date first above written.

COMPANY:

Q/C TECHNOLOGIES, INC.

By: */s/ Todd Fagan*
Name: Todd Fagan
Title: Chief Financial Officer

[Signature page to Consent and Warrant Exchange Agreement]

HOLDER:

PHARMACYTE BIOTECH, INC.

By: */s/ Carlos Trujillo*
Name: Carlos Trujillo
Title: Chief Financial Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO SARBANES–OXLEY ACT OF 2002

I, Joshua Silverman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Q/C Technologies, Inc;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 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: November 16, 2026

By: */s/ Joshua Silverman*
Name: Joshua Silverman
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SARBANES–OXLEY ACT OF 2002

I, Todd Fagan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Q/C Technologies, Inc;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 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: November 16, 2026

By: */s/ Todd Fagan*
Name: Todd Fagan
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES–OXLEY ACT OF 2002

In connection with the Quarterly Report of Q/C Technologies, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, Joshua Silverman, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

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

Date: November 16, 2026

By: */s/ Joshua Silverman*
Name: Joshua Silverman
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES–OXLEY ACT OF 2002

In connection with the Quarterly Report of Q/C Technologies, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, Todd Fagan, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

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

Date: November 16, 2026

By: */s/ Todd Fagan*
Name: Todd Fagan
Title: Chief Financial Officer
(Principal Financial Officer)