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

FORM 10-Q

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

For the quarterly period ended: September 30, 2026

OR

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

For the transition period from to

Commission file number: 001-42711

CID HOLDCO, INC.
(Exact name of registrant as specified in its charter)

Delaware	**99-2578850**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5661 S Cameron St, Suite 100, Las Vegas, Nevada	**89118**
(Address of principal executive offices)	(Zip Code)

+1 (303) 332 4122
(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 of $0.0001 per share	DAIC	The Nasdaq Stock Market LLC
Warrants, each exercisable for one share of Common Stock at an exercise price of $287.50 per share	DAICW	The Nasdaq Stock Market LLC

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

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

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

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

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

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

The number of shares of the common stock of the registrant issued and outstanding as of November 20, 2026 was 5,386,816 shares of common stock.

CID HOLDCO, INC.
FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2026

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PART I - FINANCIAL INFORMATION

Item 1. – Financial Statements (unaudited)

CID HOLDCO, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	September 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash	$ 75,014	$ 865,624
Accounts receivable	-	3,624,547
Inventory	-	1,430,881
Prepaid expenses and other current assets	316,791	480,903
Total current assets	391,805	6,401,955
Noncurrent assets:		
Property and equipment, net	-	645,240
Operating lease right-of-use assets (ROU)	160,000	701,878
Capitalized software development costs	-	2,920,718
Other long-term assets	-	27,893
Total long-term assets	160,000	4,295,729
Total assets	$ 551,805	$ 10,697,684
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 6,770,554	$ 4,124,924
Accrued expenses	2,465,880	1,826,189
Accrued compensation	290,091	177,222
Accrued franchise taxes	26,428	8,428
Interest payable to related parties	16,961	-
Derivative liabilities	38,462	78,635
Short-term debt from third-parties, net	970,000	1,540,651
Short-term debt from related parties, net	349,996	-
Deferred revenue, current portion	1,984,370	236,038
Operating lease liabilities, current portion	587,286	139,963
Total current liabilities	13,500,028	8,132,050
Long-term liabilities:		
Deferred revenue, non-current portion	-	1,748,512
Operating lease liabilities, non-current portion	-	577,656
Total long-term liabilities	-	2,326,168
Total liabilities	13,500,028	10,458,218
Commitments and contingencies (Note 16)		
Shareholders' equity (deficit)		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized; Series AA, 400,000 shares designated; none issued	-	-
Common stock, $0.0001 par value; 290,000,000 shares authorized; 2,337,767 and 1,170,933 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively (a)	234	117
Additional paid-in capital (a)	70,090,023	61,690,683
Accumulated deficit	(83,038,480)	(61,451,334)
Total shareholders' equity (deficit)	(12,948,223)	239,466
Total liabilities and shareholders' equity	$ 551,805	$ 10,697,684

(a) All share information, common stock balances, and additional paid-in capital balances have been adjusted to reflect a 1-for-25 reverse stock split effective May 29, 2026.

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

CID HOLDCO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenue	$ -	$ 778,482	$ 24,612	$ 1,257,813
Cost of goods sold	-	488,286	9,304	572,558
Gross profit	-	290,196	15,308	685,255
Operating expenses:				
General and administrative	1,500,250	2,742,753	6,016,941	4,184,688
Research and development	208,468	397,135	1,214,542	972,640
Sales and marketing	63,149	1,111,895	1,349,989	2,564,891
Acquisition and integration	-	243,230	-	1,154,857
Impairment of long-lived assets	2,917,120	-	2,917,120	-
Depreciation and amortization	167,045	11,738	501,136	16,839
Total operating expenses	4,856,032	4,506,751	11,999,728	8,893,915
Loss from operations	(4,856,032)	(4,216,555)	(11,984,420)	(8,208,660)
Other income (expense):				
Interest expense	(215,258)	-	(1,324,449)	(328,763)
Change in fair value of SAFE notes	-	-	-	(17,368,415)
Change in fair value of convertible note payable and derivative liabilities	(4,907,186)	-	(4,925,050)	-
Other income (expense), net	-	-	-	(2,726,183)
Loss on extinguishment of debt	(2,851,371)	-	(2,851,371)	(5,728,295)
Loss on issuance of convertible note payable	(500,000)	-	(500,000)	-
Loss on issuance of shares	(21,258)	-	(1,856)	-
Total other income (expense)	(8,495,073)	-	(9,602,726)	(26,151,656)
Loss before income taxes	(13,351,105)	(4,216,555)	(21,587,146)	(34,360,316)
Provision for income taxes	-	-	-	-
Net loss	$ (13,351,105)	$ (4,216,555)	$ (21,587,146)	$ (34,360,316)
Net loss per share (a)				
Basic and diluted (a)	$ (5.00)	$ (3.81)	$ (12.29)	$ (47.34)
Weighted average number of shares				
Basic and diluted	2,669,392	1,105,801	1,756,175	725,864

(a) All share and per share information have been adjusted to reflect a 1-for-25 reverse stock split effective May 29, 2026.

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

CID HOLDCO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)

Nine Months Ended September 30, 2026	Common Stock (a) Shares	Common Stock (a) Amount	Additional Paid-In Capital (a)	Accumulated Deficit	Total Shareholders' Equity (Deficit)
Balances as of December 31, 2025	1,170,933	$ 117	$ 61,690,683	$ (61,451,334)	$ 239,466
Stock-based compensation	-	-	1,753	-	1,753
Share issuance for services	13,598	1	124,999	-	125,000
Share issuance for cash	800	-	6,420	-	6,420
Net loss	-	-	-	(4,465,168)	(4,465,168)
Balances as of March 31, 2026	1,185,331	118	61,823,855	(65,916,502)	(4,092,529)
Stock-based compensation	-	-	1,611	-	1,611
Share issuance for cash	329,898	33	640,159	-	640,192
Share issuance for debt conversion	360,165	36	895,119	-	895,155
Share issuance for warrant exercises	65,596	7	158,736	-	158,743
Share issuance for commitment fee	25,052	3	119,997	-	120,000
Net loss	-	-	-	(3,770,873)	(3,770,873)
Balances as of June 30, 2026	1,966,042	197	63,639,477	(69,687,375)	(6,047,701)
Stock-based compensation	-	-	1,075	-	1,075
Share issuance for warrant exercises	371,725	37	266,220	-	266,257
Warrant liability reclassified to equity on exercise	-	-	45,448	-	45,448
Common stock issuable under the LHT I Settlement Agreement	-	-	6,137,803	-	6,137,803
Net loss	-	-	-	(13,351,105)	(13,351,105)
Balances as of September 30, 2026	2,337,767	$ 234	$ 70,090,023	$ (83,038,480)	$ (12,948,223)

Nine Months Ended September 30, 2025	Legacy Common Stock Shares	Legacy Common Stock Amount	Common Stock (a) Shares	Common Stock (a) Amount	Additional Paid-In Capital (a)	Accumulated Deficit	Total Shareholders' Equity (Deficit)
Balances as of December 31, 2024	108,975,000	$ 108,975	-	$ -	$ 330,366	$ (24,733,263)	$ (24,293,922)
Retroactive application of recapitalization	(108,975,000)	(108,975)	488,429	49	108,926	-	-
Balances as of December 31, 2024, adjusted	-	-	488,429	49	439,292	(24,733,263)	(24,293,922)
Stock-based compensation	-	-	-	-	10,005	-	10,005
Net loss	-	-	-	-	-	(1,284,558)	(1,284,558)
Balances as of March 31, 2025	-	-	488,429	49	449,297	(26,017,821)	(25,568,475)
Stock-based compensation	-	-	-		9,737	-	9,737
Reverse recapitalization transaction, net	-	-	617,049	62	56,157,130	-	56,157,192
Net loss	-	-	-			(28,859,203)	(28,859,203)
Balances as of June 30, 2025	-	-	1,105,478	111	56,616,164	(54,877,024)	1,739,251
Stock-based compensation	-	-	-	-	9,120	-	9,120
Share issuance for commitment fee	-	-	4,255	-	350,000	-	350,000
Net loss	-	-	-	-	-	(4,216,555)	(4,216,555)
Balances as of September 30, 2025	-	$ -	1,109,733	$ 111	$56,975,284	$ (59,093,579)	$ (2,118,184)

(a) All common stock share and related dollar information as well as additional paid-in capital have been adjusted to reflect a 1-for-25 reverse stock split effective May 29, 2026.

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

CID HOLDCO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended September 30,	
	2026	**2025**
OPERATING ACTIVITIES		
Net loss	$ (21,587,146)	$ (34,360,316)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	501,136	16,839
Amortization of debt origination fees	327,083	—
Noncash interest expense	439,782	—
Change in fair value of SAFE notes	—	17,368,415
Change in fair value of derivative liabilities	4,955,050	—
Change in fair value of convertible note payable	(30,000)	—
Loss on issuance of convertible note payable	500,000	—
Loss on debt extinguishment	2,851,371	5,728,295
Impairment of long-lived assets	2,917,120	—
Credit loss on accounts receivable	111,099	—
Loss on issuance of shares	1,856	—
Share-based compensation	4,439	28,862
Noncash operating lease expense	107,368	64,857
Transaction costs paid in shares	—	156,869
Fair value of shares and warrants issued as commitment fees	221,243	350,000
Shares issued for services	125,000	—
Reverse recapitalization transaction	—	(3,339,169)
Changes in operating assets and liabilities:		
Accounts receivable	3,513,448	(864,763)
Prepaid expenses and other assets	192,005	(572,655)
Inventory	(1,241,517)	(402,854)
Accounts payable	2,645,630	163,030
Accrued expenses	639,691	1,095,589
Accrued compensation	112,869	(171,492)
Interest payable to related parties	16,961	—
Accrued taxes	18,000	3,913,668
Operating lease liabilities	(130,333)	(61,968)
Deferred revenue	(180)	58,963
Net cash used in operating activities	(2,788,025)	(10,827,830)
INVESTING ACTIVITIES		
Purchase of property and equipment	-	(483,724)
Capitalized software development costs	(64,068)	(898,798)
Net cash used in investing activities	(64,068)	(1,382,522)
FINANCING ACTIVITIES		
Proceeds from issuance of short-term loans from third parties	1,170,000	2,850,000
Proceeds from issuance of convertible note payable	500,000	—
Proceeds from issuance of short-term loans from related parties	349,996	—
Proceeds from issuance of SAFE notes	-	23,752
Proceeds from PIPE investments	-	10,837,643
Proceeds from Trust account	-	5,577,304
Proceeds from issuance of shares	644,756	—
Proceeds from warrant exercises	425,000	—
Purchase of common stock	-	(5,000,000)
Repayment of bridge loans	-	(1,380,545)
Repayment of short-term loans from third parties	(1,028,269)	—
Net cash provided by financing activities	2,061,483	12,908,154
Net (decrease) increase in cash	(790,610)	697,802
Cash, beginning of period	865,624	721,032
Cash, end of period	$ 75,014	$ 1,418,834
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 778,691	$ 39,462
Noncash investing and financing activities:		
Conversion of short-term debt to equity	$ 895,155	$ 2,456,500
Settlement of the LHT I note and conversion feature in common stock to be issued	$ 6,137,803	$ -
Settlement of the Phillips Note through the transfer of assets	$ 506,891	$ -
Warrant liability reclassified to equity on exercise	$ 45,448	$ -
Right-of-use asset obtained in exchange for lease liability	$ -	$ 482,227
Conversion of SAFE notes to equity	$ -	$ 40,726,793

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

Note 1 – Company Information

Organization and Nature of Operations

CID Holdco, Inc. (the "Company", or "CID Holdco", or "CID"), formerly known as SEE ID Inc., dba Dot AI (the "Legacy Company" or "SEE ID"), was incorporated in Delaware with its headquarters in Las Vegas, Nevada. The Company helps businesses transform their operations by optimizing safety, security, and efficiency of operations through in-process tracking of resources. Through the Company's extensive research and development initiatives, the Company's main focus includes areas such as Industrial IoT, Indoor and Outdoor tracking with seamless transitions, Passive RFID (including Bluetooth and 5G), Collision Avoidance, real- time locating system, Dolly management, and related supported software applications.

The Company is the developer of an asset tracking platform intended to push the limits of near real-time precision-based location technology. The Company's platform leverages the technologies including the patented passive and active RFID tracking solutions, low power edge camera platforms utilizing artificial intelligence, enabling users to give accuracy to all mapping technologies in areas that are troublesome. Through its technological solutions, the Company serves multiple industries including construction, military, mining, retail, warehousing and manufacturing.

In July 2024, the Legacy Company incorporated Dot Works, Inc. ("Dot Works"), a Puerto Rico corporation, as a wholly-owned subsidiary. Until manufacturing was suspended on May 25, 2026, Dot Works served as the primary manufacturing facility for Dot Ai, producing smart hardware devices and embedded technological components used in AI-driven enterprise solutions (ZIM Bridges and Smart Industrial TAGS), including the assembly, quality control and packaging of proprietary systems. Following the transfer of its inventory and manufacturing equipment to LHT I, LLC on September 15, 2026 (see Note 8), Dot Works no longer manufactures hardware. The Company continues to operate its released Dot Cloud platform, serve its subscription customers and pursue new customers, at a reduced level. Devices for its customers will be supplied by LHT I, LLC.

Liquidity and Going Concern

The Company follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 205-40, *Presentation of Financial Statements — Going Concern*, which requires that management evaluate whether there are relevant conditions and events that in aggregate raise substantial doubt about an entity's ability to continue as a going concern and to meet its obligations as they become due within one year after the date that the condensed consolidated financial statements are issued. Under the guidance, the Company must first evaluate whether there are conditions and events that raise substantial doubt about the entity's ability to continue as a going concern (step 1). If the Company concludes substantial doubt is raised, management also is required to consider whether its plans alleviate that doubt (step 2).

The Company has a limited operating history, has incurred significant operating losses since its inception, and the revenue and income potential of the Company's business and market are unproven. The preparation of these condensed consolidated financial statements does not include any adjustments that may result from the outcome of the uncertainty about the Company's ability to continue as a going concern. The Company's condensed consolidated financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. As of September 30, 2026, the Company had $75,014 in cash, a working capital deficit of $13,108,223 and an accumulated deficit of $83,038,480. Net cash used in operating activities was $2,788,025 and $10,827,830 for the nine months ended September 30, 2026 and 2025, respectively. To date, the Company has funded its operations primarily with the issuance and sale of debt and equity securities. Following June 18, 2025, the Company has also funded its operations with proceeds from its business combination with ShoulderUp Technology Acquisition Corp. (the "Business Combination"). The Company expects to incur substantial operating losses for the next several years.

On August 6, 2026 and August 10, 2026, the Company received Staff Determinations from The Nasdaq Stock Market LLC ("Nasdaq") because it had not regained compliance with the $50 million minimum market value of listed securities requirement by August 4, 2026 or the $15 million minimum market value of publicly held shares requirement by August 10, 2026. On August 27, 2026, Nasdaq notified the Company that the late filing of its Quarterly Report on Form 10-Q for the period ended June 30, 2026 was an additional basis for delisting. The Company requested a hearing, which stayed any suspension or delisting, and presented a plan of compliance to the Nasdaq Hearings Panel on September 15, 2026. The Company filed the June 30, 2026 Form 10-Q on September 25, 2026. On October 28, 2026, the Hearings Panel granted the Company's request for continued listing, subject to the Company submitting an application to transfer the listing of its common stock to The Nasdaq Capital Market on or before November 2, 2026 (see Note 19). The Company submitted the application by that date.

