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

☐ 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: 001-42545

APIMEDS PHARMACEUTICALS US, INC.
(Exact name of registrant as specified in its charter)

Delaware	85-1099700
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

100 Matawan Rd, Suite 325, Matawan, New Jersey 07747
(Address of principal executive offices, including zip code)

(848) 201-5010
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.001 per share	APUS	NYSE American

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 during the preceding 12 months. 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.

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 16, 2026, there were 1,847,626 shares of the registrant's common stock, par value $0.001 per share, issued and outstanding.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

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Apimeds Pharmaceuticals US, Inc.
Unaudited Condensed Consolidated Balance Sheets

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 17,912	$ 144,601
Restricted cash	8,000,000	8,000,000
Accounts receivable	2,480,000	—
Accounts receivable — related party	278,000	—
Other current assets	78,500	48,500
Current assets of discontinued operations	—	5,790,758
Total current assets	10,854,412	13,983,859
Digital assets, at fair value	142,423,473	149,885,371
Investment in equity securities, at fair value	252,230	—
Noncurrent assets of discontinued operations	—	314,506
Total assets	**$ 153,530,115**	**$ 164,183,736**
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,620,905	$ 670,765
Contract liability — related party	278,000	—
Accrued offering costs	500,000	500,000
Advance payable to related party	23,345	12,000
Derivative liability	972,899	1,616,913
Convertible notes, net	9,611,993	7,091,263
Current liabilities of discontinued operations	—	815,514
Total current liabilities	13,007,142	10,706,455
Noncurrent liabilities of discontinued operations	—	129,454
Total liabilities	13,007,142	10,835,909
Commitments and contingencies (Note 13)		
Shareholders' equity:		
Series A convertible preferred stock, par value $0.001, 10,000,000 shares authorized; 747,702 shares issued and outstanding as of September 30, 2026 and December 31, 2025	748	748
Common stock, par value $0.001, 100,000,000 shares authorized; 1,847,626 and 1,257,598 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	1,848	1,258
Common shares to be issued	3,636,262	—
Additional paid-in capital	168,863,992	163,738,882
Accumulated deficit	(31,979,877)	(10,393,061)
Total shareholders' equity	140,522,973	153,347,827
Total liabilities and shareholders' equity	**$ 153,530,115**	**$ 164,183,736**

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

Apimeds Pharmaceuticals US, Inc.
Unaudited Condensed Consolidated Statements of Operations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenue:				
Software development and deployment services	$ 2,480,000	$ —	$ 2,480,000	$ —
Digital asset yield income	418,899	—	701,630	—
Total revenue	2,898,899	—	3,181,630	—
Operating expenses:				
Cost of revenue	54,300	—	54,300	—
General and administrative expenses	814,477	—	12,039,229	—
Income (loss) from operations	2,030,122	—	(8,911,899)	—
Other income (expense):				
Unrealized gain (loss) from changes in fair value of digital assets	25,264,320	—	(9,993,209)	—
Realized gain on sale of digital assets	12,352	—	1,731,829	—
Trading gains, net	(5,000)	—	280,018	—
Foreign currency gains (losses), net	(2,709)	—	(3,818)	—
Change in fair value of equity securities	(710,705)	—	(710,705)	—
Change in fair value of warrant liability	—	12,859	—	22,377
Change in fair value of derivative liability	340,411	—	604,683	—
Interest income	—	56,426	14	71,676
Interest expense	(1,094,953)	(6,301)	(2,916,881)	(67,387)
Total other income (expense), net	23,803,716	62,984	(11,008,069)	26,666
Income (loss) from continuing operations	25,833,838	62,984	(19,919,968)	26,666
Income (loss) from discontinued operations, net of tax	7,812,328	(1,844,239)	(1,666,848)	(4,872,511)
Net income (loss)	**$ 33,646,166**	**$ (1,781,255)**	**$ (21,586,816)**	**$ (4,845,845)**
Net income (loss) per common share — basic:				
Continuing operations	$ 14.69	$ 0.05	$ (11.89)	$ 0.03
Discontinued operations	4.44	(1.47)	(1.00)	(4.73)
Net income (loss) per common share — basic	$ 19.13	$ (1.42)	$ (12.89)	$ (4.70)
Net income (loss) per common share — diluted:				
Continuing operations	$ 5.93	$ 0.05	$ (11.89)	$ 0.03
Discontinued operations	1.74	(1.47)	(1.00)	(4.73)
Net income (loss) per common share — diluted	$ 7.68	$ (1.42)	$ (12.89)	$ (4.70)
Weighted-average common shares outstanding — basic	1,758,423	1,257,598	1,675,146	1,030,891
Weighted-average common shares outstanding — diluted	4,481,941	1,257,598	1,675,146	1,030,891

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

Apimeds Pharmaceuticals US, Inc.
Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficit)

	Preferred Stock		Common Stock		Common Stock Issuable		Additional Paid-in	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance at December 31, 2025	**747,702**	**$ 748**	**1,257,598**	**$ 1,258**	**—**	**$ —**	**$ 163,738,882**	**$ (10,393,061)**	**$ 153,347,827**
Net loss	—	—	—	—	—	—	—	(35,059,852)	(35,059,852)
Stock-based compensation	—	—	—	—	—	—	114,166	—	114,166
Shares committed for issuance under advisory agreement	—	—	—	—	455,804	8,113,318	—	—	8,113,318
Balance at March 31, 2026	**747,702**	**748**	**1,257,598**	**1,258**	**455,804**	**8,113,318**	**163,853,048**	**(45,452,913)**	**126,515,459**
Issuance of common stock under advisory agreement	—	—	251,520	251	(251,520)	(4,477,056)	4,476,805	—	—
Stock-based compensation	—	—	—	—	—	—	105,210	—	105,210
Subscription receivable collected on subsidiary shares	—	—	—	—	—	—	1,002	—	1,002
Net loss	—	—	—	—	—	—	—	(20,173,130)	(20,173,130)
Balance at June 30, 2026	**747,702**	**748**	**1,509,118**	**1,509**	**204,284**	**3,636,262**	**168,436,065**	**(65,626,043)**	**106,448,541**
Stock-based compensation	—	—	—	—	—	—	7,624	—	7,624
Reversal of stock-based compensation on forfeited options	—	—	—	—	—	—	(8,675)	—	(8,675)
Common stock issued for fractional-share round-ups in reverse stock split	—	—	33,506	34	—	—	(34)	—	—
Conversion of convertible notes into common stock	—	—	305,002	305	—	—	429,012	—	429,317
Net income	—	—	—	—	—	—	—	33,646,166	33,646,166
Balance at September 30, 2026	**747,702**	**$ 748**	**1,847,626**	**$ 1,848**	**204,284**	**$ 3,636,262**	**$ 168,863,992**	**$ (31,979,877)**	**$ 140,522,973**
Balance at December 31, 2024	**—**	**$ —**	**790,385**	**$ 790**	**—**	**$ —**	**$ 3,033,013**	**$ (4,391,924)**	**$ (1,358,121)**
Net loss	—	—	—	—	—	—	—	(402,397)	(402,397)
Balance at March 31, 2025	**—**	**—**	**790,385**	**790**	**—**	**—**	**3,033,013**	**(4,794,321)**	**(1,760,518)**
Stock-based compensation	—	—	—	—	—	—	192,053	—	192,053
Common stock grants	—	—	100,000	100	—	—	1,699,900	—	1,700,000
Conversion of convertible debt	—	—	29,713	30	—	—	499,192	—	499,222
IPO representative warrants	—	—	—	—	—	—	139,388	—	139,388
IPO common stock issuance, net	—	—	337,500	338	—	—	11,629,389	—	11,629,727
Net loss	—	—	—	—	—	—	—	(2,662,193)	(2,662,193)
Balance at June 30, 2025	**—**	**—**	**1,257,598**	**1,258**	**—**	**—**	**17,192,935**	**(7,456,514)**	**9,737,679**
Stock-based compensation	—	—	—	—	—	—	42,674	—	42,674
Issuance of advisor warrants in connection with IPO	—	—	—	—	—	—	161,554	—	161,554
Net loss	—	—	—	—	—	—	—	(1,781,255)	(1,781,255)
Balance at September 30, 2025	**—**	**$ —**	**1,257,598**	**$ 1,258**	**—**	**$ —**	**$ 17,397,163**	**$ (9,237,769)**	**$ 8,160,652**

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

Apimeds Pharmaceuticals US, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows

	For the Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (21,586,816)	$ (4,845,845)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	218,325	234,727
Stock-based compensation — common stock grants	—	1,700,000
Advisory shares committed for issuance	8,113,318	—
Depreciation and amortization	40,324	1,721
Change in fair value of derivative liability	(604,683)	(22,377)
Non-cash interest	1,212,398	27,554
Accretion of debt discounts	3,805,715	39,833
Unrealized (gain) loss from changes in fair value of digital assets	9,993,209	—
Realized gain and trading gains on digital assets	(2,011,847)	—
Digital assets received as yield income	(701,630)	—
Proceeds from sales of digital assets, net of purchases	182,166	—
Gain on deconsolidation of subsidiary	(7,803,653)	—
Change in fair value of equity securities	710,705	—
Changes in operating assets and liabilities:		
Accounts receivable	(2,480,000)	—
Prepaid expenses and other current assets	108,192	(2,219,630)
Accounts payable and accrued expenses	2,858,403	(23,558)
Operating lease liability	(7,636)	—
Net cash used in operating activities	(7,953,510)	(5,107,575)
Cash flows from investing activities:		
Redemption of short-term investments	2,000,000	—
Purchases of property and equipment	(9,394)	(35,909)
Cash of subsidiary derecognized upon deconsolidation	(53,186)	—
Net cash provided by (used in) investing activities	1,937,420	(35,909)
Cash flows from financing activities:		
Proceeds from notes payable, net of original issue discount	5,970,000	12,203,046
Payment of debt issuance costs	(585,000)	—
Repayment of notes payable	(1,000,000)	—
Cash advances from (repayments to) related parties	11,345	(76,400)
Proceeds from subscription receivable on subsidiary shares	1,002	—
Net cash provided by financing activities	4,397,347	12,126,646
Net change in cash, cash equivalents and restricted cash	(1,618,743)	6,983,162
Cash, cash equivalents and restricted cash, beginning of period	9,636,655	3,455
Cash, cash equivalents and restricted cash, end of period	**$ 8,017,912**	**$ 6,986,617**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 160,000	$ —
Cash paid for income taxes	—	—
Non-cash investing and financing activities:		
Debt issuance costs accrued in connection with notes payable	$ 280,000	$ —
Common stock issued in settlement of shares committed for issuance	4,477,056	—
Conversion of convertible notes into common stock	429,317	—
Equity securities received on deconsolidation of subsidiary	962,935	—
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 17,912	$ 6,986,617
Restricted cash	8,000,000	—
Total cash, cash equivalents and restricted cash	**$ 8,017,912**	**$ 6,986,617**

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

NOTE 1 — DESCRIPTION OF BUSINESS

Apimeds Pharmaceuticals US, Inc. ("APUS" or the "Company") is incorporated in Delaware as a C-Corporation. On December 1, 2025, the Company completed a merger with MindWave Innovations Inc. ("MindWave"), making MindWave a wholly owned subsidiary. Through this merger, the Company acquired digital assets including Bitcoin ("BTC"), Tether ("USDT"), and MindWaveDAO NILA tokens ("NILA Tokens"), along with operations related to digital asset activities. Until July 14, 2026, the Company also conducted a development-stage biopharmaceutical business, a purified honeybee venom-based drug for treating acute pain and inflammation from knee osteoarthritis (the "BioBusiness"), through its subsidiary Lokahi Therapeutics Inc. ("Lokahi"). As described below and in Note 3, the Company disposed of Lokahi during the three months ended September 30, 2026, and the BioBusiness is presented as a discontinued operation for all periods presented.

MindWave and its subsidiaries hold and transact in digital assets and constitute the Company's Digital Asset segment. The acquisition was accounted for as an asset acquisition under ASC 805-50 because substantially all of the fair value of the gross assets acquired was concentrated in a group of similar identifiable assets and the acquired set did not constitute a business. The Company was the accounting acquirer. Consideration consisted of 747,702 shares of Series A Convertible Preferred Stock (as adjusted for the reverse stock split) with a fair value of $145,335,708, which was allocated to the identifiable assets acquired and liabilities assumed, principally digital assets, on a relative fair value basis; no goodwill was recognized. The BioBusiness is presented as a discontinued operation; accordingly, continuing operations for the comparative 2025 periods consist of corporate activities only.