The conditions stated above raise substantial doubt about the Company's ability to continue as a going concern within one year from the date these condensed consolidated financial statements are issued. The Company's financing plans, its significant reductions in spending and the acquisition of Envoy Technologies, Inc. on October 9, 2026 (see Note 19) do not alleviate this substantial doubt. If the Company is unable to obtain necessary funds through its business operations or through its financing activities, there could be a material adverse effect on our business, results of operations, and prospects. The accompanying quarterly condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of these uncertainties.

Note 2 – Summary of Significant Accounting Policies

The Company's significant accounting policies are described in Note 2 – Summary of Significant Accounting Policies to the consolidated financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025. There have been no material changes in these policies or their application.

Basis of Presentation

The condensed consolidated financial statements include the accounts of CID Holdco, Inc. and its subsidiaries, with all intercompany transactions and balances eliminated in consolidation. The Company has prepared the condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and in conformity with the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). In the opinion of management, the condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the Company's financial position, results of operations, and cash flows for the periods presented.

These condensed consolidated financial statements and notes should be read in conjunction with the consolidated financial statements and notes in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 11, 2026.

Recently Issued Accounting Pronouncements Not Yet Adopted

In May 2025, the FASB issued ASU No. 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, which requires an entity to consider the factors in ASC 805-10-55-12 through 55-15 to determine the accounting acquirer in a business combination effected primarily by exchanging equity interests in which the legal acquiree is a variable interest entity that meets the definition of a business. The standard is effective for annual periods beginning after December 15, 2026, including interim periods within those annual periods, and is applied prospectively, with early adoption permitted. The Company has not early adopted ASU 2025-03.

Recently Adopted Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Clarifications to Accounting for Certain Convertible Debt Instruments*, which amends ASC 470-20 to clarify the requirements related to accounting for the settlement of a debt instrument as an induced conversion. The ASU is intended to improve the relevance and consistency in application of the induced conversion guidance in ASC 470-20 for (a) convertible debt instruments with cash conversion features and (b) debt instruments that are not currently convertible. The ASU removes references limiting induced conversion guidance to settlements in equity, thereby clarifying that the guidance may apply to conversions settled in equity, cash (or other assets), or a combination thereof. It also clarifies that, to qualify for induced conversion accounting, (i) the inducement offer must preserve the form and amount of consideration issuable under the original conversion privileges, (ii) the instrument must contain a substantive conversion feature at issuance and on the date the inducement offer is accepted, and (iii) the conversion must result from changed conversion privileges exercisable only for a limited period. The ASU further provides implementation guidance and examples, and clarifies that inducement expense is measured as the excess of the fair value of the consideration transferred over the fair value of the consideration issuable under the original conversion terms. The amendments in ASU No. 2024-04 are effective for fiscal years beginning after December 15, 2025, including interim periods within those fiscal years. The Company adopted ASU 2024-04 on January 1, 2026, and the adoption did not have an impact on its condensed consolidated financial statements. The conversion of the J.J. Astor senior secured convertible note under the September 15, 2026 settlement agreement with LHT I, LLC was accounted for as an extinguishment of debt (see Note 8).

Other than the accounting standards described above, the Company did not adopt any new accounting standards during the three and nine months ended September 30, 2026 that had a material impact on its condensed consolidated financial statements. The Company has reviewed all recently issued accounting pronouncements and determined that no other standards adopted during the periods materially affected its condensed consolidated financial position, results of operations, cash flows, or related disclosures.

Derivative Financial Instruments

The Company evaluates its financial instruments and agreements, including warrants, convertible notes and equity purchase agreements, to determine whether they are, or contain features that qualify as, derivatives or embedded derivatives under ASC 815. Derivative financial instruments that are accounted for as liabilities are initially recorded at fair value and are remeasured at each reporting date, with changes in fair value recognized in the condensed consolidated statements of operations. The Company uses the Black-Scholes option pricing model to value its warrant liabilities at inception and on subsequent valuation dates. Upon the exercise of a liability-classified warrant, the exercised portion is remeasured to fair value on the exercise date and reclassified to additional paid-in capital. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. The Company has also elected the fair value option for certain convertible notes (see Note 8).

Fair Value of Financial Instruments

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured using inputs in one of the following three categories:

Level 1 measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level 2 measurements are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or market data other than quoted prices that are observable for the assets or liabilities.

Level 3 measurements are based on unobservable data that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The Company considers cash, accounts receivable, accounts payable, the convertible note payable at fair value and derivative liabilities to meet the definition of financial instruments. As of September 30, 2026 and December 31, 2025, the carrying amounts of cash, accounts receivable and accounts payable approximate their fair values due to the short period of time between their origination and their expected realization or payment. The derivative liabilities and the convertible note payable at fair value are measured at fair value on a recurring basis (see Note 8).

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Recoverability of assets to be held and used is assessed by comparing the carrying amount of the asset or asset group with the undiscounted future cash flows expected to result from its use and eventual disposition. If the carrying amount exceeds the expected undiscounted future cash flows, an impairment loss is recognized to the extent that the carrying amount exceeds the fair value of the asset or asset group.

During the nine months ended September 30, 2026, the Company experienced a significant deterioration in operating activities, suspended manufacturing operations, furloughed its workforce, defaulted under the loan held by LHT I, LLC and, on September 15, 2026, transferred version 4.0 of its software platform and other assets to LHT I, LLC (see Note 8). Management determined that these events represented impairment indicators and performed a recoverability assessment of the asset group that includes the Company’s capitalized software.

The Company determined that the carrying amount of its retained long-lived asset group, consisting of its capitalized software development costs of $2,482,610 (see Note 7) and the operating lease right-of-use assets for its Bethesda, Maryland offices of $215,013 and its Barceloneta, Puerto Rico facility of $379,497 (see Note 12), were not recoverable, because the undiscounted cash flows attributable to the group, which exclude revenue produced with the Transferred Assets (as defined in Note 8) for the account of LHT I, LLC, were less than its carrying amount. The Company wrote the capitalized software and the Barceloneta right-of-use asset down to their estimated fair value of zero and the Bethesda right-of-use asset down to its estimated fair value of $160,000, based on the present value of expected sublease income, each a Level 3 measurement, and recognized an impairment loss of $2,917,120, which is presented as impairment of long-lived assets within loss from operations.

Revisions and Reclassifications

Certain revisions and reclassifications have been made to amounts in prior years’ financial statements and notes to the financial statements to conform to current year presentation. These revisions and reclassifications had no impact on total loss from operations, net loss, or shareholders’ equity (deficit) for any period presented (See Note 4).

Note 3 – Reverse Stock Split

On May 12, 2026, at the Company's annual meeting of shareholders, the Company's shareholders approved an amendment to the Company's Amended and Restated Certificate of Incorporation authorizing the Board of Directors (the "Board") to effect one or more reverse stock splits of the Company's common stock at a ratio ranging from 1-for-10 to 1-for-25, with the exact ratio to be determined by the Board in its sole discretion. The Board subsequently approved a 1-for-25 reverse stock split (the "Reverse Stock Split").

On May 27, 2026, the Company filed a Certificate of Amendment to its Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware to effect the Reverse Stock Split. The Reverse Stock Split became effective at 4:01 p.m. Eastern Time on May 29, 2026. The Company's common stock began trading on a split-adjusted basis on The Nasdaq Stock Market LLC at the market open on June 1, 2026 under the existing trading symbol "DAIC" and a new CUSIP number of 171756208.

As a result of the Reverse Stock Split, every 25 shares of common stock issued and outstanding or held as treasury stock immediately prior to the effective time were automatically reclassified and combined into one share of common stock, without any action required by the respective shareholders. The Reverse Stock Split reduced the number of shares of common stock outstanding from approximately 30.26 million shares to approximately 1.21 million shares. The par value of the Company's common stock remained unchanged at $0.0001 per share, and the Reverse Stock Split did not affect the number of shares of common stock authorized under the Company's Certificate of Incorporation.

No fractional shares were issued in connection with the Reverse Stock Split. Any fractional shares resulting from the Reverse Stock Split were rounded down to the nearest whole share, and shareholders were entitled to receive cash in lieu of such fractional shares based on the fair value of the Company's common stock immediately prior to the effective time, as determined by the Board. In connection with the settlement of fractional shares, the Company paid a de minimis amount to shareholders.

The Reverse Stock Split did not affect the Company's total assets, total liabilities, or total shareholders' equity, except for the immaterial effect of cash paid in lieu of fractional shares. The reduction in the par value of issued and outstanding common stock resulting from the reduction in the number of shares outstanding was reclassified to additional paid-in capital. All share and per-share amounts presented in the accompanying condensed consolidated financial statements and related notes have been retrospectively adjusted, where applicable, to reflect the Reverse Stock Split.

Note 4 – Reclassifications and Revisions of Prior Period Financial Statements

Based on an analysis of FASB ASC, ASC 250-*Accounting Changes and Error Corrections*, Staff Accounting Bulletin 99, *Materiality*, and Staff Accounting Bulletin 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, the Company concluded that the identified revisions below were not material to its previously issued financial statements. Accordingly, the prior period financial statements have been revised to reflect these reclassifications and corrections.

The Company revised its condensed consolidated statement of cash flows for the nine months ended September 30, 2025. The revision reclassified $2,630,000 from operating activities to financing activities: net cash used in operating activities increased from $8,197,830, as previously reported, to $10,827,830, and net cash provided by financing activities increased from $10,278,154 to $12,908,154. The revised line items are the reverse recapitalization transaction ($1,400,000), accrued interest ($(280,000)) and short-term debt, net ($(3,750,000)) within operating activities, and proceeds from ($2,350,000) and repayments of ($280,000) bridge loans within financing activities.

Line item	As previously reported	Revision	As revised
Operating activities:			
Reverse recapitalization transaction	$ (4,739,169)	$ 1,400,000	$ (3,339,169)
Accrued interest	280,000	(280,000)	-
Short-term debt, net	3,750,000	(3,750,000)	-
Net cash used in operating activities	**(8,197,830)**	**(2,630,000)**	**(10,827,830)**
Financing activities:			
Proceeds from issuance of short-term loans from third parties	500,000	2,350,000	2,850,000
Repayment of bridge loans	(1,660,545)	280,000	(1,380,545)
Net cash provided by financing activities	**$ 10,278,154**	**$ 2,630,000**	**$ 12,908,154**

Note 5 – Concentrations

Concentration of Credit Risk Arising From Cash Deposits in Excess of Insured Limits

The Company maintains a cash balance with a U.S. financial institution, in which the balance at times exceeds the FDIC insured limit of $250,000. As of December 31, 2025, the Company's cash balance held at the financial institution exceeded the FDIC limit. As of September 30, 2026, no cash balances were in excess of federally insured limits. The Company has not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

Significant Customers

A significant customer is defined as a customer that accounts for 10% or more of the Company's total revenue. The Company had no revenue for the three months ended September 30, 2026. For the nine months ended September 30, 2026, two customers accounted for approximately 61% and 39% of total revenue, respectively. For the three months ended September 30, 2025, three customers accounted for 100% of total revenue, of which one customer accounted for approximately 86% and another for approximately 12%. For the nine months ended September 30, 2025, three customers accounted for 100% of total revenue, of which one customer accounted for approximately 90%.

As of September 30, 2026, the Company's accounts receivable balance, before the allowance for credit losses, consisted of two customers. One customer accounted for approximately 95% of total accounts receivable and the other customer accounted for approximately 5%. As of December 31, 2025, the Company's accounts receivable balance was concentrated among three customers. One customer accounted for approximately 98% of total accounts receivable. The Company monitors the creditworthiness of its customers on an ongoing basis.

As of September 30, 2026, the Company recorded an allowance for credit losses of $32,687 for the full balance of its accounts receivable, because it does not expect to collect these balances. The related credit loss expense of $32,687 is included in general and administrative expenses for the three and nine months ended September 30, 2026. There was no allowance for credit losses as of December 31, 2025. During the nine months ended September 30, 2026, the Company wrote off a $78,412 receivable from Pope Technologies LLC, a related party (see Note 13). There were no other credit losses for the three and nine months ended September 30, 2026 and 2025.

Note 6 – Property and Equipment, Net

All of Dot Works' property and equipment, $542,020 net (including $14,897 of leasehold improvements), and the Company's hardware development equipment in Shirley, Massachusetts, $40,192 net, were part of the Transferred Assets and were derecognized on September 15, 2026 (see Note 8).

Property and equipment, net, as of September 30, 2026 and December 31, 2025, consisted of the following:

	Estimated useful life	September 30, 2026	December 31, 2025
Equipment	3 to 10 years	$ -	$ 665,303
Leasehold improvements	Lesser of lease term or estimated useful life	-	16,400
Less: Accumulated depreciation and amortization		-	(36,463)
Property and equipment, net		$ -	$ 645,240

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Depreciation expense	$ 21,009	$ 11,738	$ 63,028	$ 16,839

Note 7 – Capitalized Software Development Costs

The Company capitalizes eligible costs incurred in the development of internal-use software during the application development stage, in accordance with ASC 350-40, *Internal-Use Software*. Capitalized software development costs include direct labor, third-party services, and other direct costs associated with the development of new software or significant upgrades and enhancements to existing software. Costs incurred during the preliminary project stage and post-implementation/operational stage are expensed as incurred. Capitalized software development costs are amortized on a straight-line basis over the estimated useful life of the software, which management has determined to be five years.

As of September 30, 2026, the carrying amount of the capitalized software development costs retained by the Company, its released Dot Cloud software platform, was $2,482,610. Management identified indicators of impairment and determined that the asset group that includes the capitalized software was not recoverable. The Company wrote the capitalized software down to its estimated fair value of zero, resulting in an impairment loss of $2,482,610 (see Note 2).

Following the impairment, the capitalized software has no remaining carrying amount, and no further amortization will be recognized.

Version 4.0 of the Company's software platform, with a carrying amount of $64,068, was part of the Transferred Assets and was derecognized on September 15, 2026 (see Note 8).

The software was ready for its intended use as of January 1, 2026, and amortization commenced on that date. For the nine months ended September 30, 2026 and 2025, the Company recorded amortization expense of $438,108 and $0, respectively. For the three months ended September 30, 2026 and 2025, the Company recorded amortization expense of $146,036 and $0, respectively. Amortization expense is included in "Depreciation and amortization" in the condensed consolidated statements of operations.

Note 8 – Loans and Fair Value Measurements

J.J. Astor Loans and Subsequent Assumption by LHT I

On December 5, 2025, the Company entered into a loan agreement with J.J. Astor & Co. ("J.J. Astor") for up to $5,000,000 in senior secured convertible loans, consisting of an initial $2,000,000 tranche and up to three additional $1,000,000 tranches. The initial tranche was issued as a $2,000,000 convertible note, of which $1,810,000 was funded, net of fees. The note matures on November 30, 2026 and is repayable in twelve monthly installments, consisting of an initial payment of $108,334 followed by eleven monthly payments of approximately $226,515, totaling $2,600,000.

During the nine months ended September 30, 2026, the Company paid $1,568,894 to J.J. Astor, all before the assignment described below, and it made no payments on the loan during the three months ended September 30, 2026. Including the initial repayment of $108,334 in December 2025, the Company had repaid $1,677,228 before the assignment, leaving an outstanding balance of $922,772. On June 23, 2026, J.J. Astor & Co. entered into a Note Purchase and Assignment Agreement with LHT I, LLC, pursuant to which LHT I, LLC acquired J.J. Astor's remaining rights and interests under the loan agreement and assumed the related lender obligations under the existing terms. In connection with the assignment, LHT I, LLC paid $924,616 directly to J.J. Astor. The difference of $1,844 was recorded as interest expense on the J.J. Astor loan and rolled into the principal of the LHT I loan. Accordingly, the Company recorded the remaining obligation as a short-term loan payable to LHT I, LLC until the settlement described below.