Until July 14, 2026, the Company operated its biopharmaceutical business through Lokahi. As of September 30, 2026, the corporate structure includes:

- Apimeds Pharmaceuticals US, Inc.: public parent and SEC registrant, a Delaware C-Corporation.
- MindWave Innovations Inc.: acquired December 1, 2025, wholly owned subsidiary, operates the Digital Asset segment.
- Nexus Global Partners Inc.: incorporated during the three months ended June 30, 2026 in connection with the Settlement Agreement; is contemplated as a Newco established in connection with the separation of the BioBusiness and shall serve as the entity through which residual BioBusiness operations are continued, including the retention, development, licensing and commercialization of the BioBusiness and related intellectual property, to preserve and grow the value of the Company's BioBusiness assets. As of September 30, 2026, Nexus had no assets or liabilities and had not conducted any BioBusiness operations; the BioBusiness was retained by Lokahi and is presented as a discontinued operation.

On April 24, 2026, the Company, MindWave and Lokahi entered into a Confidential Settlement Agreement and Mutual Release (the "Settlement Agreement") with Inscobee Inc. (now FreeT Inc.) and Apimeds Inc. (Korea), together with a related side letter, which provided for the separation of the BioBusiness. Under the Settlement Agreement, the Company agreed to transfer 51% of the outstanding equity of Lokahi to Lokahi's designee following Lokahi's payment of a $4,000,000 working capital contribution, and Lokahi assumed the Company's notes payable — related party of $500,100. Of the $4,000,000 working capital contribution, $3,750,000 had been paid by Lokahi to MindWave as of June 30, 2026, comprising $3,000,000 funded into an escrow account maintained in an attorney trust account and $750,000 satisfied through Lokahi's forgiveness of an advance previously made by Lokahi to MindWave on or about February 2, 2026; the remaining $250,000 had not been funded as of June 30, 2026. These amounts were intercompany and were eliminated in consolidation. RXRR Capital Partners paid no separate consideration for the 51% interest, which was transferred in exchange for Lokahi's performance of its obligations under the Settlement Agreement, including the working capital contribution and the assumption of the notes payable — related party. In an acknowledgement dated July 14, 2026, the Company and Lokahi confirmed that Lokahi had completed the required actions and that the 51% interest had been transferred to RXRR Capital Partners, as Lokahi's designee, with all rights to hold and vote the shares. The Company held a majority of the voting interest in Lokahi, and Lokahi remained a consolidated subsidiary, until July 14, 2026. The Company retained the remaining 49% interest in Lokahi until the merger described below.

On July 14, 2026, a subsidiary of Glucotrack, Inc. (Nasdaq: GCTK) ("Glucotrack") merged into Lokahi, with Lokahi surviving as a wholly owned subsidiary of Glucotrack. In the merger the Company's remaining 49% interest in Lokahi was exchanged for 37,884 shares of Glucotrack common stock and the right to receive 22,691 shares of Glucotrack Series A preferred stock, each convertible into 100 shares of Glucotrack common stock, in each case before Glucotrack's 1-for-15 reverse stock split effective August 31, 2026. Following the merger the Company no longer controls Lokahi and has deconsolidated it. The Company elected to measure the deconsolidation using Lokahi's June 30, 2026 balances; Lokahi's activity from July 1 through July 14, 2026 is not included in these condensed consolidated financial statements as they were nominal. The disposal of Lokahi represents a strategic shift that has a major effect on the Company's operations and financial results, and the BioBusiness is presented as a discontinued operation for all periods presented. On September 10, 2026, the parties to the Settlement Agreement entered into a First Amendment that amends its provisions on the composition of the Company's board of directors. See Note 3 and Note 5.

On August 19, 2026, the Company entered into an Assignment and Transfer Agreement of Certain Apitox Rights with FreeT Inc. ("FreeT"), formerly Inscobee Inc., under which FreeT assigned to the Company 100% of the Apitox market for Korean medicine clinics in Korea, a 25% royalty on U.S. commercialization proceeds, a 25% participation in net proceeds from overseas rights agreements, quarterly information rights and certain ancillary rights. The assignment excludes ownership of the underlying Apitox intellectual property, and the Company assumed no liabilities of FreeT. The agreement states that it is entered into as part of the parties' broader strategic relationship and specifies no monetary consideration; any additional consideration would be set out in a separate written agreement, and none has been executed. The rights were recorded at a carrying amount of $nil. FreeT is a related party (see Note 11). The Company does not conduct development of Apitox, which is conducted by Lokahi as a subsidiary of Glucotrack.

Following the disposal of Lokahi, the Company's continuing operations consist of its Digital Asset segment and corporate activities. MindWave operates as a blockchain and digital asset technology business and has been generating realized gains, trading gains, and digital asset yield income. In addition to holding, sale and conversion of digital assets, MindWave is developing commercial blockchain and technology applications, including initiatives intended to establish recurring revenue opportunities and expand its U.S. commercial presence. In September 2026, MindWave entered into technology services agreements with AQUAE Holdings Pte. Ltd. and Flash Sports & Media Holdings, Inc.

The Company's digital asset activities are limited to the holding, sale and conversion of tokens acquired in the MindWave transaction; the Company is not a broker-dealer, exchange or investment company, has not committed to a plan to sell any specific holding, and has not classified any digital asset as held for sale. Consistent with the presentation in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, digital assets are therefore classified as non-current under ASC 210-10-45-1. Sales made to fund operating requirements, including those contemplated by management's plans described in the going-concern discussion in Note 2, are effected from time to time out of that non-current position and do not, individually or in the aggregate, represent a plan to dispose of the holdings.

NOTE 2 — BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair statement of the results for the interim periods presented have been included. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the full year or any future period. These condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended December 31, 2025 included in the Company's Annual Report on Form 10-K.

Reverse Stock Split

On or about July 23, 2026, the Company filed a certificate of amendment to its certificate of incorporation to effect a 1-for-10 reverse stock split of its issued and outstanding shares of common stock and preferred stock, which became effective on July 24, 2026. The same certificate of amendment reduced the par value per share of the common stock and the preferred stock from $0.01 to $0.001, one of the corporate actions approved by the stockholder written consent described in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. Because the reduction in par value was effected by the same instrument as the reverse stock split, it has been given retroactive effect for all periods presented together with the split, with the resulting reduction in stated capital of $20,311 on the shares outstanding at June 30, 2026, which were unchanged at the July 24, 2026 effective date, and $18,047 at December 31, 2025 recorded as an increase in additional paid-in capital. Total shareholders' equity is not affected. All share, per-share and par-value amounts in these condensed consolidated financial statements, and in these notes, have been retroactively adjusted to give effect to the reverse stock split for all periods presented, with the reduction in stated par value recorded as an increase in additional paid-in capital.

Principals of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, MindWave Innovations Inc. and its subsidiaries and Nexus Global Partners Inc., and the accounts of Lokahi Therapeutics Inc. through July 14, 2026, the date of deconsolidation, measured using its June 30, 2026 balances (see Note 3). All significant intercompany accounts and transactions have been eliminated in consolidation.

Liquidity

The Company has incurred recurring losses from operations and negative cash flows from operating activities. For the nine months ended September 30, 2026 the Company incurred a net loss of $21,586,816 and used $7,953,510 of cash in operating activities, and as of September 30, 2026 the Company had an accumulated deficit of $31,979,877 and cash and cash equivalents of $17,912. The Company's liquidity is substantially dependent on the value and liquidity of its digital-asset holdings, on its ability to raise additional capital, and on its ability to refinance or extend its senior secured convertible note, which matures on December 8, 2026 and was subject to a forbearance arrangement that expired on June 30, 2026 (see Note 8). These conditions raise substantial doubt about the Company's ability to continue as a going concern within one year after the date these condensed consolidated financial statements are issued. Management's plans include raising additional equity or debt capital, monetizing digital assets, and managing operating expenditures; however, there can be no assurance that such plans will be successful. The accompanying condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of this uncertainty.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. Significant estimates include the fair value of digital assets (in particular the NILA token), the fair value of the Company's investment in Glucotrack, the fair value of the embedded conversion feature accounted for as a derivative liability, the effective interest rates used to accrete debt discounts, the incremental borrowing rate used to measure lease liabilities, and the valuation of share-based payments. Actual results could differ from those estimates.

Digital Assets

The Company accounts for its holdings of crypto assets in accordance with ASC 350-60, Intangibles — Goodwill and Other — Crypto Assets, as amended by ASU 2023-08. Crypto assets within the scope of ASC 350-60 are measured at fair value at each reporting date, with changes in fair value recognized in the condensed consolidated statements of operations as unrealized gains or losses. Gains and losses realized on sales are determined on a specific-identification basis and are presented separately. Digital assets held for market-making activity, and the corresponding costs of those activities, are presented net within trading gains, net. Digital assets received under the Company's digital asset yield arrangements are recognized at fair value on the date of receipt, presented within revenue as digital asset yield income (see Note 4), and are thereafter measured at fair value under ASC 350-60.

The Company's digital assets consisted of the following:

	Units held September 30, 2026	Fair value September 30, 2026	Units held December 31, 2025	Fair value December 31, 2025
Bitcoin	1,106.86	$ 92,732,430	1,000.00	$ 88,318,950
NILA tokens	636,970,801.65	49,683,723	678,013,859	55,075,066
Tether (USDT)	—	—	6,484,632.05	6,484,632
Other exchange wallet balances	—	7,320	—	6,723
Total digital assets, at fair value		**$ 142,423,473**		**$ 149,885,371**

Other exchange wallet balances represent residual quantities of various tokens held in the Company's accounts at digital-asset exchanges, none of which is individually material. The quoted price of the NILA Tokens declined from $0.08123 per token at December 31, 2025 to $0.07800 per token at September 30, 2026, and that of Bitcoin from $88,318.95 to $83,779.72 per unit; the decrease in the carrying amount of the NILA Tokens reflects both that price decline and the 40,942,936 tokens disposed of during the period.

During the three and nine months ended September 30, 2026 the Company received 5.00 and 9.84 bitcoin, respectively, under a digital asset yield arrangement (see Note 4) and recognized $418,899 and $701,630, respectively, of digital asset yield income. No digital assets were received as yield in the comparative 2025 periods. The 4.84 bitcoin received on June 30, 2026 were measured at the quoted price on that date of $58,415.80 per unit, and the 5.00 bitcoin received in September 2026 were measured at $83,779.72 per unit, the quoted price on September 30, 2026. Any difference between that price and the quoted price on the date each unit was received would reclassify between digital asset yield income and the unrealized gain or loss from changes in fair value of digital assets, with no effect on income (loss) from continuing operations, net income (loss), total digital assets, total assets or shareholders' equity for any period presented.

Activity in digital assets for the nine months ended September 30, 2026 was as follows: During that period the Company disposed of 40,942,936 NILA Tokens — 340,746 in the first quarter, 38,473,542 in the second and 2,128,648 in the third — with gross proceeds in the second quarter of $3,077,883, and transferred a net 100,121 NILA Tokens between its own wallets. In September 2026 the Company exchanged 8,051,497 Tether for 97.02 bitcoin. The Company made no other purchases of digital assets during the period, and no Bitcoin was sold.