The Company had also capitalized $190,000 of debt issuance costs associated with the J.J. Astor financing, consisting of the lender's $80,000 origination fee, an $80,000 broker fee and $30,000 of legal fees, which were amortized over the 12-month term of the loan at $15,833 per month. Following the assignment of the loan to LHT I, LLC, the deferred financing costs remained associated with the loan and were amortized through the settlement on September 15, 2026, when the unamortized balance of $39,584 was written off as a loss on extinguishment of debt (see below).

On August 12, 2026, the Company received a Notice of Default and Demand to Assemble Collateral from counsel to LHT I, LLC. The notice stated that $1,057,417 was due under the Loan Agreement, including attorneys' fees and costs, and that the lender may pursue foreclosure on the collateral.

On September 15, 2026, the Company, See ID, Inc., ShoulderUp Technology Acquisition Corp. and Dot Works, Inc. entered into a Settlement Agreement with LHT I, LLC to resolve the defaults and all obligations under the Loan Agreement and the Phillips Note (as defined below). LHT I, LLC converted $924,616 of principal, $132,169 of default penalties and interest and $30,000 of legal and accounting fees, totaling $1,086,785, into 2,815,506 shares of common stock at $0.386 per share, and waived the 4.99% beneficial ownership limitation for that conversion. At the closing, LHT I, LLC released the Company and its subsidiaries from all claims under the Loan Agreement, other than their obligations under the Settlement Agreement. The conversion and the asset transfer described below were completed at the closing, at which point the Loan Agreement was canceled, the Phillips Note was discharged and the related liens were released.

The Company accounted for the settlement as an extinguishment of debt on September 15, 2026, the closing date of the Settlement Agreement. Before extinguishment, the embedded conversion feature was remeasured to its fair value of $5,051,018, and the Company recognized a loss of $5,024,918 from the change in its fair value. On extinguishment, the Company recorded the shares at their fair value of $6,137,803, based on the $2.18 closing price of its common stock on September 15, 2026. It derecognized the loan of $1,086,785, including $162,168 of default penalties, interest and fees accrued through the settlement date, which were recorded within interest expense, the embedded conversion feature of $5,051,018 and unamortized debt issuance costs of $39,584, and recognized a loss on extinguishment of $39,584. These amounts are included in change in fair value of convertible note payable and derivative liabilities, and in loss on extinguishment of debt, respectively, for the three and nine months ended September 30, 2026. The shares were issued to LHT I, LLC in October 2026. Because the number of shares was fixed and no further consideration was required on the closing date, the value of the shares is included in shareholders' equity (deficit) at September 30, 2026 and in weighted-average shares outstanding from that date.

White Lion Loans

On April 17, 2026, the Company entered into a financing arrangement with White Lion Capital, LLC ("White Lion") consisting of an equity purchase facility (see Note 9) and senior secured convertible promissory notes.

Pursuant to the note purchase agreement, White Lion agreed to purchase senior secured convertible promissory notes with an aggregate principal amount of up to $2.875 million, reflecting a 20% original issue discount on aggregate cash proceeds of up to $2.3 million. The notes are secured by substantially all of the Company's assets, and are convertible into common stock at a discount to the market price, subject to further reductions in the conversion price upon certain events of default. In connection with the financing, White Lion is also entitled to commitment shares valued at $120,000 and warrants to purchase up to $2.0 million of common stock at an exercise price equal to 99% of the closing market price on the trading day immediately preceding the applicable exercise date. Aggregate share issuances under the agreements are subject to a 19.99% cap on the Company's outstanding common stock unless shareholder approval is obtained.

As of September 30, 2026, White Lion had funded $670,000 to the Company under the convertible note arrangement, net of $192,500 of issuance costs. In addition, White Lion had exercised $425,000 of warrants, resulting in the issuance of 437,321 shares of common stock.

The Company elected to account for the White Lion convertible notes under the fair value option, with changes in the fair value of the notes recognized in earnings each reporting period through settlement. During the second quarter of 2026, White Lion converted the outstanding notes and accrued amounts into shares of the Company's common stock. In connection with these conversions, the Company issued 360,165 shares of common stock in satisfaction of an aggregate of approximately $895,155 of principal and accrued interest. The related note liability was derecognized upon conversion, and by June 26, 2026, the White Lion convertible notes had been fully converted and satisfied. Accordingly, no White Lion convertible note liability remained outstanding as of September 30, 2026. The note purchase agreement was terminated on June 26, 2026.

Phillips Note

On June 23, 2026, the Company entered into a note purchase agreement with Phillips Equities & Trust, LLC ("Phillips"), pursuant to which Phillips agreed to provide $500,000 of financing in the form of secured convertible debt (the "Phillips Note"). The note matures 12 months from the issuance date and bears interest at 6% per annum. The note is convertible, at the holder's option, into shares of the Company's common stock at a conversion price equal to 80% of the applicable market price, subject to the exchange cap, beneficial ownership limitations, applicable securities laws, and trading market requirements. The Company expects to use the proceeds primarily for general corporate purposes, including supporting liquidity and servicing existing debt obligations.

Phillips Equities & Trust, LLC subsequently assigned the Phillips Note to its affiliate, LHT I, LLC. Under the Settlement Agreement, See ID, Inc. and Dot Works, Inc. transferred to LHT I, LLC, in full satisfaction of the Phillips Note, all of Dot Works' inventory and property and equipment at its Barceloneta, Puerto Rico facility, the hardware development equipment at the Company's Shirley, Massachusetts laboratory, the unreleased version 4.0 of the Company's software platform, firmware version 1.4 and subsequent versions, one issued patent, two patent applications and the related development work for two planned patent filings (the "Transferred Assets"). LHT I, LLC assumed no liabilities. The Company retained its released Dot Cloud software platform, earlier firmware versions, the SEE ID System patent and its reseller agreement. LHT I, LLC obtained title to and control of the Transferred Assets at the closing on September 15, 2026, and the Phillips Note was discharged on that date. The Company derecognized the Transferred Assets and the Phillips Note and recognized a loss on extinguishment of debt of $2,811,787, the excess of the $3,318,678 carrying amount of the Transferred Assets over the $506,891 carrying amount of the Phillips Note, which approximates its fair value under the fair value option. The loss is included in loss on extinguishment of debt. At LHT I, LLC's request, the Transferred Assets remain at the Company's facilities, where it is currently anticipated that the Company's personnel will operate and maintain them for LHT I, LLC under a transition services agreement (see Note 13).

The Transferred Assets never met the criterion to be classified as held for sale. The Transferred Assets are not a component of the Company. Before the Settlement Agreement, the Company's long-lived assets formed a single asset group, and the operations and cash flows of the Transferred Assets cannot be clearly distinguished from the rest of the Company, because the Company's personnel continue to develop and maintain the Transferred Assets for LHT I, LLC and the Company relies on LHT I, LLC for hardware. Accordingly, the transfer is not presented as a discontinued operation.

H Capital Note

On September 10, 2026, the Company issued a $550,000 unsecured convertible promissory note (the "H Capital Note") to H Capital Ventures Management Consultancies Co. LLC ("H Capital"), with H Capital providing $500,000 in cash, reflecting a 10% original issue discount. The note bears 8% annual interest, with the first six months of interest accruing immediately, and matures on March 10, 2027. H Capital may convert the note into Common Stock of the Company, par value $0.0001, at any time, from time to time. The Conversion Price is equal to the lower of $1.50 per share of Common Stock and 90% of the applicable ten Trading Day volume-weighted average price of the Common Stock (the "VWAP"), subject to a $0.50 floor (the "Floor Price"). The note includes beneficial ownership and conversion limitations, customary events of default, and a provision reducing the conversion price to $0.01 per share upon an event of default. The Company may prepay the note at any time.

The Company elected to account for the H Capital Note under the fair value option, with changes in the fair value of the note recognized in earnings each reporting period through settlement. The fair value of the H Capital Note was $1,000,000 at issuance, and the Company recognized the $500,000 excess of the fair value over the cash proceeds as a loss on issuance of convertible note payable. At September 30, 2026, the fair value of the H Capital Note was $970,000, which exceeded its $550,000 principal amount by $420,000, and the Company recognized a $30,000 gain on the change in fair value for the three and nine months ended September 30, 2026. The Company measures the fair value of the H Capital Note using a Monte Carlo simulation of its stock price, discounting the note's principal and interest at a market yield and the simulated conversion payoff at the risk-free rate. The inputs at September 30, 2026 were a stock price of $2.68, a conversion price of $1.50, a market yield of 24.0%, a risk-free rate of 4.21%, expected volatility of 40.0%, a remaining term of 0.44 years and an assumption that the conversion limitations would be removed through shareholder approval before maturity. The market yield, expected volatility and the shareholder approval assumption are significant unobservable inputs.

Derivative Liabilities

Derivative instruments that are not traded on an exchange are valued using conventional valuation models that incorporate both observable and unobservable inputs. Although the Company is publicly traded, the valuation of these derivative instruments requires significant unobservable inputs, including assumptions related to expected volatility, term, probability-weighted scenarios, and other model-based estimates. Accordingly, these derivative instruments are classified within Level 3 of the fair value hierarchy.

Upon completion of the Business Combination, all outstanding SAFE notes were converted into shares of the Company's common stock, resulting in a significant reduction in the related derivative liabilities during the nine months ended September 30, 2025.

During 2025, the Company entered into a loan agreement with J.J. Astor that included detachable warrants and embedded derivative features, including a conversion feature and a call option. These instruments and features did not qualify for equity classification under ASC 815 and were therefore bifurcated and accounted for as derivative liabilities at fair value, with changes in fair value recognized in the condensed consolidated statements of operations.

In addition, on April 17, 2026, the Company entered into a warrant purchase agreement with White Lion Capital, LLC. Pursuant to the agreement, White Lion has the right to purchase up to $2.0 million of the Company's common stock at an exercise price equal to 99% of the closing market price on the trading day immediately preceding the applicable exercise date. The warrant does not qualify for equity classification under ASC 815 and is therefore accounted for as a derivative liability at fair value, with changes in fair value recognized in the condensed consolidated statements of operations.

At issuance, the fair value of the J.J. Astor warrant liability was $210,776, and the fair value of the combined embedded conversion and call option derivative liability was $26,100. These amounts were bifurcated from the related loan proceeds. The derivative liabilities are remeasured at fair value at each reporting date. The fair value of the J.J. Astor warrant liability decreased to $52,535 as of December 31, 2025, $12,736 as of June 30, 2026 and $1,849 as of September 30, 2026. The warrant was assigned to LHT I, LLC with the loan in June 2026, was not settled under the Settlement Agreement and remains outstanding.

At issuance, the fair value of the White Lion warrant liability was $101,243. The warrant liability is remeasured at fair value at each reporting date, and its fair value increased to $158,906 as of June 30, 2026 and decreased to $36,613 as of September 30, 2026.

As of September 30, 2026 and December 31, 2025, the Company's derivative liabilities consisted of the following:

	September 30, 2026	December 31, 2025
J.J. Astor warrant	$ 1,849	$ 52,535
White Lion warrant	36,613	-
J.J. Astor embedded conversion and call option	-	26,100
Total derivative liabilities	$ 38,462	$ 78,635

These derivative instruments are classified within Level 3 of the fair value hierarchy because their fair values are determined using significant unobservable inputs. The warrant liability is measured using the Black-Scholes option pricing model, with key inputs including the Company's share price, the exercise price, expected volatility, the risk-free interest rate and the remaining term. Changes in the fair value of these derivative instruments during the periods are recognized in the condensed consolidated statement of operations in the periods in which they occur.

The embedded conversion and call option was remeasured to fair value immediately before the September 15, 2026 settlement with LHT I, LLC, and was settled through the issuance of 2,815,506 shares of Common Stock; its fair value of $5,051,018 at that date was derecognized as part of the settlement.

During the three months ended September 30, 2026, White Lion exercised the warrant on seven dates for aggregate cash proceeds of $245,000, and the Company issued 371,725 shares of common stock at exercise prices ranging from $0.49 to $1.83 per share. Immediately before each exercise, the Company remeasured the exercised portion of the warrant liability to fair value, which resulted in a loss of $24,056, and then reclassified the $45,448 fair value of the exercised portion to additional paid-in capital. As of September 30, 2026, $1,575,000 of the $2.0 million aggregate exercise amount of the White Lion warrant remained unexercised.

The following table presents the changes in the fair value of the Company's liabilities measured at fair value on a recurring basis using Level 3 inputs for the three and nine months ended September 30, 2026 and 2025:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Fair Value - beginning of period	$ 697,742	$ -	$ 78,635	$ 23,334,626
Addition	-	-	101,243	23,752
Issuance of convertible notes payable	1,000,000	-	2,362,500	-
Accrued interest on convertible notes payable	6,891	-	39,546	-
Change in fair value of derivative liabilities	4,937,186	-	4,955,050	-
Change in fair value of convertible note payable	(30,000)	-	(30,000)	-
Change in fair value of SAFE notes	-	-	-	17,368,415
SAFE notes converted into shares	-	-	-	(40,726,793)
Conversion of convertible notes payable into shares	-	-	(895,155)	-
Settlement of the Phillips Note through the transfer of assets	(506,891)	-	(506,891)	-
Reclassification to additional paid-in capital upon exercise of warrants	(45,448)	-	(45,448)	-
Settlement of embedded conversion feature in shares	(5,051,018)	-	(5,051,018)	-
Fair Value - end of period	$ 1,008,462	$ -	$ 1,008,462	$ -

The $1,008,462 ending fair value balance as of September 30, 2026 is comprised of short-term debt from third parties, net ($970,000) and derivative liabilities ($38,462).

The change in fair value of derivative liabilities and the change in fair value of convertible note payable shown above are presented together in the condensed consolidated statements of operations as change in fair value of convertible note payable and derivative liabilities of $4,907,186 and $4,925,050 for the three and nine months ended September 30, 2026, respectively.

The following table shows the details of the valuation assumptions (significant unobservable inputs) used in the Black-Scholes option pricing model to measure the warrant liabilities:

	White Lion warrant – September 30, 2026	White Lion warrant – exercise dates during the three months ended September 30, 2026	J.J. Astor warrant – September 30, 2026
Risk-free interest rate	4.20%	3.86% – 3.91%	5.05%
Expected term (years)	0.02	0.02	4.18
Expected volatility	72.4%	133.6% – 187.2% (167.2%)	72.4%
Expected dividends	0.00%	0.00%	0.00%
Stock price	$ 2.68	$0.56 – $2.10	$ 2.68
Exercise price	$ 2.79	$0.49 – $1.83	$ 42.25

The following table presents the Company's assets measured at fair value on a nonrecurring basis using Level 3 inputs as of September 30, 2026, in connection with the impairment of long-lived assets described in Note 2, and the related impairment loss recognized for the three and nine months ended September 30, 2026:

	Fair Value	Impairment
Operating lease right-of-use asset – Bethesda, Maryland	$ 160,000	$ 55,013
Operating lease right-of-use asset – Barceloneta, Puerto Rico	-	379,497
Capitalized software development costs	-	2,482,610
Total	$ 160,000	$ 2,917,120

The fair value of the Bethesda right-of-use asset was estimated using the present value of expected sublease income. The Barceloneta right-of-use asset was assigned a fair value of zero because the landlord terminated Dot Works' right of possession as of August 15, 2026, so the facility can no longer be used or subleased.

Note 9 – Equity Line of Credit ("ELOC")

New Circle ELOC

As part of its funding efforts, on June 18, 2025, the Company entered into a Standby Equity Purchase Agreement ("SEPA") with New Circle Principal Investment LLC ("New Circle"), pursuant to which the Company has the right, but not the obligation, to sell up to $50 million of its Common Shares through June 18, 2028, at a price based on a discounted VWAP formula. Under the SEPA, the Company may sell shares at pricing based on either (i) 97% of the lowest daily VWAP over the three trading days following a purchase notice or (ii) the greater of 85% of VWAP or the lowest sale price on a specified trading day, depending on the timing of the notice.