	Nine months ended September 30, 2026
Balance at December 31, 2025	$ 149,885,371
Additions — USDT received from sales of NILA Tokens	1,746,351
Additions — BTC acquired in exchange for USDT	8,051,497
Dispositions — NILA Tokens sold for USDT	(1,746,351)
Dispositions — NILA Tokens delivered in payment for services	(5,000)
Dispositions — USDT exchanged for BTC	(8,051,497)
Dispositions — USDT paid for fees on sales of NILA Tokens	(179,486)
Other, net	2,320
Digital assets received as yield income	701,630
Realized gain on sale of digital assets	1,731,829
Trading gains, net	280,018
Unrealized gain (loss) from changes in fair value	(9,993,209)
Balance at September 30, 2026	**$ 142,423,473**

	Three months ended September 30, 2026	Nine months ended September 30, 2026
Unrealized gain (loss) from changes in fair value of digital assets	$ 25,264,320	$ (9,993,209)
Realized gain on sale of digital assets	12,352	1,731,829
Trading gains, net	(5,000)	280,018
Digital asset yield income	418,899	701,630
Net gain (loss) recognized on digital assets	**$ 25,690,571**	**$ (7,279,732)**

There were no digital assets pledged as collateral as of September 30, 2026 or December 31, 2025, and there were no restrictions on the sale of the Company's digital assets other than market liquidity. The carrying amount of digital assets decreased by $7,461,898 during the nine months ended September 30, 2026. Bitcoin holdings increased from 1,000.00 units to 1,106.86 units, comprising 9.84 units received as digital asset yield income and 97.02 units received in exchange for Tether, and their carrying amount increased from $88,318,950 to $92,732,430; the carrying amount of the NILA Tokens decreased from $55,075,066 to $49,683,723; and Tether holdings decreased from $6,484,632 to $0 following the exchange. The cost basis of the Company's digital assets is the fair value assigned to them in the December 1, 2025 MindWave asset acquisition, adjusted for subsequent additions and dispositions. As of September 30, 2026 the cost basis of the Bitcoin holdings was $99,591,327, comprising $90,838,200 assigned to the 1,000.00 units acquired in that transaction, $701,630 for the 9.84 units received as digital asset yield income and $8,051,497 for the 97.02 units received in exchange for Tether; no Bitcoin was sold during the period. The NILA Tokens acquired in that transaction were assigned a cost basis of $50,804,304, of which the portion relating to tokens sold has been relieved on disposition. Cumulative realized gains recognized on sales of digital assets since the December 1, 2025 acquisition date were $5,929,223, comprising $4,197,394 for the period from December 1 through December 31, 2025 and $1,731,829 for the nine months ended September 30, 2026. No cumulative realized losses have been recognized.

Fair Value Measurement

ASC 820, Fair Value Measurement, establishes a three-level hierarchy that prioritizes the inputs used to measure fair value: Level 1 — quoted prices in active markets for identical assets or liabilities; Level 2 — observable inputs other than Level 1 prices, including quoted prices for similar assets or liabilities or quoted prices in markets that are not active; and Level 3 — unobservable inputs supported by little or no market activity. Bitcoin and Tether are measured using quoted prices from principal active exchange markets and are classified within Level 1. The NILA token trades in markets that are not active for the size of the Company's position; its fair value is measured using observable quoted transaction prices for the token and is classified within Level 2. The derivative liability arising from the embedded conversion feature of the Company's convertible note is measured using a Monte Carlo simulation and is classified within Level 3. Consistent with the determination made as of December 31, 2025, the limited number of trading venues on which the NILA token trades and its daily trading volume relative to the size of the Company's position indicate that the market for the token does not meet the active market threshold required for Level 1 classification; the exchange-quoted prices used are observable inputs corroborated by transaction data. The Company's investment in Glucotrack common stock is measured using the quoted closing price on Nasdaq and is classified within Level 1. The Glucotrack Series A preferred stock, which is not traded and had not been issued to the Company as of September 30, 2026, is measured on an as-converted basis using the quoted price of Glucotrack common stock and is classified within Level 2.

Assets and liabilities measured at fair value on a recurring basis were as follows:

	September 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Bitcoin	$ 92,732,430	$ —	$ —	$ 92,732,430
Other exchange wallet balances	7,320	—	—	7,320
NILA tokens	—	49,683,723	—	49,683,723
Investment in Glucotrack, Inc. — common stock	4,142	—	—	4,142
Investment in Glucotrack, Inc. — Series A preferred stock	—	248,088	—	248,088
Total assets at fair value	**$ 92,743,892**	**$ 49,931,811**	**$ —**	**$ 142,675,703**
Liabilities:				
Derivative liability — embedded conversion feature	**$ —**	**$ —**	**$ 972,899**	**$ 972,899**

December 31, 2025	Level 1	Level 2	Level 3	Total
Bitcoin	$ 88,318,950	—	—	$ 88,318,950
NILA tokens	—	55,075,066	—	55,075,066
Tether (USDT)	6,484,632	—	—	6,484,632
Other exchange wallet balances	6,723	—	—	6,723
Total assets at fair value	**94,810,305**	**55,075,066**	**—**	**149,885,371**
Derivative liability — embedded conversion feature	—	—	1,616,913	1,616,913
Total liabilities at fair value	**—**	**—**	**$ 1,616,913**	**$ 1,616,913**

The following table presents the changes in the Level 3 derivative liability:

	Derivative liability
Balance at December 31, 2025	$ 1,616,913
Change in fair value — three months ended March 31, 2026	(48,279)
Balance at March 31, 2026	1,568,634
Change in fair value — three months ended June 30, 2026	(215,993)
Balance at June 30, 2026	**$ 1,352,641**
Change in fair value — three months ended September 30, 2026	(340,411)
Reclassification to additional paid-in capital upon conversion of notes	(39,331)
Balance at September 30, 2026	**$ 972,899**

Other than the reclassification of $39,331 of the derivative liability to additional paid-in capital upon the conversion of $425,000 of principal of the senior secured convertible note in September 2026 (see Note 8), there were no issuances, settlements or transfers into or out of Level 3 during the three and nine months ended September 30, 2026. There were no transfers between Level 1 and Level 2 during the periods presented.

The significant unobservable inputs used in the Monte Carlo simulation of the derivative liability as of September 30, 2026 were a share price of $5.00 on a post-split basis, annualized volatility of 165.7%, a risk-free rate of 4.54%, a remaining term of 48 trading days, a probability of default over the remaining term of 1.67%, a credit spread of 4.46% and an average realized discount from volume-weighted average price of 5.3%, simulated over 50,000 paths. Holding all other inputs constant, a 10% increase in the share price would increase the derivative liability by approximately $9,000 and a 10% decrease would reduce it by approximately $9,000; a 10 percentage-point increase in assumed volatility would increase it by approximately $1,000. The NILA Tokens are measured using quoted prices for identical assets on exchanges that are not active, adjusted for the limited number of trading venues and daily trading volume relative to the size of the Company's position. A 10% change in the NILA price would change the carrying amount of the NILA Tokens, total digital assets and total assets by $4,968,372, or 3.2% of total assets, with a corresponding change in net income (loss). The derivative liability as of September 30, 2026 was measured on the remaining principal of $10,475,000 after the conversions described in Note 8.

Other exchange wallet balances of $6,723 at December 31, 2025 were reported within NILA tokens in Level 2 of the fair value hierarchy in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 and are presented separately within Level 1 above to conform to the current-period presentation. The change is a change in disaggregation and not a transfer between levels of the fair value hierarchy, and had no effect on total digital assets, total assets, shareholders' equity or net loss for any period presented.

The carrying amounts of cash and cash equivalents, restricted cash, other current assets, accounts payable and accrued expenses and advances payable approximate fair value because of the short-term nature of these instruments.

Convertible Instruments

The Company evaluates the terms of its convertible instruments to determine whether any embedded features require bifurcation and separate accounting as derivatives under ASC 815. The embedded conversion feature of the Company's senior secured convertible note was determined to require bifurcation and is carried at fair value, with changes in fair value recognized in the condensed consolidated statements of operations. The resulting discount, together with original issue discounts and issuance costs, is accreted to interest expense over the term of the instrument using the effective interest method.

Discontinued Operations

A component of the Company that has been disposed of is reported as a discontinued operation when the disposal represents a strategic shift that has, or will have, a major effect on the Company's operations and financial results, in accordance with ASC 205-20. The results of discontinued operations, including any gain or loss on disposal, are presented separately from continuing operations for all periods presented, and the assets and liabilities of the discontinued operation are presented separately on the condensed consolidated balance sheet for each comparative period. General corporate overhead is not allocated to discontinued operations. Interest on debt that is an obligation of the disposed component is included in discontinued operations. Gains and losses on the deconsolidation of a subsidiary are measured in accordance with ASC 810-10-40 as the fair value of consideration received less the carrying amount of the former subsidiary's net assets (liabilities). See Note 3.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, Revenue from Contracts with Customers, when control of promised goods or services transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled. Revenue from software development and deployment services is recognized when the developed software is delivered to and accepted by the customer, which is when the Company's performance obligation is satisfied. Invoices under the Company's agreements are generally payable within 90 days; the Company does not adjust the consideration for a significant financing component when the period between transfer and payment is one year or less. Contract liabilities represent amounts invoiced or due before the related performance obligations are satisfied. Cost of revenue consists of the salaries of personnel and the development costs directly attributable to delivering software development and deployment services, and is expensed as incurred.

Digital Asset Yield Income. Digital asset yield income consists of bitcoin received under the Company's digital asset yield arrangement. It is outside the scope of ASC 606 and is recognized when the bitcoin are received, measured at fair value. Beginning with the three months ended September 30, 2026, the Company presents digital asset yield income within revenue because generating yield on its bitcoin holdings is one of its principal ongoing activities. Digital asset yield income of $282,732 for the three months ended June 30, 2026, previously presented within other income (expense), is presented within revenue for the nine months ended September 30, 2026. The reclassification had no effect on net income (loss), shareholders' equity or cash flows.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company measures expected credit losses on accounts receivable under ASC 326, Financial Instruments — Credit Losses, considering the customer's credit quality, the aging of balances, current conditions and reasonable and supportable forecasts. No allowance for credit losses was recorded as of September 30, 2026.

Investment in Equity Securities

Equity securities with readily determinable fair values over which the Company does not have significant influence are measured at fair value in accordance with ASC 321, with changes in fair value recognized in the condensed consolidated statements of operations. The Company's investment in Glucotrack is accounted for under this policy. See Note 5.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash, restricted cash and digital assets. The Company maintains cash balances at financial institutions in the United States, Singapore and the United Arab Emirates, which at times may exceed federally insured limits. As of September 30, 2026, digital assets of $142,423,473 represented 93% of the Company's total assets, and a single asset class, Bitcoin, represented 65% of digital assets, with the NILA token representing a further 35%. Two customers accounted for all of the Company's revenue for the three and nine months ended September 30, 2026 and all of its accounts receivable, other than accounts receivable — related party, as of September 30, 2026. Digital assets are held in custodial and exchange wallets and are subject to the credit and operational risk of those custodians and exchanges.

Segment Information

Following the disposal of Lokahi, the Company operates in one reportable segment, the Digital Asset segment, which comprises the digital-asset holding and trading operations and blockchain technology activities conducted through MindWave and its subsidiaries. The BioBusiness segment, which comprised the clinical-stage pharmaceutical operations conducted through Lokahi, is presented as a discontinued operation for all periods presented (see Note 3) and is excluded from the segment information below. Corporate consists of holding-company activities, including the Company's convertible note, derivative liability, restricted cash and investment in Glucotrack. The Company's chief operating decision makers, its Co-Chief Executive Officers, assess performance and allocate resources based on segment operating expenses and segment net loss. The Digital Asset segment commenced with the acquisition of MindWave on December 1, 2025; accordingly, no Digital Asset segment information is presented for the three and nine months ended September 30, 2025. Management has determined that the Co-Chief Executive Officers together constitute the chief operating decision maker, following the appointment of a Co-Chief Executive Officer effective May 4, 2026; they assess performance jointly, reviewing the same package of segment information, and no resource-allocation decision is made by either officer alone. The significant segment expense categories regularly provided to the chief operating decision maker is general and administrative expense, which is presented separately in the tables below. All other amounts presented for each segment — digital asset gains and losses, digital asset yield income, foreign currency gains and losses, the change in fair value of the derivative liability, the change in fair value of the investment in Glucotrack, interest income and interest expense — constitute other segment items for purposes of ASC 280-10-50-26A and are individually presented rather than aggregated. The Company does not allocate corporate overhead to the Digital Asset segment.