Prior to the issuance of a purchase notice, the SEPA is accounted for as a purchased put option on the Company's equity. Upon delivery of a purchase notice, it represents a forward contract to issue Common Stock. As the arrangement is an embedded derivative that does not qualify for the equity scope exception under ASC 815, it is bifurcated and measured at fair value, with changes recognized in the statement of operations. The fair value of the derivative was de minimis as of September 30, 2026.

On February 10, 2026, the Company delivered purchase notices for 800 shares at settlement prices of approximately $6.46 per share, which resulted in gross proceeds of $5,164.

On May 8, 2026, the Company terminated its SEPA with New Circle. The Company terminated the SEPA as part of a shift in its financing strategy. The termination was effected by notice permitted under the SEPA. Following the termination, neither the Company nor New Circle has any further right to require purchases of the Company's common stock under the SEPA after the termination date, and the SEPA otherwise ceased to be of further force and effect, except for those provisions that expressly survive termination. No termination fee or penalty was payable by the Company in connection with the termination.

White Lion ELOC

On April 17, 2026, the Company entered into a Common Stock Purchase Agreement with White Lion, pursuant to which the Company has the right, but not the obligation, to sell to White Lion from time to time up to an aggregate of $10.0 million of the Company's common stock during the commitment period, subject to the terms, conditions, and limitations set forth in the agreement. The Company may initiate purchases by delivering either a Rapid Purchase Notice or a VWAP Purchase Notice to White Lion. For each purchase, the Company is required to deliver the applicable shares to White Lion's designated brokerage account through the Depository Trust Company's DWAC system. The purchase price and investment amount are determined in accordance with the pricing provisions applicable to the selected purchase mechanism, including, for VWAP purchases, the volume-weighted average market price of the Company's common stock during the applicable valuation period. Each purchase is subject to customary closing conditions, applicable beneficial ownership limitations, and certain restricted periods during which purchase notices may not be delivered. Generally, White Lion is required to remit the applicable purchase amount to the Company no later than one business day following the applicable purchase notice date or, in the case of a VWAP purchase, the applicable VWAP valuation period. The Company may not deliver a subsequent purchase notice until the prior purchase has closed, unless White Lion waives such restriction in writing.

Throughout June 2026, the Company delivered multiple purchase notices to White Lion and received aggregate proceeds of $640,192 in exchange for the issuance of 329,898 shares of common stock. Because the shares were issued at prices determined using a discounted VWAP formula, the proceeds received were less than the fair value of the shares on the respective issuance dates. Accordingly, the Company measured the shares issued at fair value and recognized the difference between the fair value of the shares and the related cash proceeds as a loss on issuance. For the nine months ended September 30, 2026, the Company recognized a de minimis loss related to share issuances under the White Lion ELOC in the condensed consolidated statements of operations.

During the three months ended September 30, 2026, the Company did not deliver any purchase notices to White Lion under the Common Stock Purchase Agreement. White Lion exercised warrants for aggregate proceeds of $245,000, and the Company issued 371,725 shares of common stock at exercise prices ranging from $0.49 to $1.83 per share.

Note 10 – Shareholders' Equity

Common Stock

During the three months ended March 31, 2026, the Board of Directors approved the issuance of 13,598 (Post-split) shares of common stock to a service provider. Although the administrative steps necessary to formally issue the shares were completed in April 2026, the related share-based compensation expense was recognized during the three months ended March 31, 2026 based on the date of Board approval.

See Notes 8 and 9 for details related to additional issuance of common stock.

Preferred Stock

The Company has designated 400,000 shares of Series AA Convertible Non-Redeemable Preferred Stock, none of which were issued as of September 30, 2026 (see Note 16).

Share-Based Compensation

For the three months ended September 30, 2026 and 2025, the Company recognized share-based compensation expense relating to stock options totaling $1,075 and $9,120, respectively. For the nine months ended September 30, 2026 and 2025, the Company recognized share-based compensation expense relating to stock options totaling $4,439 and $28,862, respectively. Share-based compensation expense relating to stock options is included in "General and administrative" in the accompanying condensed consolidated statements of operations.

Note 11 – Net Loss Per Share

The Company's basic net loss per share is computed by dividing net loss by the weighted-average number of shares of Common Stock outstanding for the period. If there are dilutive securities, diluted income per share is computed by including Common Stock equivalents which includes shares issuable upon the exercise of stock options into common shares, using the treasury stock method. In periods for which the Company reports a net loss, the Common Stock equivalents are not included, as they would be anti-dilutive.

The following table reconciles the weighted-average number of shares used in computing basic and diluted net loss per share:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Common shares outstanding	2,179,739	1,105,801	1,591,164	725,864
Shares issuable to LHT I, LLC	489,653	-	165,011	-
Weighted-average shares, basic and diluted	2,669,392	1,105,801	1,756,175	725,864

The following potentially dilutive securities, outstanding as of September 30, 2026 and 2025, were excluded from the calculation of diluted net loss per share because their effect would have been anti-dilutive:

	2026	2025
Stock options	74,465	74,472
Warrants assumed in the Business Combination	626,199	626,199
J.J. Astor warrant	9,231	-
White Lion warrant (a)	593,622	-
H Capital Note (b)	381,333	-
Total	1,684,850	700,671

(a) The White Lion warrant is exercisable for a variable number of shares at 99% of the closing price of the Common Stock on the trading day before exercise. The amount shown is the $1,575,000 unexercised at September 30, 2026 divided by 99% of the $2.68 closing price on that date.

(b) The H Capital Note is convertible at the lower of $1.50 and 90% of the ten-trading-day VWAP, subject to a $0.50 floor ($0.01 upon an event of default). The amount shown is the $572,000 of principal and six months of interest outstanding at September 30, 2026 divided by the $1.50 conversion price in effect on that date. Until shareholder approval is obtained under Nasdaq rules, conversions are limited to 233,543 shares.

There were no unvested restricted stock awards as of September 30, 2026 and 2025.

The 2,815,506 shares issuable to LHT I, LLC under the Settlement Agreement are included in the weighted-average number of shares outstanding from September 15, 2026, the closing date of the Settlement Agreement, on which the number of shares became fixed and no further consideration was required; the shares were delivered in October 2026.

Note 12 – Leases

As of September 30, 2026, the Company determined that there were indicators of impairment for its operating lease right-of-use ("ROU") assets, $379,497 for the Barceloneta, Puerto Rico facility and $215,013 for the Bethesda, Maryland offices. It was determined that the ROU assets were not recoverable. The Barceloneta ROU asset was written down to its estimated fair value of zero and the Bethesda ROU asset to its estimated fair value of $160,000, based on expected sublease income, for an impairment loss of $434,510 (see Note 2). Since September 15, 2026, the Barceloneta facility has held assets owned by LHT I, LLC. The related lease liabilities were not affected. Dot Works is in default under the Barceloneta lease for nonpayment of rent. The landlord terminated Dot Works' right of possession as of August 15, 2026 and, on October 2, 2026, gave notice that the lease would terminate if the past-due rent was not paid by October 9, 2026. Accordingly, the entire Barceloneta lease liability of $364,588, net of the $13,609 security deposit applied, is classified as current as of September 30, 2026. The $13,231 Bethesda security deposit, which the Company does not expect to recover, has also been applied against the past-due Bethesda lease liability. The Company has not paid rent under the Bethesda lease since April 2026, and the lease permits the landlord to accelerate the remaining rent upon a default. Accordingly, the entire Bethesda lease liability of $222,698, net of the security deposit applied, is also classified as current as of September 30, 2026.

The components of lease expense were as follows for the three and nine months ended September 30, 2026 and 2025:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating lease cost	$ 51,298	$ 51,298	$ 153,895	$ 104,319
Other short-term lease cost	6,180	22,170	18,540	93,516
Total lease cost	$ 57,478	$ 73,468	$ 172,435	$ 197,835

The following table summarizes the operating lease asset and liabilities recorded as of September 30, 2026 and December 31, 2025:

	September 30, 2026	December 31, 2025
Operating lease right-of-use asset, net	$ 160,000	$ 701,878
Short-term operating lease liabilities	587,286	139,963
Long-term operating lease liabilities	-	577,656
Total operating lease liabilities	$ 587,286	$ 717,619
Weighted average operating lease term	3.36 years	4.16 years
Weighted average operating lease discount rate	9.47%	9.53%

The following table summarizes the scheduled payments under the Company's leases as of September 30, 2026:

Year ending December 31,	Operating Leases
2026 (remaining 3 months)	$ 23,602
2027	207,783
2028	215,950
2029	197,905
2030	42,436
Thereafter	-
Total lease payments	$ 687,676
Less: imputed interest	(100,390)
Present value of lease liabilities	$ 587,286

Because the Company is in default on its payment obligations under both leases, the amounts above are payable on demand, and the entire lease liability is classified as current as of September 30, 2026.

Note 13 – Related Party Transactions

Related parties include entities under common ownership or control with the Company, as well as entities owned, in whole or in part, by the Company's management, company officers, members of the board of directors, or significant shareholders.

Pope Technologies LLC is owned by a former member of the Company's Board of Directors who resigned in March 2026. In August 2024, the Company entered into a $1,500,000 purchase order with Pope Technologies LLC for certain products, hardware, installation, programming, subscription, and training services. As of December 31, 2024, $750,000 had been received and recorded as deferred revenue in the accompanying condensed consolidated balance sheets. During the year ended December 31, 2025, the Company delivered the products and recognized $750,000 of revenue from the deferred revenue balance. For the three and nine months ended September 30, 2026 and 2025, no revenue was recognized from Pope Technologies LLC. As of September 30, 2026 and December 31, 2025, the Company had an accounts receivable balance of $0 and $78,412, respectively, from Pope Technologies LLC. During the nine months ended September 30, 2026, the Company wrote off the $78,412 receivable from Pope Technologies LLC as uncollectible.

Effective January 1, 2022, the Company entered into a customer agreement with PRB Transportation, LLC, a related party owned in part by Charles Maddox, the Company's Chief Financial Officer and a shareholder, and Jeff Andersen, a shareholder. The Company recognized revenue of $0 and $11,737 for the three months ended September 30, 2026 and 2025, respectively, and $9,554 and $20,328 for the nine months ended September 30, 2026 and 2025, respectively. As of September 30, 2026 and December 31, 2025, the Company had accounts receivable balances of $1,630 and $2,928, respectively, from PRB Transportation, LLC. The September 30, 2026 balance is fully reserved.

As of September 30, 2026, Edmund Nabrotzky, Chief Executive Officer of the Company, Charles Maddox, Chief Financial Officer and Chief Operating Officer of the Company, and Vijayan Nambiar, Chief Technology Officer of the Company loaned the Company an aggregate of $349,996 and may make additional loans to the Company up to an aggregate amount of $600,000 (collectively, the "Executive Loans"). The Executive Loans have been made, on the terms and conditions of an unsecured, subordinated promissory note (the "Executive Notes"). The Executive Notes accrue interest at a rate of 7.5% per annum, and will be paid in quarterly installments on July 1, 2026, October 1, 2026 with a final payment by December 31, 2026. All of the Company's obligations and payments under the Executive Notes are subordinated to the Company's obligations under agreements with third-party lenders. As of September 30, 2026, the Company had short-term debt from related parties of $349,996 and accrued interest payable of $16,961 related to the Executive Loans, which was included in interest payable to related parties in the condensed consolidated balance sheets. The Company made no payments on the Executive Notes during 2026, including the installment due July 1, 2026, and interest of approximately $2,205 per month continued to accrue. On October 9, 2026, the Company agreed to settle the Executive Loans, which totaled $370,747 including accrued interest, for 55,613 shares of common stock and approximately $37,075 in cash (see Note 19).

On September 15, 2026, as a result of the debt conversion described in Note 8, LHT I, LLC became the holder of approximately 54.6% of the Company's outstanding common stock, and it is considered a related party from that date. LHT I, LLC and Phillips Equities & Trust, LLC are under the common control of Donald Phillips. Before the settlement, neither LHT I, LLC nor its affiliates held equity in the Company. The Company is finalizing a transition services agreement ("TSA") with LHT I, LLC, currently expected to be effective September 15, 2026, under which it is currently anticipated that the Company's personnel will operate and maintain the Transferred Assets for LHT I, LLC through December 31, 2026, unless LHT I, LLC extends the term or either party terminates the agreement on 30 days' notice, with LHT I, LLC funding the Company's approved expenses of maintaining the Transferred Assets. As of the date of filing, the TSA has not been executed and there can be no assurance that the TSA will be executed. As of September 30, 2026, the 2,815,506 shares of common stock issuable to LHT I, LLC under the Settlement Agreement were included in additional paid-in capital; the shares were issued in October 2026. LHT I, LLC also made a payment, which was not a rent payment, to the landlord of the Company's Barceloneta, Puerto Rico facility for access to the Transferred Assets through December 31, 2026. Transactions with LHT I, LLC under the Settlement Agreement are described in Note 8.

Note 14 – Accrued Expenses

Accrued expenses as of September 30, 2026 and December 31, 2025 consisted of the following:

	September 30, 2026	December 31, 2025
Transaction costs accrued for Cohen Capital Market	$ 1,003,500	$ 1,003,500
Board of directors' fees	1,408,528	780,000
Other	53,852	42,689
Total accrued expenses	$ 2,465,880	$ 1,826,189

Note 15 – Inventory

Inventory as of September 30, 2026 and December 31, 2025 consisted of the following:

	September 30, 2026	December 31, 2025
Raw materials	$ -	$ 1,064,464
Finished goods	-	116,106
Shipping costs	-	64,066
Inventory in transit	-	186,245
Total inventories	$ -	$ 1,430,881

All of the Company's inventory, which was held by Dot Works, including prepaid inventory and inventory in transit, was part of the Transferred Assets and was derecognized on September 15, 2026 (see Note 8).

Note 16 – Commitments and Contingencies

Since September 2025 the Company has been involved in litigation related to the termination of one of its former founders. Refer to the Form 10-K filed with the SEC on March 11, 2026 for a more comprehensive discussion of the matter. There were no material developments in this matter during the periods ended September 30, 2026. The outcome of this legal proceeding is not known or probable at this time; accordingly, no amounts have been accrued for a potential loss.

On July 22, 2026, the Company entered into a Securities Purchase Agreement under which investors agreed to purchase 400,000 shares of Series AA Convertible Non-Redeemable Preferred Stock for $2.0 million and 800,000 shares of Series B Convertible Preferred Stock for $4.0 million. On July 27, 2026, the lead investor terminated the agreement. No shares of Series AA or Series B Preferred Stock were issued, and no proceeds were received. The investor asserted that the Company had not satisfied certain closing conditions and had breached certain representations and warranties. The Company disputes these assertions and is evaluating its legal rights and remedies. The investor's counsel reserved its rights in the termination notice; however, no claim has been asserted against the Company, and no amounts have been accrued.

The Company's reseller has asked the Company to repurchase inventory it purchased under the reseller agreement and has indicated that it may bring a claim. The agreement does not provide for refunds. On November 3, 2026, the reseller sent the Company a written request for mediation in advance of filing suit and a demand to preserve evidence. No suit has been filed. The Company believes it has meritorious defenses and cannot estimate the possible loss or range of loss, if any.

On September 14, 2026, the Company entered into a binding summary of principal terms with BladeRanger Ltd. and Envoy Technologies, Inc. to acquire all of Envoy's outstanding common stock. The parties signed a Securities Purchase Agreement on September 25, 2026, and the acquisition closed on October 9, 2026 (see Note 19).