Three months ended September 30, 2026:

	Digital Asset	Corporate	Consolidated
Revenue:			
Software development and deployment services	$ 2,480,000	$ —	$ 2,480,000
Digital asset yield income	418,899	—	418,899
Total revenue	2,898,899	—	2,898,899
Cost of revenue	54,300	—	54,300
General and administrative	746,788	67,689	814,477
Income (loss) from operations	2,097,811	(67,689)	2,030,122
Unrealized gain (loss) from changes in fair value of digital assets	25,264,320	—	25,264,320
Realized gain on sale of digital assets	12,352	—	12,352
Trading gains, net	(5,000)	—	(5,000)
Foreign currency gains (losses), net	(2,709)	—	(2,709)
Change in fair value of equity securities	—	(710,705)	(710,705)
Change in fair value of derivative liability	—	340,411	340,411
Interest income	—	—	—
Interest expense	—	(1,094,953)	(1,094,953)
Total other income (expense), net	25,268,963	(1,465,247)	23,803,716
Income (loss) from continuing operations	**$ 27,366,774**	**$ (1,532,936)**	**$ 25,833,838**

Nine months ended September 30, 2026:

	Digital Asset	Corporate	Consolidated
Revenue:			
Software development and deployment services	$ 2,480,000	$ —	$ 2,480,000
Digital asset yield income	701,630	—	701,630
Total revenue	3,181,630	—	3,181,630
Cost of revenue	54,300	—	54,300
General and administrative	3,561,152	8,478,077	12,039,229
Income (loss) from operations	(433,822)	(8,478,077)	(8,911,899)
Unrealized gain (loss) from changes in fair value of digital assets	(9,993,209)	—	(9,993,209)
Realized gain on sale of digital assets	1,731,829	—	1,731,829
Trading gains, net	280,018	—	280,018
Foreign currency gains (losses), net	(3,818)	—	(3,818)
Change in fair value of equity securities	—	(710,705)	(710,705)
Change in fair value of derivative liability	—	604,683	604,683
Interest income	—	14	14
Interest expense	—	(2,916,881)	(2,916,881)
Total other income (expense), net	(7,985,180)	(3,022,889)	(11,008,069)
Income (loss) from continuing operations	**$ (8,419,002)**	**$ (11,500,966)**	**$ (19,919,968)**

Total assets by segment were as follows:

	September 30, 2026	December 31, 2025
Digital Asset	$ 145,227,402	$ 150,029,972
Corporate	8,302,713	8,048,500
Assets of discontinued operations	—	6,105,264
Total assets	**$ 153,530,115**	**$ 164,183,736**

Assets of the BioBusiness as of December 31, 2025 are presented as assets of discontinued operations.

For the three and nine months ended September 30, 2025, the Company's continuing operations consisted of corporate activities only; all operating expenses of those periods related to the BioBusiness and are presented in discontinued operations.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid instruments with an original maturity of three months or less at the date of purchase to be cash equivalents. Restricted cash of $8,000,000 as of September 30, 2026 (December 31, 2025 — $8,000,000) comprises $8,000,000 held in a deposit account control arrangement for the benefit of the holder of the Company's senior secured convertible note, pending release upon conversion of the Series A Convertible Preferred Stock in accordance with the terms of the note agreement. That amount is not available for general corporate purposes.

Leases

The Company determines whether an arrangement is or contains a lease at inception. Operating leases with terms in excess of twelve months are recognized on the condensed consolidated balance sheet as a right-of-use asset and a corresponding lease liability, measured at the present value of the remaining lease payments using the Company's incremental borrowing rate, because the rate implicit in the lease is not readily determinable. Lease cost is recognized on a straight-line basis over the lease term. See Note 13.

Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally three years for computer equipment and five years for furniture and fixtures. Effective February 28, 2026, the Company increased its capitalization threshold from $1,000 to $5,000; the change did not have a material effect on the condensed consolidated financial statements.

Property and equipment as of December 31, 2025 related to Lokahi and is presented within noncurrent assets of discontinued operations. Depreciation of $9,091 for the six months ended June 30, 2026 and $1,721 for the nine months ended September 30, 2025, together with amortization of the operating lease right-of-use asset of $31,233 for the six months ended June 30, 2026, is included in discontinued operations (see Note 3).

Related Parties

The Company follows ASC 850, Related Party Disclosures, under which a party is considered related if it directly or indirectly controls, is controlled by, or is under common control with the Company, or if it has the ability to exercise significant influence over the Company in making financial or operating decisions. See Note 11.

General and Administrative

General and administrative expenses consist principally of salaries, benefits and share-based compensation for administrative personnel, professional and consulting fees, insurance, investor relations and other public-company costs, transaction and advisory fees, and facility costs. Advertising costs are expensed as incurred and were not material in any period presented.

Research and Development

Research and development costs are expensed as incurred and consist principally of salaries, benefits and share-based compensation for research personnel, contract research organization fees, clinical trial costs, non-clinical study costs, manufacturing of clinical supply, and professional consulting fees. Payments made in advance of the receipt of the related goods or services are capitalized as prepaid development costs and expensed as the goods are received or the services are performed.

Stock-Based Compensation

The Company measures share-based awards granted to employees, directors and non-employees at the grant-date fair value and recognizes the resulting expense on a straight-line basis over the requisite service period. The fair value of stock options is estimated using the Black-Scholes option-pricing model. Forfeitures are recognized as they occur. See Note 10.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial statement and tax bases of assets and liabilities, measured using enacted tax rates expected to apply in the periods in which those temporary differences are expected to reverse. A valuation allowance is recorded when it is more likely than not that some or all of the deferred tax assets will not be realized. See Note 12.

Net Income (Loss) per Share

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding during the period, including shares committed for issuance for no further consideration. Diluted net income (loss) per share is computed by dividing net income (loss), adjusted for the effect of dilutive convertible instruments, by the weighted-average number of common shares and dilutive potential common shares outstanding, using income (loss) from continuing operations as the control number.

For the three months ended September 30, 2026, the Company reported income from continuing operations, and diluted net income per share includes the shares issuable upon conversion of the senior secured convertible note under the if-converted method: 2,723,518 weighted-average shares, computed at the conversion price of $3.992 per share in effect at September 30, 2026 (80% of the lowest daily volume-weighted average price for the five trading days ended September 30, 2026) for the period the principal was outstanding, with interest expense of $1,094,953 added back to, and the $340,411 gain from the change in fair value of the derivative liability removed from, income from continuing operations.

For the nine months ended September 30, 2026 the Company reported a loss from continuing operations, and for the 2025 periods the effect of potentially dilutive securities was anti-dilutive; accordingly, diluted net income (loss) per share equals basic net income (loss) per share for those periods.

All share and per-share amounts have been retroactively adjusted for the 1-for-10 reverse stock split effected July 24, 2026.

The following potentially dilutive securities were excluded from the computation of diluted net income (loss) per share for all periods presented:

	September 30, 2026	September 30, 2025
Shares issuable upon conversion of Series A convertible preferred stock	14,954,040	—
Stock options outstanding	72,233	70,987
Warrants outstanding	111,691	37,125
Total	**15,137,964**	**108,112**

The Series A Convertible Preferred Stock is excluded because its conversion is subject to NYSE American approval of the Company's listing application and had not occurred as of September 30, 2026. Stock options and warrants are excluded because their exercise prices exceeded the average market price of the Company's common stock. For the nine months ended September 30, 2026 and the 2025 periods, shares issuable upon conversion of the senior secured convertible note were also excluded because their effect would have been anti-dilutive.

Emerging Growth Company

The Company is an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") and has elected to use the extended transition period afforded by Section 107(b) of the JOBS Act for complying with new or revised accounting standards. As a result, the Company's financial statements may not be comparable to those of companies that comply with public-company effective dates. The Company is also a "smaller reporting company" as defined in Rule 12b-2 under the Exchange Act.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-08, Accounting for and Disclosure of Crypto Assets, which the Company has adopted and applied to its digital-asset holdings. In November 2023, the FASB issued ASU 2023-07, Segment Reporting — Improvements to Reportable Segment Disclosures, which the Company has adopted. In December 2023, the FASB issued ASU 2023-09, Income Taxes — Improvements to Income Tax Disclosures, effective for annual periods beginning after December 15, 2024, and in November 2024 the FASB issued ASU 2024-03, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures, effective for annual periods beginning after December 15, 2026. The Company is evaluating the effect of ASU 2024-03 on its disclosures. Management does not believe that any other recently issued but not yet effective accounting pronouncements would have a material effect on the condensed consolidated financial statements.

In November 2024, the FASB issued ASU 2024-04, Debt — Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments, effective for annual periods beginning after December 15, 2025 and interim periods within those annual periods. The Company adopted ASU 2024-04 on January 1, 2026. The conversions of the senior secured convertible note during the three months ended September 30, 2026 were made under the original conversion terms and were not induced conversions; adoption had no effect.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which provides a practical expedient to assume that current conditions as of the balance sheet date do not change for the remaining life of current accounts receivable and current contract assets arising from transactions under ASC 606. The ASU is effective for annual periods beginning after December 15, 2025 and interim periods within those annual periods. The Company has not elected the practical expedient.

In September 2025, the FASB issued ASU 2025-06, Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, which removes the project-stage model and requires capitalization to begin when management has authorized and committed to funding the software project and it is probable that the project will be completed and the software used to perform its intended function. The ASU is effective for annual periods beginning after December 15, 2027 and interim periods within those annual periods, with early adoption permitted. The Company is evaluating the effect of the ASU on the accounting for its platform development costs.

NOTE 3 — DECONSOLIDATION OF LOKAHI AND DISCONTINUED OPERATIONS

As described in Note 1, 51% of the equity of Lokahi was transferred to RXRR Capital Partners under the Settlement Agreement, and on July 14, 2026 Lokahi became a wholly owned subsidiary of Glucotrack. The Company no longer controls Lokahi and deconsolidated it in accordance with ASC 810-10-40. The Company elected to measure the deconsolidation using Lokahi's June 30, 2026 balances. The gain on deconsolidation was measured as the fair value of the consideration received less the carrying amount of Lokahi's net liabilities derecognized, as follows:

	Amount
Fair value of Glucotrack common stock received (37,884 shares)	$ 15,813
Fair value of Glucotrack Series A preferred stock to be received (2,269,100 shares as converted)	947,122
Total fair value of consideration received	962,935
Carrying amount of Lokahi net liabilities derecognized	6,840,718
Gain on deconsolidation of Lokahi	**$ 7,803,653**

The Glucotrack securities were measured using Glucotrack's closing price of $6.261 per share on July 14, 2026, or $0.4174 per share before Glucotrack's 1-for-15 reverse stock split effective August 31, 2026. Share amounts above are stated before that reverse stock split. The Series A preferred stock, which had not been issued to the Company as of September 30, 2026, is measured on an as-converted basis. Lokahi's net liabilities derecognized comprised total assets of $2,497,274, including cash of $53,186, and total liabilities of $9,337,992, including notes payable of $5,000,000, accrued interest of $1,240,350, notes payable — related party of $500,100 and operating lease liabilities of $161,396. The gain is included in income (loss) from discontinued operations.

Lokahi conducted the Company's BioBusiness segment, which was the Company's entire biopharmaceutical business and its only operating business before the acquisition of MindWave on December 1, 2025. The disposal represents a strategic shift that has a major effect on the Company's operations and financial results, and the results of Lokahi are presented as discontinued operations for all periods presented. General corporate overhead has not been allocated to discontinued operations. Interest on Lokahi's notes payable, which were obligations of Lokahi, is included in discontinued operations. The comparative 2025 periods are presented on the basis used in the segment disclosure in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, under which all operating expenses before December 1, 2025 were attributed to the BioBusiness; the change in fair value of the warrant liability, interest income and interest expense for those periods remain in continuing operations.

The results of discontinued operations were as follows:

	Three months ended September 30, 2026	Nine months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2025
Research and development	$ —	$ 1,860,886	$ 619,693	$ 1,271,477
General and administrative	(8,675)	5,370,140	1,224,546	3,601,034
Interest expense	—	2,261,232	—	—
Interest income	—	(21,757)	—	—
Income (loss) from operations of Lokahi	8,675	(9,470,501)	(1,844,239)	(4,872,511)
Gain on deconsolidation of Lokahi	7,803,653	7,803,653	—	—
Income (loss) from discontinued operations	**$ 7,812,328**	**$ (1,666,848)**	**$ (1,844,239)**	**$ (4,872,511)**

Lokahi's results for the six months ended June 30, 2026 include $1,281,090 of legal and consulting fees funded under the Settlement Agreement (see Note 7) and interest on Lokahi's notes payable (see Note 8). General and administrative expense of discontinued operations for the three months ended September 30, 2026 consists of the reversal of stock-based compensation on unvested options forfeited by employees and consultants of Lokahi (see Note 10).