In addition to the matters described above, in the ordinary course of business, the Company may become subject to litigation, claims, and regulatory matters. Although it is not feasible to predict the outcome of these matters, the Company believes, unless otherwise indicated above, given the information currently available, that the ultimate resolution of any particular matter, or matters that have the same legal or factual issues, will not have a material adverse effect on its financial condition, results of operations and cash flows.

Note 17 – Segment Reporting

The Company operates a single reportable segment, which generates revenue primarily from the sale of hardware and related software solutions. Historically, hardware sales represent the initial step in a customer's adoption of the Company's SaaS subscription platform. This segment also includes ongoing software and subscription services, as well as exclusivity arrangements with resellers that provide protection from competitive sales.

Revenue by major product and service category for the three and nine months ended September 30, 2026 and 2025 is presented in the table below. Product revenue consists primarily of sales of hardware devices, such as bridges, labels, and gateways, which historically represented the initial step in a customer's adoption of the Company's SaaS subscription platform. Service revenue consists primarily of software subscription services providing access to the Company's cloud-based platform, as well as related training, support, exclusivity arrangement services, professional services such as onboarding and consulting, and feasibility study reports provided to customers. For the nine months ended September 30, 2026, all revenue was generated from services, and the Company had no revenue for the three months ended September 30, 2026; for the corresponding periods in 2025, revenue was generated predominantly from product sales. Service revenue for the three months ended September 30, 2025 was negative because it included the reversal of $196,320 of exclusivity revenue recognized in prior periods, following an updated estimate. All of the Company's revenue for the periods presented was generated from customers located in the United States.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Services	$ -	$ (175,158)	$ 24,612	$ 298,310
Products	-	953,640	-	959,503
Total Revenue	$ -	$ 778,482	$ 24,612	$ 1,257,813

As of September 30, 2026 and December 31, 2025, the Company had total deferred revenue of $1,984,370 and $1,984,550, respectively. Substantially all of the deferred revenue as of September 30, 2026 relates to performance obligations that the Company does not currently expect to satisfy. Because the Company has not been legally released from those obligations, the deferred revenue remains a liability.

The Company's chief operating decision-makers (the "CODM"), which are the Company's Chief Executive Officer and Chief Financial Officer, assess performance for the reportable segment and decide how to allocate resources using net income as the primary measure of profitability. The CODM are not regularly provided with specific segment expenses, but focus on revenue, gross profit, and net income/loss. Expense information, including cost of goods sold, can be easily computed from the information provided. This segment's measures of profitability are shown in the condensed consolidated statements of operations. The measure of segment assets is reported on the condensed consolidated balance sheets as total assets.

Note 18 – Income Taxes

For the three and nine months ended September 30, 2026 and 2025, the Company recorded no income tax expense or benefit due to pre-tax book losses. The Company's effective tax rate was 0% for both periods, primarily as a result of such losses and the corresponding recognition of deferred tax assets, which are fully offset by a valuation allowance. Based on the weight of available evidence, including the Company's history of cumulative operating losses, management has concluded that it is more likely than not that its deferred tax assets will not be realized. Accordingly, the Company has recorded a full valuation allowance against its deferred tax assets as of September 30, 2026 and December 31, 2025, resulting in a net deferred tax asset balance of $0.

Note 19 – Subsequent Events

The Company evaluated subsequent events through November 23, 2026, the date these condensed consolidated financial statements were issued.

Designation of Series C Convertible Non-Redeemable Preferred Stock

On October 9, 2026, the Company filed a Certificate of Designation with the Secretary of State of the State of Delaware designating 9,600,000 shares of its preferred stock as Series C Convertible Non-Redeemable Preferred Stock, par value $0.0001 per share ("Series C Preferred Stock"). Each share has a stated value of $6.00 and automatically converts into common stock at a conversion price of $6.00, or one share of common stock for each share of Series C Preferred Stock, on the first trading day after the Company's shareholders approve the conversion under Nasdaq Listing Rule 5635. The conversion price adjusts for stock splits and similar events and for certain issuances below the conversion price, but not below $0.50 per share.

The Series C Preferred Stock is not redeemable, does not participate in dividends and has no voting rights until it becomes convertible, after which it votes with the common stock on an as-converted basis. On liquidation, it ranks senior to the common stock and is entitled to the greater of its stated value and its as-converted value. The approval of the holders of a majority of the Series C Preferred Stock is required to change its terms adversely or to issue securities senior to or on parity with it and, until it becomes convertible, to issue any equity or equity-linked securities other than specified exempt issuances. BladeRanger Ltd. ("BladeRanger") may designate one member of the Company's Board of Directors for so long as it and its affiliates hold at least 10% of the outstanding common stock (on an as-converted basis).

Acquisition of Envoy Technologies, Inc.

On October 9, 2026, the Company acquired all of the outstanding common stock of Envoy Technologies, Inc. ("Envoy") from BladeRanger. Envoy provides electric vehicle car-sharing services at residential communities, hotels and campus properties. The Company acquired Envoy to add an established, revenue-generating business to which it can apply its asset-tracking technology, and to support its efforts to regain compliance with Nasdaq's continued listing requirements. As consideration, the Company issued 233,543 shares of common stock and 8,433,123 shares of Series C Preferred Stock to BladeRanger. BladeRanger may also designate one member of the Company's senior management for so long as it and its affiliates hold at least 10% of the outstanding common stock (on an as-converted basis). On October 23, 2026, the Board appointed BladeRanger's designee, Avi Cohen, as a director. BladeRanger has not yet designated an individual to the Company's senior management.

Envoy's $12.5 million convertible note held by Blink Charging Co. remains outstanding and, as amended on October 9, 2026, converts into 2,166,667 shares of the Company's common stock upon shareholder approval and the effectiveness of a resale registration statement. In connection with the closing, the Company also entered into a registration rights agreement with BladeRanger, voting agreements with certain shareholders, and a limited joinder and acknowledgement agreement with Blink Charging Co.

The Company will account for the acquisition as a business combination under ASC 805, *Business Combinations*. Because the acquisition was a subsequent event and the initial accounting for the acquisition was incomplete when these condensed consolidated financial statements were issued, the Company has omitted certain disclosures that will be required in its year end audited consolidated financial statements.

Settlement with LHT I, LLC

In October 2026, the Company delivered the 2,815,506 shares of common stock issued under the Settlement Agreement described in Note 8. The shares were included in shareholders' equity (deficit) at September 30, 2026, and their issuance reclassified the amount within equity.

Other Share Issuances

On October 9, 2026, the Company agreed to issue 55,613 shares of common stock, at a deemed price of approximately $6.00 per share, to its Chief Executive Officer, Chief Financial Officer and Chief Technology Officer, and to pay approximately $37,075 in cash, in settlement of the Executive Loans, which totaled $370,747 including accrued interest (see Note 13). The release becomes effective when the shares are issued and the cash is paid; if the cash is not paid by December 31, 2026, the settlement terminates and the lenders may pursue the full amount owed but keep the shares. These shares are subject to resale registration rights and a lock-up through April 15, 2027.

In October and November 2026, the Company entered into debt settlement agreements with six vendors to settle $3,895,768 owed to them. In exchange, the Company agreed to pay $389,577 in cash by December 31, 2026 and to issue an aggregate of 578,740 shares of common stock to the vendors or their designees. Each vendor's waiver and release of the amount owed becomes effective when its cash is paid and any shares are issued; if the cash is not paid by December 31, 2026, the waiver and release terminate and the vendor may pursue the full amount owed but keeps any shares. The vendors acknowledged that the value of the cash and shares is less than the amounts owed. Amounts that arise after the agreements are not affected. The Company agreed to file a registration statement covering the resale of the shares by November 30, 2026 and to pay the registration expenses. The shares are subject to a lock-up through April 15, 2027.

Nasdaq Listing

On October 28, 2026, the Nasdaq Hearings Panel granted the Company's request for continued listing on The Nasdaq Stock Market, subject to the Company submitting an application to transfer the listing of its common stock to The Nasdaq Capital Market on or before November 2, 2026. In its decision, the Panel noted that the Company had filed its delinquent Form 10-Q for the quarter ended June 30, 2026 and completed the acquisition of Envoy. The Company submitted the application by November 2, 2026.

White Lion PIPE Investment

On November 19, 2026, the Company's Board of Directors approved, and on November 20, 2026, the Company entered into, a securities purchase agreement with White Lion Capital, LLC for the sale of up to $300,000 of common stock at $1.10 per share or pre-funded warrants at $1.0999 per share with an exercise price of $0.0001 per share (approximately 272,727 shares in total). At the initial closing on November 20, 2026, White Lion Capital, LLC paid $50,000 and the Company issued it a pre-funded warrant to purchase up to 272,727 shares. The remaining $250,000 will close on the first trading day after the Company files this Quarterly Report on Form 10-Q with the SEC.

In connection with the investment by White Lion Capital, LLC, on November 20, 2026, the Company and White Lion Capital, LLC agreed to amend (the "Warrant Amendment") the Common Stock Purchase Warrant, dated April 17, 2026 (the "White Lion Warrant"), to reduce the White Lion Warrant's remaining exercisable amount from $1,554,998 to $950,000 (the "Remaining Exercise Amount"), canceling the $604,998 balance, and reset the termination date from five years to 12 months after the closing date. The Company also agreed that it would no longer have the right to terminate the White Lion Warrant upon five trading days' notice. The Warrant Amendment adds a floor price below which the exercise price of the White Lion Warrant cannot fall, equal to 20% of the closing sales price on the closing date, which also caps the maximum number of shares issuable under the White Lion Warrant at the Remaining Exercise Amount divided by the floor price. The Warrant Amendment deletes the "Black Scholes Value" and "Change of Control" definitions, removes any right of the White Lion Warrant holder to make the Company buy out the White Lion Warrant, and restates the Fundamental Transaction provision so the holder instead receives alternate consideration when it exercises. Finally, the Warrant Amendment provides for a daily exercise cap of 5% of trading volume and a bar on exercising after two straight days of price declines (which the Company can waive), both of which end permanently if an "Extraordinary Event" occurs, such as failing to get shareholder approval of a reverse split by December 14, 2026, a Nasdaq delisting determination, or a sustained drop in the bid price or market capitalization.

Reverse Stock Split

On November 19, 2026, in contemplation of the Company's obligations under the White Lion securities purchase agreement and the Warrant Amendment, the Company's Board of Directors approved, subject to shareholder approval at a special meeting of shareholders, amendments to the Company's Amended and Restated Certificate of Incorporation to effect one or more additional reverse stock splits of the common stock, each at a ratio of not less than one-for-two and not more than one-for-one hundred, subject to the cumulative reverse stock split limitation under the Nasdaq listing rules, and to increase the number of authorized shares of preferred stock from 10,000,000 to 25,000,000.

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

Please read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and related notes included in this filing. Some of the information contained in this discussion and analysis, including information regarding our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. When reviewing the discussion below, you should carefully consider the substantial risks and uncertainties that could impact our business, results of operations, and financial condition. In particular, we encourage you to review the risks and uncertainties described under "Risks Relating to Our Business and Industry" in our Annual Report on Form 10-K filed with the SEC on March 11, 2026, as well as other risk factors disclosed elsewhere in that filing and in this Quarterly Report. These risks and uncertainties could cause actual results to differ materially from those projected in forward-looking statements contained in this Form 10-Q or implied by past results and trends. Forward-looking statements are statements that attempt to forecast or anticipate future developments in our business, financial condition, or results of operations. These statements speak only as of their respective dates (unless otherwise indicated), and we undertake no obligation to update or revise them in light of future developments, except as required by law.

Overview

CID Holdco, Inc. (the "Company", or "CID Holdco", or "CID"), formerly known as SEE ID Inc., dba Dot AI (the "Legacy Company" or "SEE ID"), was incorporated in Delaware with its headquarters in Las Vegas, Nevada. The Company helps businesses transform their operations by optimizing safety, security, and efficiency of operations through real-time tracking of resources. Through the Company's extensive research and development initiatives, the Company's main focus includes areas such as Industrial IoT, Indoor and Outdoor tracking with seamless transitions, Passive RFID (including Bluetooth and 5G), Collision Avoidance, real-time locating system, Dolly Management, and related supported software applications.

The Company is the developer of an asset tracking platform intended to push the limits of near real-time precision-based location technology. The Company's platform leverages the technologies including the patented passive and active RFID tracking solutions, low power edge camera platforms utilizing artificial intelligence, enabling users to give accuracy to all mapping technologies in areas that are troublesome. Through its technological solutions, the Company serves multiple industries including construction, military, mining, retail, warehousing, and manufacturing.

The Company is headquartered in Las Vegas, NV. Our Bethesda, MD office, which previously housed our management and administrative staff, is vacant and being marketed for sublease. Our development team and Design for Manufacturing ("DFM") capability is built around our Chief Technology Officer ("CTO") in Worcester, MA and our core software team is in Bangalore, India. Effective May 25, 2026, to preserve liquidity while we evaluated financing opportunities, we implemented a temporary furlough of our employees and suspended manufacturing at Dot Works in Puerto Rico, maintaining our executive team, whose salaries have been deferred since May 2026 and remain unpaid, and a limited number of independent contractors, primarily in India, to service existing customers and support core initiatives. On September 15, 2026, under our Settlement Agreement with LHT I, LLC, we transferred our inventory, manufacturing equipment, version 4.0 of our software platform and related intellectual property to LHT I, LLC (see Note 8 to the condensed consolidated financial statements). We continue to operate our released Dot Cloud platform, serve our subscription customers and pursue new customers, at a reduced level. Devices for our customers will be supplied by LHT I, LLC.

Throughout this Quarterly Report, unless otherwise noted or otherwise suggested by context, the "Company", "we", "us", "our" refers to SEE ID and Dot Works, as applicable, prior to the consummation of the Business Combination (as defined below), and CID Holdco, SEE ID, and Dot Works, collectively, after the consummation of the Business Combination.

Recent Developments

Acquisition of Envoy Technologies, Inc.

On October 9, 2026, we acquired all of the outstanding common stock of Envoy Technologies, Inc. from BladeRanger Ltd. in exchange for 233,543 shares of common stock and 8,433,123 shares of Series C Convertible Non-Redeemable Preferred Stock (see Note 19 to the condensed consolidated financial statements). We will account for the acquisition as a business combination; the initial accounting was incomplete as of the date of this report.

Settlement with LHT I, LLC

On September 15, 2026, we entered into a Settlement Agreement with LHT I, LLC that resolves the defaults under the loan originally made by J.J. Astor & Co. and the Phillips Note. The loan converts into 2,815,506 shares of common stock, and certain assets are transferred to LHT I, LLC in satisfaction of the Phillips Note (see Note 8 to the condensed consolidated financial statements). The shares were issued in October 2026.

H Capital Note

On September 10, 2026, we issued a $550,000 convertible promissory note to H Capital Ventures Management Consultancies Co. LLC for $500,000 in cash (see Note 8 to the condensed consolidated financial statements).

Nasdaq

We received Staff Determinations in August 2026 and presented a plan of compliance to the Nasdaq Hearings Panel on September 15, 2026. On October 28, 2026, the Panel granted our request for continued listing, subject to our submitting an application to transfer the listing of our common stock to The Nasdaq Capital Market on or before November 2, 2026 (see Note 1 to the condensed consolidated financial statements). We submitted the application by that date.

Reverse Stock Split

On May 29, 2026, the Company effected a 1-for-25 reverse stock split of its common stock, as previously approved by the Company's shareholders and Board of Directors. The Company's common stock began trading on a split-adjusted basis on Nasdaq on June 1, 2026. The Reverse Stock Split reduced the Company's outstanding common shares from approximately 30.26 million shares to approximately 1.21 million shares and did not change the par value or authorized number of shares. All share and per-share amounts presented in the condensed consolidated financial statements and related disclosures have been retrospectively adjusted, where applicable, to reflect the Reverse Stock Split.