The assets and liabilities of discontinued operations as of December 31, 2025 were as follows. There were no assets or liabilities of discontinued operations as of September 30, 2026.

	December 31, 2025
Cash and cash equivalents	$ 1,492,054
Short-term investments	2,000,000
Prepaid expenses	2,298,704
Current assets of discontinued operations	**5,790,758**
Long-term prepaid expenses	75,485
Property and equipment, net	51,626
Operating lease right-of-use asset, net	187,395
Noncurrent assets of discontinued operations	**314,506**
Total assets of discontinued operations	**$ 6,105,264**
Accounts payable and accrued expenses	$ 247,884
Accrued interest	27,952
Notes payable — related party	500,100
Operating lease liability, current	39,578
Current liabilities of discontinued operations	**815,514**
Operating lease liability, net of current portion (noncurrent liabilities of discontinued operations)	129,454
Total liabilities of discontinued operations	**$ 944,968**

The Company presents the cash flows of discontinued operations combined with those of continuing operations in the condensed consolidated statements of cash flows. Cash of Lokahi of $53,186 derecognized on deconsolidation is presented within investing activities. Depreciation, amortization, capital expenditures and significant noncash items of the discontinued operations were as follows:

	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Depreciation of property and equipment	$ 9,091	$ 1,721
Amortization of operating lease right-of-use asset	31,232	—
Stock-based compensation	219,376	1,934,727
Reversal of stock-based compensation on forfeited options	(8,675)	—
Accretion of debt discount — Lokahi notes payable	955,000	—
Non-cash interest accrued — Lokahi notes payable	1,212,398	—
Gain on deconsolidation of Lokahi	(7,803,653)	—
Capital expenditures	9,394	35,909
Non-cash investing activity — Glucotrack securities received	962,935	—

After the disposal, the Company's continuing involvement with Lokahi consists of its investment in Glucotrack (Note 5), the Apitox royalty and revenue participation rights assigned by FreeT (Note 1), the San Diego office lease, which remains in the Company's name (Note 13), and stock options of the Company held by former employees and consultants of Lokahi (Note 10).

License agreements. The Company's license and supply arrangements with Apimeds, Inc. (Korea), a related party, relating to APITOX were part of the BioBusiness and are included in discontinued operations through the deconsolidation of Lokahi. No milestone payments became due and no royalty obligations were incurred during the three and nine months ended September 30, 2026 or 2025. After the disposal, the Company's rights relating to Apitox consist of the royalty and revenue participation rights assigned by FreeT described in Note 1. Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2025 for a description of the material terms of the license agreements.

NOTE 4 — REVENUE

The Company's revenue for the three and nine months ended September 30, 2026 consisted of software development and deployment services provided by TechyTrade FZ-LLC, a subsidiary in the Digital Asset segment, to two customers under agreements entered into in July 2026. Revenue was recognized at a point in time, when the developed software was delivered to and accepted by the customer. Invoices are payable 90 days from the invoice date, and no amounts had been collected as of September 30, 2026. The Company had no revenue in the 2025 periods. Revenue from each of the two customers exceeded 10% of total revenue: $1,680,000 and $800,000 for each of the three and nine months ended September 30, 2026.

Digital asset yield income. Effective April 1, 2026, TechyTrade FZ-LLC appointed Calfin Capital Pte Ltd as discretionary investment manager for a portion of its bitcoin holdings under an investment management agreement with a term of one year, expiring March 31, 2027, which either party may terminate on 60 days' notice. The investment manager may deploy the managed assets in trading and yield-generation strategies, including spot and derivatives trading, staking, liquidity provision and arbitrage. The managed assets remain in accounts and wallets held by TechyTrade FZ-LLC, which retains custody and the private keys; the investment manager has trading access only and may not withdraw, transfer or pledge the assets. The agreement provides no guaranteed return, and the Company bears the risk of loss on the managed assets. The investment manager is entitled to an annual management fee of 2% of assets under management, measured at the end of each annual period, and a performance fee of 20% of net profits in excess of a 10% annual return, each payable within 15 business days after the end of the annual period. Digital asset yield income represents the bitcoin received in the managed accounts from these strategies, measured at fair value when received, and is outside the scope of ASC 606.

Contract balances were as follows:

	September 30, 2026	December 31, 2025
Accounts receivable	$ 2,480,000	$ —
Accounts receivable — related party	278,000	—
Contract liability — related party	$ 278,000	$ —

No revenue was recognized during the period from amounts included in contract liabilities. The contract liability relates to the upfront installment under the Company's agreement with AQUAE Holdings Pte. Ltd., a related party (see Note 11).

Remaining performance obligations. As of September 30, 2026, the transaction price allocated to remaining performance obligations comprised fees of $1,112,000 under the agreement with AQUAE Holdings Pte. Ltd., a related party (see Note 11), of which $278,000 had been invoiced and is included in contract liability — related party, and $506,000 of common shares of Flash Sports & Media Holdings, Inc. under the Company's agreement with that company, issuable at the end of its 12-month term. The Company expects to recognize these amounts as the related development milestones are completed and accepted over the respective 12-month terms. Each agreement also provides for consideration of 20% of the credits or tokens issued under its platform (ALCI credits under the AQUAE Holdings agreement and FLASH tokens under the Flash Sports & Media agreement); no such credits or tokens had been issued or received as of September 30, 2026.

NOTE 5 — INVESTMENT IN EQUITY SECURITIES

The Company's investment in Glucotrack consists of 37,884 shares of Glucotrack common stock received in the merger described in Note 1 and the Company's right to receive 22,691 shares of Glucotrack Series A preferred stock, each convertible into 100 shares of Glucotrack common stock (in each case before Glucotrack's 1-for-15 reverse stock split effective August 31, 2026). The securities represent 2.889% of the shares issued to Lokahi's former holders in the merger, and the Company does not have significant influence over Glucotrack. The investment is measured at fair value under ASC 321, with changes in fair value recognized in continuing operations. The Series A preferred stock had not been issued to the Company as of September 30, 2026 and is measured on an as-converted basis using the quoted price of Glucotrack common stock.

	Investment in Glucotrack
Fair value at July 14, 2026	$ 962,935
Change in fair value — three months ended September 30, 2026	(710,705)
Balance at September 30, 2026	**$ 252,230**

The fair value as of September 30, 2026 is based on Glucotrack's closing price of $1.64 per share on that date and comprises $4,142 for the common stock and $248,088 for the Series A preferred stock on an as-converted basis.

NOTE 6 — PREPAID EXPENSE AND OTHER ASSETS

Other current assets of $78,500 as of September 30, 2026 consisted of a refund receivable of $48,500 and $30,000 due from TechyTrade LLC, a related party (see Note 11). Other current assets of $48,500 as of December 31, 2025 consisted of the refund receivable. Prepaid expenses of $2,298,704 and the long-term portion of prepaid expenses of $75,485 as of December 31, 2025 related to Lokahi and are presented within current and noncurrent assets of discontinued operations, respectively.

NOTE 7 — ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following:

	September 30, 2026	December 31, 2025
Trade accounts payable	1,347,595	424,021
Accrued compensation	172,277	—
Other accrued expenses	101,033	246,744
Total accounts payable and accrued expenses	**$ 1,620,905**	**$ 670,765**

Legal and consulting fees of $1,281,090 incurred in connection with the April 24, 2026 Settlement Agreement described in Note 1, comprising consultancy fees of $500,000 and legal fees of $781,090, were charged to general and administrative expense of Lokahi in the three months ended June 30, 2026 and are included in discontinued operations. Those fees were disbursed directly from the settlement escrow held in an attorney trust account and were not accrued as of June 30, 2026.

In addition to the amounts above, the Company had accrued offering costs of $500,000 as of December 31, 2025. Accrued offering costs of $280,000 incurred during the six months ended June 30, 2026 in connection with the Lokahi notes payable described in Note 8, and accrued interest of $1,240,350 as of June 30, 2026, were obligations of Lokahi and were derecognized on the deconsolidation of Lokahi (see Note 3). Accrued interest of $27,952 as of December 31, 2025 is presented within current liabilities of discontinued operations.

NOTE 8 — DEBT

Convertible notes, net

In 2025 the Company issued a senior secured convertible note with an aggregate redemption amount of $10,900,000, comprising an issuance price of $10,000,000 and an original issue discount of $900,000. Of the amount funded, $1,104,000 was disbursed by the holder directly to a subsidiary within the Digital Asset segment and is recorded on that subsidiary's books; the remaining $9,796,000 is recorded by the parent. Both amounts are obligations under the same instrument and are presented together within convertible notes, net. The note is secured by substantially all of the assets of the Company, including the $8,000,000 held in a deposit account control arrangement presented as restricted cash. The embedded conversion feature was determined to require bifurcation and is carried as a derivative liability at fair value (see Note 2). The original issue discount, issuance costs and the discount arising from the bifurcated derivative are accreted to interest expense using the effective interest method. The note was issued on December 8, 2025 and matures on December 8, 2026. It bears no stated interest and accrues default interest at 18% per annum upon an event of default. It was issued under a Securities Purchase Agreement that contemplates the issuance of notes in tranches with an aggregate redemption amount of up to $120,900,000, of which $10,900,000 had been drawn as of September 30, 2026 and as of the date of this report. Additional tranches are issuable only upon satisfaction of the conditions in that agreement and at the holder's election, and the Company has no unilateral right to draw. The note is convertible at the holder's election into shares of common stock at a conversion price subject to reset and other anti-dilution adjustments, which is the feature bifurcated as a derivative liability.

	September 30, 2026	December 31, 2025
Convertible note, principal recorded by the parent	$ 9,371,000	$ 9,796,000
Less: unamortized debt issuance costs	(310,575)	(1,370,670)
Less: unamortized original issue discount	(193,304)	(853,114)
Less: unamortized derivative discount	(359,128)	(1,584,953)
Senior secured convertible note, net	8,507,993	5,987,263
Convertible note, principal recorded by subsidiary	1,104,000	1,104,000
Total convertible notes, net	**$ 9,611,993**	**$ 7,091,263**

Accretion of the discounts on the senior secured convertible note was $1,094,953 and $2,910,716 for the three and nine months ended September 30, 2026, respectively. The entire balance is classified as a current liability as of September 30, 2026.

Conversions. On September 24, 2026, the holder delivered notices to convert an aggregate of $425,000 of principal at a conversion price of $1.3934 per share, and on September 25, 2026 the Company issued 305,002 shares of common stock. The carrying amount of the converted principal, net of unamortized discounts of $35,015, and the fair value of the bifurcated derivative liability attributable to the converted principal of $39,331 were reclassified to common stock and additional paid-in capital, and no gain or loss was recognized. Outstanding principal was $10,475,000 as of September 30, 2026, of which $9,371,000 is recorded by the parent and $1,104,000 by the subsidiary.

Forbearance and third-party settlement. The holder of the senior secured convertible note had delivered a notice of default under the financing documents and, under a forbearance agreement entered into on April 30, 2026 and disclosed in the Company's Current Report on Form 8-K filed May 4, 2026, agreed to forbear from exercising remedies through June 30, 2026. The forbearance period expired on June 30, 2026 and was not extended. On September 4, 2026, Glucotrack, Lokahi, Erik Emerson and RXRR Capital Partners LLC entered into a settlement agreement with the holder resolving disputes regarding the indebtedness owed to the holder by the Company, under which those parties are jointly and severally obligated to pay the holder $2,000,000 in cash, $2,000,000 under a convertible promissory note payable in four quarterly installments from November 30, 2026 through August 31, 2027, and up to $125,000 of the holder's legal fees (Glucotrack Current Report on Form 8-K filed September 9, 2026). The Company is not a party to that agreement, and the holder's release under it becomes effective only on payment in full of the amounts due. As of September 30, 2026, the Company had not been released by the holder, and the Company will continue to recognize the note until it is legally released from its obligations under ASC 405-20.