On November 19, 2026, in contemplation of the Company's obligations under the White Lion securities purchase agreement and the amendment to the White Lion warrant, the Company's Board of Directors approved, subject to shareholder approval at a special meeting of shareholders, amendments to the Company's Amended and Restated Certificate of Incorporation to effect one or more additional reverse stock splits of the common stock, each at a ratio of not less than one-for-two and not more than one-for-one hundred, subject to the cumulative reverse stock split limitation under the Nasdaq listing rules, and to increase the number of authorized shares of preferred stock from 10,000,000 to 25,000,000.

Components of Results of Operations

Revenue

We will provide access to our Dot Cloud through subscription arrangements, where the customer is charged a per-subscription fee for access for a specified term. Subscription agreements will contain multiple service elements for one or more of our cloud-based Applications via mobile app(s) or a website that enables data collection and provides access to the cellular network, IoT devices (which we also refer to as connected devices), and support services delivered over the term of the arrangement. Our subscription contracts will typically have an initial term of three to five years and are generally non-cancellable and non-refundable, subject to limited exceptions under our standard terms of service and other exceptions for public sector customers, who are often subject to annual budget appropriations cycles. Our Connected Dot Cloud and IoT devices are highly integrated with the subscription service and together will represent a single performance obligation. Revenues attributable to this combined performance obligation are recognized over time as the services are delivered.

We also provide professional services including onboarding (implementation) services, marketing services, and product consulting. These services were evaluated to be distinct and are treated as separate performance obligations from the subscription services. Revenue related to these services are recognized over time as services are performed.

Allocation of Overhead Costs

Overhead costs that are not directly attributable to a specific functional group are allocated based on relative usage. These costs include expenses related to warehouse lease and cloud hosting services.

Cost of Goods Sold

Cost of goods sold consists primarily of cellular-related costs, third-party cloud infrastructure expenses, customer support costs, warranty charges, employee-related costs directly associated with our customer support and operations, including salaries, employee benefits and share-based compensation, amortization of internal-use software development, certain cloud computing implementation costs, expenses related to shipping and handling, packaging, fulfillment, warehousing, write-downs of excess and obsolete inventory, and allocated overhead costs.

Operating Expenses

Research and development

Research and development expenses consist primarily of employee-related costs, including salaries, employee benefits and share-based compensation, depreciation and other expenses related to prototyping IoT devices, product initiatives, software subscriptions, hosting used in research and development, and allocated overhead costs. We capitalize the portion of our internal-use software development costs that meets the criteria for capitalization. Research and development expense continues at a reduced level due to our current constrained liquidity.

Sales and marketing

Sales and marketing expenses consist primarily of employee-related costs directly associated with our sales and marketing activities, including salaries, employee benefits and share-based compensation, and sales commissions. Sales and marketing expenses also include expenditures related to advertising, media, marketing, promotional costs, free trial expenses, brand awareness activities, business development, corporate partnerships, travel, conferences and events, professional services, and allocated overhead costs. Sales and marketing expense continues at a reduced level due to our current constrained liquidity.

General and administrative

General and administrative expenses consist of employee-related costs for executive, finance, legal, human resources, facilities, and certain IT personnel, including salaries, employee benefits and share-based compensation, professional fees for external legal, accounting, recruiting and other consulting services, credit losses, allocated overhead costs, and unallocated lease costs. General and administrative expense continues at a reduced level due to our current constrained liquidity.

Acquisition and integration

Acquisition and integration costs are primarily related to professional fees, legal and accounting services, severance, and other costs associated with Business Combinations.

Impairment of long-lived assets

Impairment of long-lived assets represents the write-down of long-lived assets from their carrying value to their fair value.

Depreciation and amortization

Depreciation and amortization is generally recorded over the useful life of the underlying property and equipment, and also the capitalized software development costs.

Other income (expense)

Interest expense

Interest expense consists primarily of interest incurred for our short-term loans.

Change in fair value of SAFE agreements, derivative liabilities and convertible note payable

The change in the fair value represents the unrealized gains or losses resulting from the fluctuations in the estimated fair value of the SAFE agreements, derivative liabilities and convertible note payable.

Loss on extinguishment of debt

Loss on extinguishment of debt represents the excess of the fair value of the consideration transferred to settle the debt, over its carrying value.

Loss on issuance of convertible note payable

Loss on issuance of convertible note payable represents, for financial instruments where the fair value option is elected, the excess of the fair value of the financial instrument over the proceeds received.

Results of Operations

Revenue, Cost of Goods Sold, Gross Profit, and Gross Margin

Our total revenue, cost of goods sold, gross profit, and gross margin for the three and nine months ended September 30, 2026 and 2025 are summarized as follows:

	For the Three Months Ended September 30,			
	2026	2025	$ Change	% Change
Revenue	$ -	$ 778,482	$ (778,482)	(100.0)%
Cost of goods sold	-	488,286	(488,286)	(100.0)%
Gross profit	$ -	$ 290,196	$ (290,196)	(100.0)%
Gross margin %	n/m	37.3%		

	For the Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Revenue	$ 24,612	$ 1,257,813	$ (1,233,201)	(98.0)%
Cost of goods sold	9,304	572,558	(563,254)	(98.4)%
Gross profit	$ 15,308	$ 685,255	$ (669,947)	(97.8)%
Gross margin %	62.2%	54.5%		

Revenue decreased by $778,482, or 100.0%, and $1,233,201, or 98.0%, for the three and nine months ended September 30, 2026, respectively, compared to revenue of $778,482 and $1,257,813 for the corresponding periods in 2025. We recognized no revenue for the three months ended September 30, 2026, because collection of the subscription fees billed to our reseller in the quarter was not probable. Revenue for the nine months ended September 30, 2026 consisted of SaaS subscription revenue, while revenue for the corresponding periods in 2025 was primarily derived from the sale and delivery of hardware products, including bridges, labels and gateways. We had no hardware sales in 2026, and we suspended manufacturing effective May 25, 2026.

Cost of goods sold decreased by $488,286, or 100.0%, and $563,254, or 98.4%, for the three and nine months ended September 30, 2026, respectively, compared to $488,286 and $572,558 for the corresponding periods in 2025. The decreases were primarily attributable to the absence of hardware sales and the related product costs in 2026.

Gross profit decreased by $290,196, or 100.0%, and $669,947, or 97.8%, for the three and nine months ended September 30, 2026, respectively, compared to the corresponding periods in 2025. Gross margin was 62.2% for the nine months ended September 30, 2026, compared to 54.5% for the corresponding period in 2025. Gross margin for the three months ended September 30, 2026 is not meaningful because we recognized no revenue in the quarter, compared to 37.3% for the corresponding period in 2025.

Research and Development

Research and development expenses for the three and nine months ended September 30, 2026 and 2025 are summarized as follows:

	For the Three Months Ended September 30,			
	2026	2025	$ Change	% Change
Research and development	$ 208,468	$ 397,135	$ (188,667)	(47.5)%

	For the Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Research and development	$ 1,214,542	$ 972,640	$ 241,902	24.9%

Research and development expense decreased by $188,667, or 47.5%, for the three months ended September 30, 2026 and increased by $241,902, or 24.9%, for the nine months ended September 30, 2026, compared to $397,135 and $972,640 for the corresponding periods in 2025. The decrease for the three months was primarily attributable to lower labor costs following the temporary furlough of our employees effective May 25, 2026. The increase for the nine months was primarily driven by higher labor and cloud-related research and development costs in the first half of 2026, partially offset by the effect of the furlough.

Sales and Marketing

Sales and marketing expenses for the three and nine months ended September 30, 2026 and 2025 are summarized as follows:

	For the Three Months Ended September 30,			
	2026	2025	$ Change	% Change
Sales and marketing	$ 63,149	$ 1,111,895	$ (1,048,746)	(94.3)%

	For the Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Sales and marketing	$ 1,349,989	$ 2,564,891	$ (1,214,902)	(47.4)%

Sales and marketing expenses decreased by $1,048,746, or 94.3%, and $1,214,902, or 47.4%, for the three and nine months ended September 30, 2026, respectively, compared to $1,111,895 and $2,564,891 for the corresponding periods in 2025. The decreases were primarily attributable to lower labor costs following the furlough and reduced spending on marketing activities, events and sponsorships and marketing software tools.

General and Administrative

General and administrative expenses for the three and nine months ended September 30, 2026 and 2025 are summarized as follows:

	For the Three Months Ended September 30,			
	2026	2025	$ Change	% Change
General and administrative	$ 1,500,250	$ 2,742,753	$ (1,242,503)	(45.3)%

	For the Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
General and administrative	$ 6,016,941	$ 4,184,688	$ 1,832,253	43.8%

General and administrative expenses decreased by $1,242,503, or 45.3%, for the three months ended September 30, 2026 and increased by $1,832,253, or 43.8%, for the nine months ended September 30, 2026, compared to $2,742,753 and $4,184,688 for the corresponding periods in 2025. The decrease for the three months was primarily attributable to lower labor costs following the furlough, partially offset by higher legal and professional fees related to the LHT I, LLC default and settlement, the Nasdaq hearing and the acquisition of Envoy, and a $32,687 credit loss on accounts receivable. The increase for the nine months was primarily attributable to higher costs associated with operating as a public company, including legal, auditing, accounting and board of director fees, and those legal and professional fees, as well as $111,099 of credit losses on accounts receivable, including the $78,412 write-off of a receivable from Pope Technologies LLC, a related party (see Note 13 to the condensed consolidated financial statements).

Acquisition and Integration

There were no acquisition and integration costs for the three and nine months ended September 30, 2026, compared to $243,230 and $1,154,857 for the corresponding periods in 2025.

Impairment of Long-Lived Assets

During the three months ended September 30, 2026, we recognized an impairment of long-lived assets of $2,917,120 because the carrying amount of our retained long-lived asset group exceeded its estimated undiscounted cash flows and its estimated fair value. We wrote down our capitalized software development costs of $2,482,610 and our Barceloneta right-of-use asset of $379,497 to zero, and our Bethesda right-of-use asset by $55,013 to its estimated fair value of $160,000, as described in Note 2 to the condensed consolidated financial statements. There was no impairment in the corresponding periods in 2025.

Other Expenses

Total other expenses were $8,495,073 and $9,602,726 for the three and nine months ended September 30, 2026, respectively, compared to $0 and $26,151,656 for the corresponding periods in 2025. For the three and nine months ended September 30, 2026, other expenses consisted primarily of a change in the fair value of convertible note payable and derivative liabilities of $4,907,186 and $4,925,050 (primarily the $5,024,918 remeasurement of the conversion feature on the LHT I, LLC loan before its settlement on September 15, 2026); a $2,851,371 loss for both periods on extinguishment of debt from the settlement with LHT I, LLC; interest expense of $215,258 and $1,324,449; and a $500,000 loss for both periods on issuance of the H Capital Note (see Note 8 to the condensed consolidated financial statements). For the nine months ended September 30, 2025, other expenses consisted primarily of a $17,368,415 change in the fair value of SAFE notes, a $5,728,295 loss on extinguishment of debt and $2,726,183 of other expense.

Liquidity and Capital Resources

Funding Requirements and Going Concern

Liquidity is a measure of our ability to access sufficient cash flows to meet the short-term and long-term cash requirements of our business operations. To date, we have funded our operations primarily with proceeds from the issuance of debt and equity securities, plus the proceeds from the Business Combination. Our future capital requirements will depend on many factors, including, but not limited to, our growth, our ability to attract and retain customers, the continued market acceptance of our solution, the timing and extent of spending necessary to support our efforts to develop our Dot Cloud and meet our performance obligations related to subscription sales of the same, the expansion of sales and marketing activities, and the impact of macroeconomic conditions on us and our customers' and partners' businesses. Further, we may enter into arrangements to acquire or invest in businesses, products, services, and technologies. We will need to raise additional capital in the future to finance our operations and expand our business.

In connection with the Company's assessment of going concern considerations in accordance with the Financial Accounting Standards Board ("FASB") ASC Topic 205-40, *Presentation of Financial Statements — Going Concern,* management anticipates the Company will continue to incur substantial operating losses for the next several years and will need to obtain additional near-term financing in order to continue its research and development activities. Our ability to continue as a going concern is dependent on our ability to raise additional capital to fund research and development activities and meet obligations on a timely basis; however, there can be no assurance that sufficient funding will be available to allow us to successfully continue our research and development activities and commercialize our products.

As of September 30, 2026 and December 31, 2025, we had cash of $75,014 and $865,624, respectively, deficits in working capital of $13,108,223 and $1,730,095, respectively, and accumulated deficits of $83,038,480 and $61,451,334, respectively. Net cash used in operating activities was $2.8 million and $10.8 million for the nine months ended September 30, 2026 and 2025, respectively.

These conditions raise substantial doubt about our ability to continue as a going concern within one year from the date these condensed consolidated financial statements are issued. The Company's financing plans, its significant reductions in spending and the acquisition of Envoy Technologies, Inc. on October 9, 2026 do not alleviate this substantial doubt. If we are unable to obtain necessary funds through our business operations or through our financing activities, there could be a material adverse effect on our business, results of operations, and prospects.

Sources of Liquidity

To date, we have funded our operations primarily through proceeds from the issuance of common shares to PIPE investors in connection with the closing of the Business Combination, totaling $10,837,643, proceeds from bridge loans and other short-term borrowings. In the future, we expect to finance our cash needs through a combination of equity, debt financings, and improvement of cash from operations derived from selling subscriptions to our platform.

On April 17, 2026, the Company entered into a Common Stock Purchase Agreement with White Lion, pursuant to which the Company has the right, but not the obligation, to sell to White Lion from time to time up to an aggregate of $10.0 million of the Company's common stock during the commitment period, subject to the terms, conditions, and limitations set forth in the agreement. The Company may initiate purchases by delivering either a Rapid Purchase Notice or a VWAP Purchase Notice to White Lion. For each purchase, the Company is required to deliver the applicable shares to White Lion's designated brokerage account through the Depository Trust Company's DWAC system. The purchase price and investment amount are determined in accordance with the pricing provisions applicable to the selected purchase mechanism, including, for VWAP purchases, the volume-weighted average market price of the Company's common stock during the applicable valuation period. Each purchase is subject to customary closing conditions, applicable beneficial ownership limitations, and certain restricted periods during which purchase notices may not be delivered. Generally, White Lion is required to remit the applicable purchase amount to the Company no later than one business day following the applicable purchase notice date or, in the case of a VWAP purchase, the applicable VWAP valuation period. The Company may not deliver a subsequent purchase notice until the prior purchase has closed, unless White Lion waives such restriction in writing. Throughout June 2026, the Company delivered multiple purchase notices to White Lion and received aggregate proceeds of $640,192 in exchange for the issuance of 329,898 shares of common stock. Low trading volume and our current stock price limit our ability to sell shares under the agreement at present.

In addition, the Company entered into a note purchase agreement pursuant to which White Lion agreed to purchase senior secured convertible promissory notes with an aggregate principal amount of up to $2.875 million, reflecting a 20% original issue discount on aggregate cash proceeds of up to $2.3 million. The notes are secured by substantially all of the Company's assets, and are convertible into common stock at a discount to the market price, subject to further reductions in the conversion price upon certain events of default. In connection with the financing, White Lion is also entitled to commitment shares valued at $120,000 and warrants to purchase up to $2.0 million of common stock at an exercise price equal to 99% of the closing market price on the trading day immediately preceding the applicable exercise date. Aggregate share issuances under the agreements are subject to a 19.99% cap on the Company's outstanding common stock unless shareholder approval is obtained. As of September 30, 2026, White Lion had funded $670,000 to the Company under the convertible note arrangement, net of $192,500 of issuance costs. The note purchase agreement was terminated on June 26, 2026.

As of September 30, 2026, Edmund Nabrotzky, Chief Executive Officer of the Company, Charles Maddox, Chief Financial Officer and Chief Operating Officer of the Company, and Vijayan Nambiar, Chief Technology Officer of the Company loaned the Company an aggregate of $349,996 and may make additional loans to the Company up to an aggregate amount of $600,000 (collectively, the "Executive Loans"). The Executive Loans have been made, on the terms and conditions of an unsecured, subordinated promissory note (the "Executive Notes"). The Executive Notes accrue interest at a rate of 7.5% per annum, and will be paid in quarterly installments on July 1, 2026, October 1, 2026 with a final payment by December 31, 2026. All of the Company's obligations and payments under the Executive Notes are subordinated to the Company's obligations under agreements with third-party lenders. The Company made no payments on the Executive Notes during 2026, including the installment due July 1, 2026. On October 9, 2026, the Company agreed to settle the Executive Loans for 55,613 shares of common stock and approximately $37,075 in cash (see Note 19 to the condensed consolidated financial statements).

For additional information regarding events subsequent to September 30, 2026, refer to Note 19 – Subsequent Events to the condensed consolidated financial statements.

Cash Flows

Comparison of nine months ended September 30, 2026 and 2025

The following table shows a summary of the cash flow for the periods presented:

	For the Nine Months Ended September 30,	
	2026	**2025**
Net cash (used in) operating activities	$ (2,788,025)	$ (10,827,830)
Net cash (used in) investing activities	(64,068)	(1,382,522)
Net cash provided by financing activities	$ 2,061,483	$ 12,908,154

Operating Activities

Our primary uses of cash in operating activities include employee-related expenditures, sales and marketing activities, inventory purchases, and research and development activities.

Net cash used in operating activities was $2.8 million for the nine months ended September 30, 2026, compared to $10.8 million for the nine months ended September 30, 2025.

For the nine months ended September 30, 2026, net cash used in operating activities consisted of a net loss of $21.6 million, partially offset by net non-cash adjustments of $13.0 million and a $5.8 million net source of cash from changes in operating assets and liabilities. Non-cash adjustments were primarily attributable to a $5.0 million change in the fair value of derivative liabilities, a $2.9 million impairment of long-lived assets and a $2.9 million loss on extinguishment of debt. The net source of cash from changes in operating assets and liabilities reflects primarily a $3.5 million decrease in accounts receivable and a $2.6 million increase in accounts payable, partially offset by $1.2 million of inventory purchases.

For the nine months ended September 30, 2025, net cash used in operating activities consisted of a net loss of $34.4 million, partially offset by net non-cash adjustments of $20.4 million and a $3.2 million net source of cash from changes in operating assets and liabilities. Non-cash adjustments were primarily attributable to a $17.4 million change in the fair value of SAFE notes and a $5.7 million loss on debt extinguishment, partially offset by a $3.3 million adjustment related to the reverse recapitalization transaction. As described in Note 4 to the condensed consolidated financial statements, net cash used in operating activities for the nine months ended September 30, 2025 has been revised from $8.2 million to $10.8 million.

The decrease in net cash used in operating activities in 2026 compared to 2025 was primarily attributable to the lower net loss after non-cash adjustments and favorable changes in working capital, particularly collections of accounts receivable and increases in accounts payable.

Investing Activities

Net cash used in investing activities was $64,068 for the nine months ended September 30, 2026, compared to $1,382,522 for the nine months ended September 30, 2025.

For the nine months ended September 30, 2026, net cash used in investing activities consisted of $64,068 of capitalized software development costs.

For the nine months ended September 30, 2025, net cash used in investing activities consisted of $898,798 of capitalized software development costs and $483,724 of purchases of property and equipment.

The decrease in net cash used in investing activities in 2026 compared to 2025 was primarily attributable to our constrained liquidity.

Financing Activities

Net cash provided by financing activities was $2.1 million for the nine months ended September 30, 2026, compared to $12.9 million for the nine months ended September 30, 2025.

For the nine months ended September 30, 2026, net cash provided by financing activities was primarily attributable to proceeds from short-term loans of $1.2 million, proceeds of $0.5 million from the H Capital Note, proceeds from the issuance of common stock of $0.6 million, proceeds from warrant exercises of $0.4 million, including $0.2 million from White Lion in the third quarter, and proceeds from officer loans of $0.3 million, partially offset by repayments of short-term loans of $1.0 million.

For the nine months ended September 30, 2025, net cash provided by financing activities was primarily attributable to $10.8 million of proceeds from PIPE investments, $5.6 million of proceeds from the trust account and $2.85 million of proceeds from short-term loans, partially offset by the $5.0 million purchase of common stock and $1.4 million of bridge loan repayments.

The decrease in net cash provided by financing activities for the nine months ended September 30, 2026 compared to the corresponding period in 2025 was primarily attributable to the absence of PIPE investment and trust account proceeds received in 2025.

Contractual Obligations and Commitments

Our estimated future obligations consist of leases and non-cancellable purchase commitments as of September 30, 2026. For additional discussion on our leases and other commitments, refer to Note 12 – *Leases* and Note 16 – *Commitments and Contingencies* to our condensed consolidated financial statements for the three and nine months ended September 30, 2026 included elsewhere in this Quarterly Report on Form 10-Q.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as related disclosures. Actual results may differ from those estimates under different assumptions or conditions.

Except as described below, there have been no material changes to our critical accounting policies and estimates from those disclosed in our Annual Report on Form 10-K filed with the SEC on March 11, 2026. Refer to the section titled "Critical Accounting Policies and Estimates" included in that filing for a discussion of our significant judgments and estimates.

During the three months ended September 30, 2026, our significant estimates also included the fair value of the H Capital Note and the warrant liabilities, which are Level 3 measurements (see Note 8 to the condensed consolidated financial statements), and the impairment of long-lived assets (see Note 2 to the condensed consolidated financial statements).

Recently Issued and Adopted Accounting Pronouncements

We describe the recently issued accounting pronouncements that apply in Note 2 of the condensed consolidated financial statements as of and for the three and nine months ended September 30, 2026.

Emerging Growth Company Status

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when an accounting standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised accounting standard at the time private companies adopt the new or revised standard.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not Applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our current management, including our CEO and CFO, we evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of September 30, 2026. Based on this evaluation of our disclosure controls and procedures, our CEO and CFO have concluded that our disclosure controls and procedures were not effective as of September 30, 2026 because of certain material weaknesses in our internal control over financial reporting, as further described below.

Notwithstanding the conclusion by our CEO and CFO that our disclosure controls and procedures as of September 30, 2026 were not effective, and notwithstanding the material weaknesses in our internal control over financial reporting described below, management believes that the condensed consolidated financial statements and related financial information included in this Quarterly Report on Form 10-Q fairly present in all material respects our financial condition, results of operations, and cash flows as of the dates presented, and for the periods ended on such dates, in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Material Weaknesses

Accounting Personnel and Financial Reporting Controls. Management determined that the Company does not currently maintain sufficient accounting personnel and has not fully designed and implemented the processes and internal controls necessary to support accurate and timely financial reporting and disclosures. These deficiencies (i) limit the Company's ability to effectively review and approve certain material journal entries and properly adopt new accounting pronouncements, increasing the risk that a material misstatement of interim or annual financial statements may not be prevented or detected on a timely basis, and (ii) have resulted in an insufficient segregation of duties between the preparation, review, and approval of certain material reconciliations and other financial reporting controls.

For the year ended December 31, 2025, management identified that the Company did not initially accrue all Board of Director compensation earned during the year ended December 31, 2025. During the year-end audit process, management recorded the appropriate accrual and related Board of Director compensation expense for the year ended December 31, 2025.

In addition, management identified presentation revisions in the statements of cash flows for the six months ended June 30, 2025 and the nine months ended September 30, 2025. Certain items were reclassified between operating and financing activities, including amounts related to short-term debt and proceeds from bridge financing arrangements, and certain components associated with the reverse recapitalization transaction were adjusted for proper presentation. These revisions affected the classification of cash flows between operating and financing activities but had no impact on total change in cash, net loss, or previously reported balance sheet amounts.

Management evaluated the quantitative and qualitative factors associated with these matters and concluded that the corrections were not material to any previously issued annual or interim financial statements. Accordingly, the Company has reflected these changes in the affected prior-period financial statements in this Quarterly Report to reflect these reclassifications as immaterial reclassifications to previously issued financial statements.

Fair Value Calculation Controls. In addition, management identified a material weakness in the design of internal controls related to the review of the fair value calculation of SAFE notes performed by a third-party valuation specialist. The controls lacked the precision needed to detect inappropriate inputs that could materially impact valuation.

The Company intends to develop and implement remediation plans related to the material weakness identified in this section. Remediation efforts include enhancing the design and implementation of controls over the accounting for financial instruments and hiring additional qualified accounting personnel.

Internal Control over Financial Reporting

There were no other changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

Please refer to "Note 17 – Commitments and Contingencies" in "Part II, Item 8. Financial Statements and Supplementary Data" in our Annual Report on Form 10-K for the year ended December 31, 2025, and "Part II, Item 1. Legal Proceedings" and "Note 17 — Commitments and Contingencies" in "Part I, Item 1. Financial Statements" in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, and "Note 16 — Commitments and Contingencies" and "Note 19 – Subsequent Events" in "Part I, Item 1. Financial Statements" in this Quarterly Report on Form 10-Q for information regarding material pending legal proceedings. Except as set forth therein, there have been no new material legal proceedings and no material developments in any of our previously disclosed legal proceedings.

On July 27, 2026, the lead investor under the July 22, 2026 Securities Purchase Agreement for the Series AA and Series B Convertible Preferred Stock terminated the agreement and asserted that the Company had not satisfied certain closing conditions. The Company disputes these assertions (see Note 16 to the condensed consolidated financial statements).

Item 1A. Risk Factors.

As of the date of this Quarterly Report, there have been no material changes to the risk factors previously disclosed in our Form 10-K filed on March 11, 2026, other than as provided below. Any of these factors could have a material adverse effect on our results of operations or financial condition. Additional risks not currently known to us or that we presently consider immaterial may also adversely affect our business or results of operations.

Our business and operations could be negatively affected if it becomes subject to any claims or litigation with our partners, resellers, contractors, vendors or other third parties, which could cause us to incur significant expense, hinder execution of our business and growth strategy and impact our stock price.

The Company's reseller has asked the Company to repurchase inventory it purchased under the reseller agreement and has indicated that it may bring a claim. No claim has been filed, and the agreement does not provide for refunds; however, the reseller has made a request for mediation in advance of initiating suit and demanded the Company preserve relevant documents concerning the Company's relationship, contractual obligations and duties and potential breaches. Any litigation, claims or other legal proceedings are costly, time-consuming and may divert the attention of management and other personnel from the operation of our business. The outcome of legal matters is inherently difficult to predict, and our accruals (if any) and insurance coverage may prove inadequate to cover actual liabilities. Even where we believe claims lack merit, we may nevertheless incur substantial legal fees, expert costs, settlement expenses and other expenditures. Any adverse determination, settlement or legal action could materially adversely affect our business, financial condition, results of operations, cash flows and reputation.

The issuance of shares of our Common Stock on conversion of the Series C Convertible Non-Redeemable Preferred Stock issued to BladeRanger, the amended Envoy note and the H Capital Note will dilute the ownership interest of our existing shareholders.

On October 9, 2026, we completed the acquisition of Envoy Technologies, Inc. At the closing, we issued 233,543 shares of Common Stock and 8,433,123 shares of Series C Convertible Non-Redeemable Preferred Stock to BladeRanger Ltd. Each share of Series C Preferred Stock has a stated value of $6.00 and converts into one share of Common Stock automatically upon Shareholder Approval, subject to a 19.99% conversion limitation (determined taking into account the shares of common stock issuable upon conversion of the H Capital Note). Envoy's convertible note held by Blink Charging Co. remains outstanding and, as amended at the closing, converts into 2,166,667 shares of our Common Stock upon Shareholder Approval and the effectiveness of a resale registration statement. In September 2026, we also issued the H Capital Note, which is convertible into shares of our Common Stock subject to a 9.99% conversion limitation and other beneficial ownership limitations. Conversion of the Series C Preferred Stock, the amended Envoy note and the H Capital Note will result in dilution to the holders of our Common Stock, and such dilution could cause the trading price of our Common Stock to decline.

The conversion of the Series C Preferred and the amended Envoy note, and conversions of the H Capital Note beyond its 9.99% limitation, are contingent upon us obtaining shareholder approval pursuant to Nasdaq Rule 5635 ("Shareholder Approval"). If we do not obtain the Shareholder Approval, these securities may never become convertible in full.

Until receipt of Shareholder Approval under Nasdaq Rule 5635, the Series C Preferred and H Capital Note will be convertible into no more than an aggregate of 19.99% of our outstanding Common Stock as of the date of issuance (if at all). Accordingly, the Company has agreed to duly call, give notice of, convene, and hold a shareholder meeting (the "Shareholder Meeting") as soon as reasonably practicable, for the purposes of obtaining Shareholder Approval. If Shareholder Approval is not obtained at the first Shareholder Meeting, the Company is obligated to cause an additional Shareholder Meeting to be held no less frequently than once every three months, until Shareholder Approval is obtained.

There are no assurances that our Common Stock will remain listed on Nasdaq, which could have a material adverse effect on the liquidity of our Common Stock.

The Company's Common Stock is listed on the Nasdaq Global Market. On February 5, 2026, the Company received a deficiency notice from Nasdaq indicating that its Common Stock did not meet the minimum bid price and minimum market value of listed securities continued listing requirements. The Company received an additional deficiency notice from Nasdaq on February 10, 2026 indicating that its Common Stock did not meet the minimum publicly held share value requirement. In accordance with Nasdaq Listing Rule 5810(c)(3)(A) and 5810(c)(3)(C), the Company had 180 calendar days, or until August 4, 2026, to regain compliance with each requirement. Additionally, in accordance with Nasdaq Listing Rule 5810(c)(3)(D) the Company had 180 calendar days, or until August 10, 2026 to regain compliance with the minimum publicly held share value requirement. On August 27, 2026, the Company received a written notification from Nasdaq identifying an additional basis for the potential delisting of the Company's Common Stock, from Nasdaq because the Company had not yet filed its Quarterly Report on Form 10-Q for the period ended June 30, 2026. Accordingly, Nasdaq determined that such matter served as an additional basis for delisting the Company's securities from Nasdaq.

On June 23, 2026, the Company received formal written notice from Nasdaq indicating that the Company had regained compliance with the minimum bid price requirement for continued listing on the Nasdaq Global Market, because the closing bid price of the Common Stock had been $1.00 per share or greater for the last 12 consecutive business days from June 8, 2026 to June 22, 2026. The Company, however, did not regain compliance with the minimum market value of listed securities by the August 4, 2026 deadline or the minimum publicly held share value requirement by the August 10, 2026 deadline. Nasdaq, therefore, determined that these matters served as bases for delisting the Company's securities.

The Company timely requested a hearing before the Nasdaq Hearings Panel (the "Hearings Panel") with respect to the determination relating to the minimum market value of listed securities and paid the applicable $20,000 hearing fee (the "Hearing"). The Hearing request stayed the suspension of the Company's securities and the filing of a Form 25-NSE with the Securities and Exchange Commission pending the issuance of a written decision by the Hearings Panel. The Hearings Panel will consider deficiency relating to the minimum publicly held share value requirement in its decision regarding the Company's continued listing on Nasdaq at the Hearing. Additionally, the Company had the right to appeal the delisting determination based on its delinquent filing by requesting a hearing before the Hearings Panel. Under Nasdaq Listing Rule 5815(a)(1)(B), a hearing request regarding a delinquent filing stays the suspension of the Company's securities for a period of 15 days from the date of the request, unless the Company specifically requests, and the Hearings Panel grants, a further stay. The Company timely requested an extended stay of the suspension and to present its views with respect to the delinquent filing deficiency, including its plan to complete the delinquent filing, to the Hearings Panel at the Hearing.