Notes payable, net

During the six months ended June 30, 2026, Lokahi issued four short-term notes payable with an aggregate principal amount of $6,000,000. Note 1 was secured by a pledge of Lokahi's certificate of deposit, the proceeds of which were applied to repay the note in full on May 5, 2026. The notes were issued at an original issue discount and bore a fixed, flat interest amount payable at maturity rather than a stated periodic rate. The notes were obligations of Lokahi and were not guaranteed by the Company. Notes 2, 3 and 4, with an aggregate principal amount of $5,000,000, and the related accrued interest of $1,200,000 were derecognized on the deconsolidation of Lokahi (see Note 3), and interest and accretion on the notes are included in discontinued operations. The terms of the notes were as follows:

Note	Issue date	Maturity	Principal	Original issue discount	Issuance costs	Flat interest
Note 1	3/31/2026	5/15/2026	$ 1,000,000	$ 5,000	$ 75,000	$ 100,000
Note 2	5/6/2026	6/11/2026	1,000,000	5,000	110,000	200,000
Note 3	5/12/2026	6/11/2026	2,000,000	15,000	340,000	500,000
Note 4	6/3/2026	6/18/2026	2,000,000	5,000	340,000	500,000
Total			**$ 6,000,000**	**$ 30,000**	**$ 865,000**	**$ 1,300,000**

Note 1 was repaid in full on May 5, 2026 for $1,100,000, comprising $1,000,000 of principal and $100,000 of flat interest. On June 18, 2026, Lokahi paid an extension fee of $60,000 to extend the maturity of Notes 2, 3 and 4 to July 1, 2026.

Cash proceeds from the notes payable were $5,970,000, net of original issue discount of $30,000. Debt issuance costs of $865,000 were incurred, of which $585,000 was paid in cash during the six months ended June 30, 2026 and $280,000 was accrued. The discounts were fully accreted as of June 30, 2026; accretion on the notes payable was $955,000 for the six months ended June 30, 2026 and is included in discontinued operations.

Interest expense

Interest expense presented in continuing operations consists principally of accretion of the discounts on the senior secured convertible note. Interest expense of Lokahi of $2,261,232 for the six months ended June 30, 2026, consisting principally of flat interest, accretion of debt discounts and the $60,000 extension fee on the Lokahi notes payable, is included in discontinued operations (see Note 3).

Accrued interest of $1,240,350 as of June 30, 2026, consisting of $1,200,000 of interest on the Lokahi notes payable and $40,350 of interest on notes payable — related party, was derecognized on the deconsolidation of Lokahi. Accrued interest of $27,952 as of December 31, 2025 on notes payable — related party is presented within current liabilities of discontinued operations.

NOTE 9 — SHAREHOLDERS' EQUITY

Reverse Stock Split

On or about July 23, 2026, the Company filed a certificate of amendment to its certificate of incorporation to effect a 1-for-10 reverse stock split of its issued and outstanding shares of common stock and preferred stock, which became effective at 12:01 a.m. Eastern Time on July 24, 2026. The same certificate of amendment reduced the par value per share of the common stock and the preferred stock from $0.01 to $0.001, one of the corporate actions approved by the stockholder written consent described in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. Because the reduction in par value was effected by the same instrument as the reverse stock split, it has been given retroactive effect for all periods presented together with the split, with the resulting reduction in stated capital of $20,311 at June 30, 2026 and $18,047 at December 31, 2025 recorded as an increase in additional paid-in capital. Total shareholders' equity is not affected. All share, per-share and par-value amounts in these condensed consolidated financial statements, and in these notes, have been retroactively adjusted to give effect to the reverse stock split for all periods presented, with the reduction in stated par value recorded as an increase in additional paid-in capital.

Preferred Stock

The Company is authorized to issue 10,000,000 shares of preferred stock, par value $0.001 per share. As of September 30, 2026 and December 31, 2025, 747,702 shares of Series A Convertible Preferred Stock were issued and outstanding. Each share of Series A Convertible Preferred Stock is convertible into 20 shares of common stock. The Series A Convertible Preferred Stock was issued on December 1, 2025 in connection with the acquisition of MindWave. Conversion of the Series A Convertible Preferred Stock is subject to NYSE American approval of the Company's listing application, which had not been obtained as of September 30, 2026. No shares of Series A Convertible Preferred Stock were converted during the three and nine months ended September 30, 2026 or 2025. The 747,702 shares outstanding as of September 30, 2026 were convertible into 14,954,040 shares of common stock.

Common Stock

The Company is authorized to issue 100,000,000 shares of common stock, par value $0.001 per share. As of September 30, 2026 and December 31, 2025, 1,847,626 and 1,257,598 shares of common stock were issued and outstanding, respectively. On July 24, 2026, in connection with the reverse stock split, the Company issued 33,506 additional shares of common stock as a result of rounding up fractional shares at the participant level of The Depository Trust Company; the shares were recorded at par value of $34 with a corresponding reduction in additional paid-in capital. On September 25, 2026, the Company issued 305,002 shares of common stock upon the conversion of $425,000 of principal of its senior secured convertible note (see Note 8).

Advisory Shares

On February 2, 2026, the Company's board approved the issuance of 455,804 shares of common stock under an advisory agreement with E.F. Hutton & Co. LLC (the "Advisor") previously executed on December 1, 2025, pursuant to which the Advisor provided capital markets, strategic and transaction advisory services to the Company, with an aggregate grant-date fair value of $8,113,318 based on a share price of $17.80 per share. The full amount was charged to general and administrative expense in the three months ended March 31, 2026 and recorded as common shares to be issued. On May 11, 2026, the Company issued 251,520 of those shares, reclassifying $4,477,056 from common shares to be issued to common stock and additional paid-in capital. As of September 30, 2026, 204,284 shares with a recorded value of $3,636,262 remained committed but unissued.

Warrants

As of September 30, 2026 and December 31, 2025, 111,691 warrants to purchase common stock were outstanding, as adjusted for the reverse stock split, comprising 16,875 representative warrants at an exercise price of $50.00 per share, 20,250 representative warrants at an exercise price of $40.00 per share, and 74,566 advisory warrants at an exercise price of $17.80 per share issued on December 1, 2025 in connection with the MindWave transaction. Each has a five-year term. The representative warrants were issued to the representative of the underwriters in connection with the Company's public offerings; the advisory warrants issued on December 1, 2025 had an aggregate grant-date fair value of $898,301, determined using the Black-Scholes model with a share price of $18.20, an exercise price of $17.80, a term of five years, expected volatility of 79.4%, a risk-free rate of 3.58% and no expected dividends. No warrants were exercised, forfeited or expired during the three and nine months ended September 30, 2026.

Subscription Receivable

During the three months ended June 30, 2026, the Company collected $1,002 of subscription receivable on subsidiary shares, which was recorded as an increase in additional paid-in capital.

Dividends

The Company has not declared or paid any dividends on its common stock and does not anticipate doing so in the foreseeable future.

NOTE 10 — STOCK-BASED COMPENSATION

The Company maintains the 2024 Equity Incentive Plan (the "2024 Plan"), under which 209,668 shares of common stock were reserved for issuance, as adjusted for the reverse stock split. That reserve reflects the increase from 153,846 shares approved by the stockholders on December 1, 2025 in connection with the MindWave transaction. Options outstanding under the 2024 Plan were 72,233 as of September 30, 2026, following the forfeiture of 58,804 unvested options described below. The 100,000 shares of common stock granted to the Chief Executive Officer and Chief Medical Officer during the three months ended June 30, 2025 were issued as stock grants outside the 2024 Plan reserve. The Apimeds Pharmaceuticals US, Inc. 2025 Equity Incentive Plan was also approved on December 1, 2025; no awards had been granted under the 2025 Plan as of September 30, 2026.

Stock option activity for the nine months ended September 30, 2026 was as follows:

	Number of options	Weighted-average exercise price	Weighted-average remaining contractual term (years)
Outstanding at December 31, 2025	131,037	$ 28.20	8.85
Granted	—	—	
Exercised	—	—	
Forfeited	(58,804)	19.18	
Outstanding at September 30, 2026	**72,233**	**$ 35.48**	**7.28**

All share and per-share amounts above have been adjusted for the 1-for-10 reverse stock split. The aggregate intrinsic value of options outstanding was $0 as of September 30, 2026 because the exercise price exceeded the market price of the Company's common stock. As of September 30, 2026, unrecognized compensation cost related to unvested option awards was $64,127, which the Company expects to recognize over a weighted-average period of 2.1 years. During the three months ended September 30, 2026, 58,804 unvested options held by employees and consultants of Lokahi were forfeited when their service to the Company ended upon the deconsolidation of Lokahi; previously recognized compensation cost of $8,675 on those options was reversed and is included in discontinued operations. Vested options held by former employees and consultants of Lokahi remain exercisable in accordance with their terms. No options were granted during the three months ended September 30, 2026.

Stock-based compensation expense was recorded as follows:

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
General and administrative	**$ 7,624**	**$ —**	**$ 7,624**	**$ —**

The amounts above exclude the $8,113,318 of advisory shares committed for issuance described in Note 9, which was recognized in general and administrative expense in the three months ended March 31, 2026. Stock-based compensation of $219,376 for the nine months ended September 30, 2026 and $1,934,727 for the nine months ended September 30, 2025 on options held by employees and consultants of Lokahi is included in discontinued operations (see Note 3).

NOTE 11 — RELATED PARTY TRANSACTIONS

Advance payable to related party of $23,345 as of September 30, 2026 and $12,000 as of December 31, 2025 represents non-interest-bearing advances from a director of MindWave that are unsecured and due on demand.

Notes payable — related party consisted of the following:

Holder	Interest rate	Maturity	September 30, 2026	December 31, 2025
Inscobee, Inc.	5.0%	12/31/2026	$ —	$ 100,000
Inscobee, Inc.	5.0%	12/31/2026	—	150,000
Apimeds, Inc. (Korea)	5.0%	12/31/2026	—	250,000
Other	—	—	—	100
Total notes payable — related party			**$ —**	**$ 500,100**

Under the Settlement Agreement described in Note 1, Lokahi assumed the notes payable — related party of $500,100 and the related accrued interest, which were derecognized on the deconsolidation of Lokahi together with accrued interest of $40,350 (see Note 3). As of December 31, 2025, notes payable — related party of $500,100 and accrued interest of $27,952 are presented within current liabilities of discontinued operations.

Related-party compensation expense was $126,282 and $236,922 for the three and nine months ended September 30, 2026, respectively, comprising board of director fees of $nil and $47,500, director salary of $120,000 and $180,000 and statutory contributions of $6,282 and $9,422.

Inscobee, Inc. is a beneficial owner of more than 5% of the Company's outstanding common stock, and Apimeds, Inc. (Korea) is a wholly owned subsidiary of Inscobee, Inc. Calfin Capital Private Limited holds shares of Series A Convertible Preferred Stock received as consideration in the acquisition of MindWave and is a beneficial owner of more than 5% of the Company's common stock on an as-converted basis. TechyTrade LLC is a privately held company outside the consolidated group and is a related party of the Company.

As of September 30, 2026, $30,000 was due from TechyTrade LLC, which is non-interest bearing, unsecured and due on demand and is included in other current assets (see Note 6). During the three months ended September 30, 2026, MindWave paid TechyTrade LLC $8,000 for the sub-let of office space and $635 for marketing services. The Company's former license and supply arrangements with Apimeds, Inc. (Korea) are described in Note 3.

On September 14, 2026, MindWave entered into a 12-month software development and technology services agreement with AQUAE Holdings Pte. Ltd., under which MindWave will design, develop and support a platform for the issuance, verification, transfer and retirement of ALCI environmental credits. Consideration comprises fees of $1,112,000 payable in four installments of $278,000, the first due within ten business days of the effective date and the remainder at 90-day intervals, invoiced on completion of the corresponding development milestones, and 20% of the ALCI credits issued and outstanding, calculated quarterly; after the initial term, the agreement continues on an annual maintenance basis. AQUAE Holdings Pte. Ltd. is a related party because Dr. Vin Menon, the Company's Co-Chief Executive Officer, is a member of its management; it is a separate entity from AQUAE Labs Pte Ltd, referred to below. The $278,000 upfront installment was due on September 28, 2026 and had not been received as of September 30, 2026. Because the Company's right to the installment was unconditional and no services had been performed, it is presented as accounts receivable — related party with a corresponding contract liability — related party, and no revenue has been recognized.

FreeT Inc., formerly Inscobee, Inc., assigned to the Company the Apitox rights described in Note 1 on August 19, 2026, with no monetary consideration specified. In addition, Erik Emerson, an executive of Lokahi who holds options to purchase the Company's common stock, became Chief Executive Officer and a director of Glucotrack in connection with the merger described in Note 1.

Correction of prior-period disclosure. Amounts owed by related parties of $115,570 as of June 30, 2026 were disclosed in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 as amounts due from AQUAE Labs Pte Ltd ($18,800) and Calfin Capital Private Limited ($96,770). Those amounts were incorrectly identified. They comprised $30,000 due from TechyTrade LLC and $85,570 of balances within the consolidated group that should have been eliminated in consolidation: $46,770 of the parent company's costs paid by TechyTrade Innovations Pte Ltd, $20,000 due from MindWave Innovations Inc. and $18,800 due from TechyTrade FZ-LLC. The $46,770 of parent company costs and $20,000 of professional fees of MindWave Innovations Inc. that related to the three months ended June 30, 2026 were recognized in general and administrative expenses in the three months ended September 30, 2026. Management evaluated the corrections under ASC 250 and SAB Topic 1.M and concluded that they are not material to the current or any prior period.

NOTE 12 — INCOME TAXES

The Company recorded no provision for or benefit from income taxes for the three and nine months ended September 30, 2026 or 2025. The Company has incurred net operating losses since inception and maintains a full valuation allowance against its net deferred tax assets, as management has concluded that it is more likely than not that those assets will not be realized. Accordingly, the Company's effective tax rate differs from the U.S. federal statutory rate of 21%, principally as a result of the change in the valuation allowance, non-deductible fair value changes on digital assets and derivative instruments, and non-deductible share-based compensation. No income tax expense or benefit was allocated to discontinued operations.

The Company has no unrecognized tax benefits and has recorded no interest or penalties related to uncertain tax positions as of September 30, 2026 or December 31, 2025.

NOTE 13 — COMMITMENTS AND CONTINGENCIES

Operating lease

The Company is the lessee under an operating lease for office space in San Diego, California that commenced on January 1, 2026 and expires on December 31, 2028. The lease was contributed to Lokahi under an executed contribution agreement, and the related right-of-use asset and lease liability were derecognized on the deconsolidation of Lokahi (see Note 3). The lease remains in the Company's name, the Company has not been released by the landlord, and the Company could be required to make the remaining payments if Lokahi does not. No liability has been recognized for this obligation. Remaining undiscounted payments under the lease were $172,285 as of June 30, 2026, the date of the balances used for the deconsolidation. The Company's principal executive offices at 100 Matawan Rd, Suite 325, Matawan, New Jersey and its Digital Asset Treasury operations at 60 Paya Lebar Road, Singapore are occupied under arrangements with terms of twelve months or less, for which the Company has elected the short-term lease exception and recognizes the payments as expense as incurred.

Settlement Agreement

Under the Settlement Agreement described in Note 1, Nexus Global Partners Inc., a wholly owned subsidiary of the Company, is entitled to 10% of the net proceeds of certain future financings, with the remaining 90% retained by MindWave, and a spin-off of Nexus is contemplated within approximately twelve months. No amounts were payable under this provision as of September 30, 2026.

Platform Development Agreement

On July 17, 2026, MindWave Innovations Inc. entered into a Master Services Agreement with Digital Prizm Pte Ltd for the development of a technology platform for total consideration of $4,960,000. The agreement provides for a non-refundable kickoff payment of $2,480,000, payable within seven days, upon receipt of which development commences, and for the remaining $2,480,000 to be paid in eight quarterly installments of $310,000 beginning at go-live. Amounts overdue by more than 30 days permit Digital Prizm Pte Ltd to suspend the services and to declare the balance of the contract price immediately due. As of September 30, 2026, the kickoff payment had not been paid and was more than 30 days past due. Development had not commenced and no amounts under the agreement were recognized as of September 30, 2026; the total contract price of $4,960,000 is a commitment that is not recognized as of September 30, 2026.

NYSE American continued listing

On April 17, 2026, the Company received notice from NYSE American that it was not in compliance with Section 1007 of the NYSE American Company Guide as a result of its failure to timely file its Annual Report on Form 10-K for the year ended December 31, 2025. The Company was granted an initial cure period of six months, expiring October 15, 2026, which the exchange may extend by up to an additional six months, and its common stock trades under the symbol "APUS.LF" pending regained compliance. Trading in the Company's common stock was halted on April 2, 2026 and, as disclosed in the Company's Current Report on Form 8-K filed April 22, 2026, remained halted as of that date. Trading had resumed before June 30, 2026, and the common stock has traded on a split-adjusted basis under the symbol "APUS.LF" since July 24, 2026. The Company filed its Annual Report on Form 10-K for the year ended December 31, 2025 on May 4, 2026 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 on May 26, 2026, in each case after the applicable due date, and its Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 on August 14, 2026. Under Section 1007, the Company will regain compliance only when it is current in all of its required periodic filings with the SEC. There can be no assurance that the Company will regain compliance within the cure period.

Legal proceedings and other contingencies

From time to time the Company may become involved in legal proceedings arising in the ordinary course of business. Other than as described above, management is not aware of any pending or threatened legal proceedings that would be expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

Class action. The Company is one of approximately 30 defendants, together with the underwriters of certain offerings, in a putative securities class action [caption, court and filing date to be confirmed with counsel]. The Company has referred the matter to its directors' and officers' liability insurance carrier and had received no communication from the plaintiffs as of September 15, 2026. The Company is unable to estimate the possible loss or range of loss, if any, and no amount has been accrued.

Management compensation. On September 30, 2026, the board of directors approved a management compensation schedule, with salaries effective from June 2026, subject to the completion of financing and the resolution of matters relating to the senior secured convertible note. Neither condition had been satisfied as of September 30, 2026, and no amount has been accrued.

NOTE 14 — SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date these condensed consolidated financial statements were issued.

Appointment of Chief Financial Officer. On September 30, 2026, the board of directors appointed Eric Sherb as Chief Financial Officer, principal financial officer and principal accounting officer, effective October 1, 2026, following the resignation of the Company's Interim Chief Financial Officer effective September 29, 2026.

BlockAssure Master Service Agreement. On October 4, 2026, MindWave entered into a two-year Master Service Agreement with BlockAssure Inc., which renews automatically for one-year terms, under which MindWave will build, deploy, host and maintain a blockchain subnet for BlockAssure in exchange for a fixed development fee of $1,100,000 payable in four quarterly installments of $275,000 in advance, operating and maintenance fees to be agreed, and 20% of the AssureCoin token supply.

Additional Financing. In October 2026, TechyTrade Innovations Pte. Ltd. received aggregate funding of $750,000 from Calfin Capital Private Limited, a Singapore-incorporated entity that holds preference shares in TechyTrade's parent company.

The funding was received in two tranches consisting of $350,000 on October 2, 2026, and $400,000 on October 16, 2026 to provide additional liquidity to support the operating and working capital requirements.

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

The following discussion and analysis should be read together with our unaudited condensed consolidated financial statements and the related notes included in Item 1 of this Quarterly Report and our audited consolidated financial statements for the year ended December 31, 2025. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. All share and per-share amounts have been retroactively adjusted for the 1-for-10 reverse stock split effected July 24, 2026.

Overview

We operate through one reportable segment, our Digital Asset segment, conducted through MindWave Innovations Inc. and its subsidiaries, which holds and transacts in digital assets, principally Bitcoin, Tether and NILA tokens, and is developing commercial blockchain and technology applications. Until July 14, 2026 we also conducted a clinical-stage pharmaceutical business through our subsidiary Lokahi Therapeutics Inc. (the BioBusiness), which is presented as a discontinued operation. As of September 30, 2026 we held digital assets with a fair value of $142,423,473, representing 93% of our total assets. Because those assets are measured at fair value with changes recognized in earnings, our reported results are subject to substantial period-to-period volatility that is unrelated to our operating performance.

On April 24, 2026 we entered into a Confidential Settlement Agreement and Mutual Release providing, among other things, for the transfer of 51% of the equity of Lokahi. On July 14, 2026 Lokahi became a wholly owned subsidiary of Glucotrack, Inc. in a merger in which we received Glucotrack common stock and the right to receive Glucotrack Series A preferred stock. We deconsolidated Lokahi using its June 30, 2026 balances and recognized a gain on deconsolidation of $7,803,653, which is included in income from discontinued operations. Our investment in Glucotrack is measured at fair value, and we recognized a loss of $710,705 on the investment in the three months ended September 30, 2026. On August 19, 2026 FreeT Inc. assigned to us certain Apitox royalty and revenue participation rights, with no monetary consideration specified.

In September 2026 MindWave entered into technology services agreements with AQUAE Holdings Pte. Ltd. and Flash Sports & Media Holdings, Inc., and on October 4, 2026 it entered into a two-year Master Service Agreement with BlockAssure Inc. These agreements provide for fees and, in each case, an allocation of 20% of the tokens issued on the platforms MindWave builds, and in the case of Flash Sports & Media Holdings, Inc., shares of its common stock.

Going Concern

We have incurred recurring losses and negative operating cash flows. We incurred a net loss of $21,586,816 for the nine months ended September 30, 2026, used $7,953,510 of cash in operating activities, and had an accumulated deficit of $31,979,877 and cash and cash equivalents of $17,912 as of September 30, 2026. In addition, a senior secured convertible note with outstanding principal of $10,475,000, maturing December 8, 2026, was a current obligation as of September 30, 2026, and a $2,480,000 payment due under a platform development agreement was unpaid and more than 30 days past due (see Note 13 to the condensed consolidated financial statements). These conditions raise substantial doubt about our ability to continue as a going concern, as further described in Note 2 to the condensed consolidated financial statements. Additional tranches under the Securities Purchase Agreement providing for the issuance of notes in tranches with an aggregate redemption amount of up to $120,900,000 are issuable only on satisfaction of the conditions in the agreement and at the holder's election, and we have no unilateral right to draw; no further tranche has been drawn and the $10,900,000 drawn to date remains the only amount funded. The forbearance agreement with the holder of the senior secured convertible note expired on June 30, 2026 without extension, and release of the $8,000,000 held under the deposit account control arrangement remains contingent on conversion of the Series A Convertible Preferred Stock in accordance with the note agreement and is not available for general corporate purposes. The $5,000,000 of notes payable that matured on July 1, 2026 were obligations of Lokahi and were derecognized on its deconsolidation.

Results of Operations — Three Months Ended September 30, 2026 Compared to Three Months Ended September 30, 2025

We had no research and development expenses in continuing operations for the three months ended September 30, 2026 or 2025. Research and development expenses of the BioBusiness are included in discontinued operations.

Revenue was $2,898,899 for the three months ended September 30, 2026, compared with nil for the same period in 2025, and consisted of $2,480,000 of software development and deployment services provided by TechyTrade FZ-LLC to two customers under agreements entered into in July 2026. The projects were delivered during the quarter; the related invoices are payable 90 days from the invoice date and the full amount is included in accounts receivable as of September 30, 2026. Revenue also included $418,899 of digital asset yield income from 5.00 bitcoin received under our digital asset yield arrangement, which we present within revenue beginning in the third quarter of 2026 (see Note 2 to the condensed consolidated financial statements). Cost of revenue was $54,300 for the three months ended September 30, 2026 and consisted of the salaries of the TechyTrade FZ-LLC personnel who delivered the projects and a development retainer. General and administrative expenses were $814,477 for the three months ended September 30, 2026. There were no general and administrative expenses in continuing operations for the same period in 2025, when all operating expenses related to the BioBusiness and are presented in discontinued operations. The 2026 amount comprises $746,788 of general and administrative expenses of the Digital Asset segment, principally consultancy, marketing and personnel costs of MindWave, and $67,689 of corporate expenses, including $46,770 of costs that related to the three months ended June 30, 2026 (see Note 11 to the condensed consolidated financial statements).

Total other income, net, was $23,803,716 for the three months ended September 30, 2026, compared with $62,984 for the same period in 2025. The change reflects an unrealized gain on digital assets of $25,264,320, principally from the increase in the quoted price of Bitcoin from $58,415.80 at June 30, 2026 to $83,779.72 at September 30, 2026, and a $340,411 gain from the change in fair value of our derivative liability, partially offset by interest expense of $1,094,953, consisting of accretion of the discounts on our senior secured convertible note, and a $710,705 loss from the change in fair value of our investment in Glucotrack, Inc.

As a result, income from continuing operations was $25,833,838 for the three months ended September 30, 2026, and net income, including income from discontinued operations of $7,812,328, was $33,646,166, or $19.13 per basic share and $7.68 per diluted share, compared with a net loss of $1,781,255, or $1.42 per basic and diluted share, for the same period in 2025.

Results of Operations — Nine Months Ended September 30, 2026 Compared to Nine Months Ended September 30, 2025

We had no research and development expenses in continuing operations for the nine months ended September 30, 2026 or 2025. Research and development expenses of the BioBusiness of $1,860,886 for the nine months ended September 30, 2026 and $1,271,477 for the nine months ended September 30, 2025 are included in discontinued operations.

Revenue was $3,181,630 for the nine months ended September 30, 2026, compared with nil for the same period in 2025, and consisted of $2,480,000 of software development and deployment services, all of which was recognized in the third quarter, and $701,630 of digital asset yield income, including $282,732 received in the second quarter and previously presented within other income (expense). Cost of revenue was $54,300, all of which was incurred in the third quarter. General and administrative expenses were $12,039,229 for the nine months ended September 30, 2026. There were no general and administrative expenses in continuing operations for the same period in 2025. The 2026 amount comprises $8,478,077 of corporate expenses, including the $8,113,318 non-cash charge for advisory shares committed for issuance, and $3,561,152 of general and administrative expenses of the Digital Asset segment.

Total other expense, net, was $11,008,069 for the nine months ended September 30, 2026, compared with other income, net, of $26,666 for the same period in 2025, driven principally by an unrealized loss on digital assets of $9,993,209, interest expense of $2,916,881 and a $710,705 loss from the change in fair value of our investment in Glucotrack, Inc., partially offset by realized and trading gains on digital assets of $2,011,847 and a $604,683 gain from the change in fair value of our derivative liability.

Net loss was $21,586,816, or $12.89 per basic and diluted share, for the nine months ended September 30, 2026, including a loss from discontinued operations of $1,666,848, compared with $4,845,845, or $4.70 per basic and diluted share, for the same period in 2025.

Discontinued Operations. Income from discontinued operations was $7,812,328 for the three months ended September 30, 2026, compared with a loss of $1,844,239 for the same period in 2025, and loss from discontinued operations was $1,666,848 for the nine months ended September 30, 2026, compared with $4,872,511 for the same period in 2025. The 2026 amounts include the $7,803,653 gain on deconsolidation of Lokahi. See Note 3 to the condensed consolidated financial statements.

Segment Results

For the three months ended September 30, 2026, the Digital Asset segment reported income from continuing operations of $27,366,774 and Corporate reported a loss from continuing operations of $1,532,936. For the nine months ended September 30, 2026, the Digital Asset segment reported a loss from continuing operations of $8,419,002 and Corporate reported a loss from continuing operations of $11,500,966. Segment assets as of September 30, 2026 were $145,227,402 for the Digital Asset segment and $8,302,713 for Corporate.

Liquidity and Capital Resources

As of September 30, 2026, we had cash and cash equivalents of $17,912 and restricted cash of $8,000,000, compared with $144,601 and $8,000,000, respectively, as of December 31, 2025, excluding cash of $1,492,054 of Lokahi presented within current assets of discontinued operations. Our restricted cash consists of $8,000,000 held in a deposit account control arrangement for the benefit of the holder of our senior secured convertible note, pending release upon conversion of the Series A Convertible Preferred Stock in accordance with the terms of the note agreement, and is not available for general corporate purposes.

Net cash used in operating activities was $7,953,510 for the nine months ended September 30, 2026, compared with $5,107,575 for the same period in 2025. The 2026 amount reflects our net loss of $21,586,816, adjusted for non-cash items including $9,993,209 of unrealized losses on digital assets, $8,113,318 of advisory shares committed for issuance, $3,805,715 of non-cash accretion of debt discounts, $1,212,398 of accrued but unpaid interest and $218,325 of stock-based compensation, less the $7,803,653 gain on deconsolidation of Lokahi, and for a $2,858,403 increase in accounts payable and accrued expenses, partially offset by a $2,480,000 increase in accounts receivable.

Net cash provided by investing activities was $1,937,420 for the nine months ended September 30, 2026, comprising $2,000,000 of redemptions of short-term investments, partially offset by $53,186 of cash of Lokahi derecognized on its deconsolidation and $9,394 of equipment purchases. Net cash used in investing activities was $35,909 for the same period in 2025.

Net cash provided by financing activities was $4,397,347 for the nine months ended September 30, 2026, comprising $5,970,000 of proceeds from notes payable net of original issue discount, $11,345 of advances from a related party and $1,002 of subscription receivable collected, less $1,000,000 of note repayments and $585,000 of debt issuance costs paid. Net cash provided by financing activities was $12,126,646 for the same period in 2025, principally from our initial public offering and note financings.

Our ability to fund operations depends on our ability to raise additional capital, to monetize our digital-asset holdings, and to repay, extend or restructure our senior secured convertible note. These factors raise substantial doubt about our ability to continue as a going concern.

Critical Accounting Estimates

Our critical accounting estimates include the fair value measurement of our digital assets under ASC 350-60 — in particular the NILA token, which is measured using Level 2 inputs and represented $49,683,723, or 35%, of our digital assets as of September 30, 2026 — the fair value of our investment in Glucotrack, Inc., the fair value of the embedded conversion feature accounted for as a Level 3 derivative liability and measured using a Monte Carlo simulation, and the effective interest rates used to accrete debt discounts. Changes in the assumptions underlying these estimates could have a material effect on our reported results.

Off-Balance-Sheet Arrangements

We do not have any off-balance-sheet arrangements as defined under SEC rules.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to provide the information required by this Item. Notwithstanding the foregoing, our results of operations and financial condition are subject to significant market risk from changes in the fair value of our digital-asset holdings, which are measured at fair value with changes recognized in earnings, and from the equity-price and interest-rate inputs used to value our derivative liability. A hypothetical 10% decline in the fair value of our digital assets as of September 30, 2026 would have reduced our total assets and increased our net loss by $14,242,370.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. Our management, with the participation of our principal executive officers and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2026. Based on that evaluation, our principal executive officers and principal financial officer concluded that, as of September 30, 2026, our disclosure controls and procedures were not effective, due to material weaknesses in internal control over financial reporting relating to the lack of sufficient qualified accounting personnel, the absence of controls over the review and approval of journal entries, account reconciliations and other fundamental accounting processes, the absence of a formal risk assessment and segregation of duties, and controls over the accounting for complex transactions, including digital assets, convertible instruments and business combinations. These are the same material weaknesses previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025. The evaluation was carried out by Dr. Vin Menon and Sungjoon Chae, our Co-Chief Executive Officers and principal executive officers, together with our principal financial officer.

Changes in Internal Control over Financial Reporting. There were no changes in our internal control over financial reporting during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. During the quarter we deconsolidated Lokahi Therapeutics Inc., and our Interim Chief Financial Officer resigned effective September 29, 2026; our Chief Financial Officer was appointed effective October 1, 2026. Management evaluated these changes and concluded that none changed the design or operation of our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

From time to time we may be involved in legal proceedings arising in the ordinary course of business. On April 24, 2026 we entered into a Confidential Settlement Agreement and Mutual Release resolving disputes with certain former officers, directors and shareholders, as described in Note 1 and Note 13 to the condensed consolidated financial statements. Other than as described therein, we are not currently a party to any material legal proceedings. In addition, the action captioned Erik Emerson v. Inscobee Inc. and Apimeds, Inc., filed in the United States District Court for the Southern District of New York and disclosed in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, was voluntarily dismissed on May 5, 2026. No amounts were paid by the Company in connection with that dismissal and no liability was recorded.

We are one of approximately 30 defendants, together with the underwriters of certain offerings, in a putative securities class action [caption, court and filing date to be confirmed with counsel]. We have referred the matter to our directors' and officers' liability insurance carrier. See Note 13 to the condensed consolidated financial statements.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025, other than as follows. Our digital-asset holdings represented 93% of our total assets as of September 30, 2026 and are measured at fair value with changes recognized in earnings; declines in the price of Bitcoin, Tether or the NILA token would have an immediate and material adverse effect on our results of operations and financial condition, and the NILA token trades in markets that are not active, which may limit our ability to monetize that position at its carrying value. Substantial doubt exists about our ability to continue as a going concern. The forbearance arrangement with the holder of our senior secured convertible note expired on June 30, 2026, and the note matures on December 8, 2026; if we are unable to repay, extend or restructure it, the holder may exercise remedies against substantially all of our assets. Although third parties have agreed to make payments to the holder in settlement of its claims, we will not be released from the note unless and until those payments are made in full. Our investment in Glucotrack, Inc. is measured at fair value and is exposed to changes in the market price of Glucotrack common stock. We are not in compliance with Section 1007 of the NYSE American Company Guide and our common stock could be delisted if we do not regain compliance within the cure period. We effected a 1-for-10 reverse stock split on July 24, 2026, which may adversely affect the liquidity and market price of our common stock.

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

In connection with the reverse stock split effected July 24, 2026, the Company issued 33,506 shares of common stock as a result of rounding up fractional shares, for no consideration. On September 25, 2026, the Company issued 305,002 shares of common stock to the holder of its senior secured convertible note upon the conversion of $425,000 of principal at a conversion price of $1.3934 per share, pursuant to conversion notices dated September 24, 2026. The shares were issued in reliance on the exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended, as securities exchanged by the Company with an existing security holder where no commission or other remuneration was paid or given for soliciting the exchange. There were no issuer purchases of equity securities during the three months ended September 30, 2026. As of September 30, 2026, 204,284 shares remained committed but unissued under the advisory agreement described in Note 9 to the condensed consolidated financial statements.

Item 3. Defaults Upon Senior Securities

The holder of the Company's senior secured convertible note delivered a notice of default under the financing documents and, under a forbearance agreement entered into on April 30, 2026, agreed to forbear from exercising remedies through June 30, 2026. The forbearance period expired on June 30, 2026 and had not been extended as of September 30, 2026. On September 4, 2026, third parties entered into a settlement agreement with the holder; the Company is not a party to that agreement and had not been released by the holder as of September 30, 2026. The notes payable with an aggregate principal amount of $5,000,000 that matured on July 1, 2026 were obligations of Lokahi, were not guaranteed by the Company and were derecognized on the deconsolidation of Lokahi. See Note 8 and Note 3 to the condensed consolidated financial statements.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended September 30, 2026, no director or officer of the Company adopted or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K.

Item 6. Exhibits

3.1	Certificate of Amendment to the Certificate of Incorporation, effective July 23, 2026 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2026).
10.1	Assignment and Transfer Agreement of Certain Apitox Rights, dated August 19, 2026, between the Company and FreeT Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 21, 2026).
10.2	First Amendment to Confidential Settlement Agreement and Mutual Release, dated September 10, 2026 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed September 11, 2026).
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3	Certification of Co-Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officers and Principal Financial Officer pursuant to 18 U.S.C. Section 1350.
101	Inline XBRL documents.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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.

APIMEDS PHARMACEUTICALS US, INC.

By: */s/ Dr. Vin Menon*
Dr. Vin Menon, Co-Chief Executive Officer
(Principal Executive Officer)

By: */s/ Sungjoon Chae*
Sungjoon Chae, Co-Chief Executive Officer
(Principal Executive Officer)

By: */s/ Eric Sherb*
Eric Sherb, Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Date: November 16, 2026

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dr. Vin Menon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Apimeds Pharmaceuticals US, Inc., for the period ended September 30, 2026;

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(s) 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.

5. The registrant's other certifying officer(s) 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/ Dr. Vin Menon*

Dr. Vin Menon
Co-Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Erick Frim, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Apimeds Pharmaceuticals US, Inc., for the period ended September 30, 2026;

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(s) 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.

5. The registrant's other certifying officer(s) 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/ Eric Sherb*

Eric Sherb
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.3

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

In connection with the Quarterly Report of Apimeds Pharmaceuticals US, 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 certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(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 result of operations of the Company.

Date: November 16, 2026

By: */s/ Dr. Vin Menon*

Dr. Vin Menon
Co-Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Apimeds Pharmaceuticals US, 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 certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(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 result of operations of the Company.

Date: November 16, 2026

By: */s/ Eric Sherb*

Eric Sherb
Chief Financial Officer
(Principal Financial and Accounting Officer)