On September 15, 2026, the Company appeared before a Nasdaq Hearings Panel (the "Hearings Panel") and presented a compliance plan (the "Compliance Plan") addressing the previously disclosed deficiencies in Nasdaq's continued listing requirements for failure to satisfy the minimum market value of listed securities requirement of $50 million pursuant to Nasdaq Listing Rule 5450(b)(2)(A), the minimum market value of publicly held shares of $15 million required under Nasdaq Listing Rule 5450(b)(2)(C), and the Company's failure to file its Quarterly Report on Form 10-Q for the period ended June 30, 2026.

On October 28, 2026, the Hearings Panel granted the Company's request for continued listing, subject to the Company submitting an application to transfer the listing of its common stock to The Nasdaq Capital Market on or before November 2, 2026. There can be no assurance that the Company will satisfy the conditions of the Panel's decision or maintain compliance with Nasdaq's continued listing requirements. If it does not, the Common Stock could be delisted, which could reduce its liquidity and market price and impair the Company's ability to raise capital.

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

During the three months ended September 30, 2026, the Company issued 371,725 shares of common stock to White Lion Capital, LLC upon the exercise of warrants for aggregate cash proceeds of $245,000. The shares were issued in reliance on the exemption from registration provided by Section 4(a)(2) and/or Rule 506 of Regulation D of the Securities Act of 1933, as amended, and their resale is registered under the Company's Registration Statement on Form S-1 (File No. 333-295288).

On September 10, 2026, the Company issued a $550,000 convertible promissory note to H Capital Ventures Management Consultancies Co. LLC for $500,000 in cash. The note was issued in reliance on the exemption from registration provided by Section 4(a)(2) and/or Rule 506 of Regulation D of the Securities Act. The Company used the proceeds for working capital.

On September 15, 2026, the Company became obligated to issue 2,815,506 shares of common stock to LHT I, LLC pursuant to a Settlement Agreement that extinguished the J.J. Astor Loans that had been acquired by LHT I, LLC. The shares of common stock were issued in reliance on the exemption from registration provided by Section 3(a)(9) of the Securities Act.

Item 3. Defaults Upon Senior Securities.

On August 12, 2026, the Company received a Notice of Default and Demand to Assemble Collateral from counsel to LHT I, LLC, the holder of the senior secured convertible note originally issued by the Company to J.J. Astor & Co., stating that $1,057,417 was due under the Loan Agreement, including attorneys' fees and costs. The notice cited the Company's failures to make the minimum monthly installment payments beginning in January 2026 and the Nasdaq delisting determination effective August 6, 2026. On September 15, 2026, the Company and its subsidiaries entered into a Settlement Agreement with LHT I, LLC that resolved the default. See Note 8 to the condensed consolidated financial statements.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Disclosure in Lieu of Reporting on a Current Report on Form 8-K

(a) On November 20, 2026, CID HoldCo, Inc., a Delaware corporation (the "Company"), entered into a Securities Purchase Agreement (the "Purchase Agreement") with White Lion Capital LLC ("White Lion"), an accredited investor, pursuant to which the Company agreed to issue and sell to White Lion, in a private placement (the "Private Placement"), an aggregate of $300,000 of shares (the "Shares") of the Company's common stock, par value $0.0001 per share (the "Common Stock"), and/or pre-funded warrants to purchase shares of Common Stock (the "Pre-Funded Warrants" and, together with the Shares, the "Securities"). The purchase price is $1.10 per Share and $1.0999 per Pre-Funded Warrant (which equals the per Share purchase price less the $0.0001 per share exercise price of the Pre-Funded Warrants), in each case subject to adjustment for stock splits, stock dividends, stock combinations and other similar transactions.

The initial closing (the "Initial Closing") occurred on November 20, 2026, at which White Lion paid $50,000 and the Company issued to White Lion a Pre-Funded Warrant to purchase up to 272,727 shares of Common Stock. Pursuant to the Purchase Agreement and a flow of funds memorandum executed by the Company, the purchase price payable at the Initial Closing is to be paid by White Lion, on behalf of the Company, directly to the Company's independent registered public accounting firm.

At the second closing (the "Second Closing"), White Lion has agreed to purchase an additional $250,000 of Securities at the same purchase price. The Second Closing is scheduled to occur on the first trading day following the date on which the Company files with the Securities and Exchange Commission (the "SEC") its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2026. There can be no assurance that the Second Closing will occur.

The obligations of each party to consummate each closing are subject to customary closing conditions, including the accuracy in all material respects of the representations and warranties of the other party, the performance of all covenants required to be performed at or prior to such closing and the delivery of the applicable closing deliverables. The obligations of White Lion are further subject to the absence of a Material Adverse Effect (as defined in the Purchase Agreement) with respect to the Company, the absence of any suspension of trading in the Common Stock by the SEC or the Company's principal trading market and the absence of certain other market disruption events, and, with respect to the Second Closing, the filing of the Quarterly Report on Form 10-Q described above.

The Purchase Agreement contains customary representations, warranties and agreements of the Company and White Lion, customary indemnification rights and obligations of the parties and customary conditions to closing. Pursuant to the Purchase Agreement, the Company has agreed, among other things, that:

- the Company will use the net proceeds from the Private Placement for general corporate and working capital purposes, and will not use such proceeds to satisfy any portion of the Company's indebtedness (other than the payment of trade payables in the ordinary course of business), to redeem any Common Stock or Common Stock equivalents or to settle any outstanding litigation;

- subject to certain exceptions, from the date of the Purchase Agreement until 60 days after the date of the Initial Closing, the Company will not issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock or Common Stock equivalents, or file any registration statement or any amendment or supplement thereto, other than in compliance with the registration rights described below;

- the Company will include all of the Shares and the shares of Common Stock issuable upon exercise of the Pre-Funded Warrants (the "Pre-Funded Warrant Shares") for resale by White Lion on any registration statement or offering statement that the Company files with the SEC (other than a registration statement on Form S-4 or Form S-8), and, if the Company fails to do so, the Company will pay to White Lion, as partial liquidated damages, an amount in cash equal to 2.0% of White Lion's aggregate subscription amount on the date of such filing and on every 30th day thereafter (prorated for shorter periods) until the Shares and the Pre-Funded Warrant Shares are registered for resale;

- the Company will maintain the registration of the Common Stock under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and timely file all reports required to be filed under the Exchange Act, and, if the Company fails to satisfy the current public information requirement of Rule 144(c) under the Securities Act of 1933, as amended (the "Securities Act"), during the period beginning six months after the date of the Purchase Agreement and ending when the Securities may be sold under Rule 144 without restriction, the Company will pay to White Lion, as partial liquidated damages, an amount in cash equal to 2.0% of White Lion's aggregate subscription amount on the date of such failure and on every 30th day thereafter (prorated for shorter periods) until such failure is cured or such information is no longer required;

- the Company will hold a meeting of its shareholders at the earliest practicable date, and in no event later than December 14, 2027, to seek shareholder approval, as may be required under the applicable rules of The Nasdaq Stock Market LLC ("Nasdaq"), of the issuance of the Shares and the Pre-Funded Warrant Shares in excess of 19.99% of the shares of Common Stock outstanding on the date of the Initial Closing, with the recommendation of the Company's board of directors that such proposal be approved, and, if such approval is not obtained at such meeting, will call a meeting every four months thereafter until such approval is obtained or the Pre-Funded Warrants are no longer outstanding; and

- until the one-year anniversary of the receipt of such shareholder approval, the Company will not effect a reverse or forward stock split or reclassification of the Common Stock without the prior written consent of White Lion, other than a reverse stock split that the Company's board of directors determines in good faith is required to maintain the listing of the Common Stock on its trading market.

- The Company has also agreed to pay partial liquidated damages to White Lion if the Company fails to timely remove restrictive legends from the Shares or the Pre-Funded Warrant Shares when required under the Purchase Agreement. No placement agent, underwriter or broker-dealer was engaged in connection with the Private Placement, and no commissions or placement fees are payable by the Company in connection therewith. The Purchase Agreement is governed by the laws of the State of Nevada.

The representations, warranties and covenants contained in the Purchase Agreement were made solely for the benefit of the parties thereto and may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosure schedules. Accordingly, the Purchase Agreement is filed as an exhibit to this Quarterly Report on Form 10-Q only to provide investors with information regarding its terms, and not to provide investors with any other factual information regarding the Company or its business. Investors should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company or any of its subsidiaries or affiliates, and such information should be read in conjunction with the other information that the Company publicly files with the SEC.

Pre-Funded Warrants

Each Pre-Funded Warrant has an exercise price of $0.0001 per share of Common Stock, is exercisable immediately upon issuance and will not expire until exercised in full. The aggregate exercise price of each Pre-Funded Warrant, other than the nominal exercise price of $0.0001 per share, is pre-funded to the Company at the applicable closing, and the holder is not entitled to the return or refund of any portion of the pre-funded exercise price under any circumstance. The Pre-Funded Warrants may be exercised for cash or by means of a "cashless exercise" in accordance with the formula set forth therein. The number of Pre-Funded Warrant Shares and the exercise price are subject to proportionate adjustment in the event of stock dividends, stock splits, combinations, reclassifications and similar events affecting the Common Stock, and the holders of the Pre-Funded Warrants are entitled to participate in certain rights offerings and pro rata distributions to holders of Common Stock. In the event of a fundamental transaction, as described in the Pre-Funded Warrants, the holder will be entitled to receive, upon exercise, the kind and amount of securities, cash or other property that the holder would have received had it exercised the Pre-Funded Warrant immediately prior to such fundamental transaction.

A holder may not exercise any portion of a Pre-Funded Warrant to the extent that the holder, together with its affiliates and any other persons acting as a group with the holder or its affiliates, would beneficially own more than 4.99% (or, at the election of the holder prior to issuance, 9.99%) of the number of shares of Common Stock outstanding immediately after giving effect to such exercise. Upon notice to the Company, the holder may increase or decrease such percentage, provided that it may not exceed 9.99%, and any such change will not be effective until the 61st day after such notice is delivered to the Company. The Company will be required to pay partial liquidated damages to the holder, and to compensate the holder for certain "buy-in" losses, if the Company fails to timely deliver Pre-Funded Warrant Shares upon exercise. Holders of the Pre-Funded Warrants do not have the rights or privileges of holders of Common Stock, including any voting rights, until they exercise their Pre-Funded Warrants.

Warrant Amendment

In connection with the investment by White Lion, on November 20, 2026, the Company and White Lion agreed to amend (the "Warrant Amendment") the Common Stock Purchase Warrant, dated April 17, 2026 (the "White Lion Warrant"), to reduce the White Lion Warrant's remaining exercisable amount from $1,554,997.80 to $950,000 (the "Remaining Exercise Amount"), canceling the $604,997.80 balance, and reset the termination date from five years to 12 months after the closing date. The Company also agreed that it would no longer have the right to terminate the White Lion Warrant upon five trading days' notice. The Warrant Amendment adds a floor price below which the exercise price of the White Lion Warrant cannot fall, equal to 20% of the closing sales price on the closing date, which also caps the maximum number of shares issuable under the White Lion Warrant at the Remaining Exercise Amount divided by the floor price. The Warrant Amendment deletes the "Black Scholes Value" and "Change of Control" definitions, removes any right of the White Lion Warrant holder to make the Company buy out the White Lion Warrant, and restates the Fundamental Transaction provision so the holder instead receives alternate consideration when it exercises. Finally, the Warrant Amendment provides for a daily exercise cap of 5% of trading volume and a bar on exercising after two straight days of price declines (which the Company can waive), both of which end permanently if an "Extraordinary Event" occurs, such as failing to get shareholder approval of a reverse split by December 14, 2026, a Nasdaq delisting determination, or a sustained drop in the bid price or market capitalization.

In addition to the Purchase Agreement, the Pre-Funded Warrants, the Existing Warrant and the Warrant Amendment, the Company is also a party to a Common Stock Purchase Agreement, dated as of April 17, 2026 with White Lion.

The foregoing descriptions of the Purchase Agreement, the Pre-Funded Warrants and the Warrant Amendment do not purport to be complete and are qualified in their entirety by reference to the full text of the Purchase Agreement, the Pre-Funded Warrant and the Warrant Amendment, copies of which are filed as Exhibits 10.8, 4.8 and 4.7, respectively, to this Quarterly Report on Form 10-Q and are incorporated herein by reference.

Unregistered Sales of Equity Securities.

Pursuant to the Purchase Agreement, the Company agreed to issue and sell to White Lion an aggregate of $300,000 of Shares and/or Pre-Funded Warrants, consisting of $50,000 of Securities at the Initial Closing and $250,000 of Securities at the Second Closing, at a purchase price of $1.10 per Share and $1.0999 per Pre-Funded Warrant. At the Initial Closing, the Company issued to White Lion a Pre-Funded Warrant to purchase up to 272,727 shares of Common Stock, and White Lion paid $50,000 of the aggregate purchase price; the remaining $250,000 is payable at the Second Closing. The Company expects to receive aggregate gross proceeds of approximately $300,000 from the Private Placement, excluding any proceeds from the exercise of the Pre-Funded Warrants at their nominal exercise price, before deducting estimated offering expenses payable by the Company. No underwriting discounts or commissions are payable in connection with the Private Placement.

The Securities were offered and sold, and the Pre-Funded Warrant Shares will be issued, without registration under the Securities Act or any state securities laws, in reliance on the exemption from registration afforded by Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D promulgated thereunder. The Pre-Funded Warrant Shares, if issued upon a cashless exercise of the Pre-Funded Warrants, will be issued in reliance on the exemption from registration afforded by Section 3(a)(9) of the Securities Act.

The Securities, the Pre-Funded Warrant Shares and the shares of Common Stock issuable upon exercise of the White Lion Warrant, as amended, have not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration with the SEC or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. Neither this Quarterly Report on Form 10-Q nor any exhibit hereto constitutes an offer to sell or the solicitation of an offer to buy any securities of the Company, nor shall there be any sale of such securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful.

(b) As previously reported, the Company is party to a Loan Agreement dated December 4, 2025 (the "Loan Agreement"), originally entered into with J.J. Astor & Co. Under the Loan Agreement, the Company issued a Senior Secured Convertible Note dated December 4, 2025, in the original principal amount of $2,600,000 (the "Senior Note"). The Senior Note is secured by a Pledge and Security Agreement. On June 22, 2026, J.J. Astor & Co. sold and assigned the Senior Note, the Loan Agreement and the related transaction documents to LHT I, LLC ("LHT I") under a Note Purchase and Assignment Agreement.

The Company did not make the full monthly installment payment due under the Senior Note on July 31, 2026, and did not cure the non-payment within the two-business-day grace period. This resulted in an Event of Default under the Senior Note on August 4, 2026. As a result, the outstanding principal amount of the Senior Note increased from $924,616 to a Default Principal Amount of $1,017,077, the Senior Note began to bear default interest at 19% per annum, and the Senior Note became immediately due and payable.

As previously reported in the Company's Current Report on Form 8-K filed with the SEC on August 18, 2026, on August 12, 2026 the Company received a Notice of Default and Demand to Assemble Collateral from counsel to LHT I. The notice stated that the Default Amount owed was $1,057,417.37, inclusive of attorneys' fees and costs, and that LHT I may pursue foreclosure on the collateral.

On September 15, 2026, the Company, See ID, Inc., ShoulderUp Technology Acquisition Corp., and Dot Works, Inc. entered into a Settlement Agreement with LHT I. The Settlement Agreement resolved the defaults and all outstanding obligations under the Loan Agreement and the Senior Note. Under the Settlement Agreement, LHT I converted $1,086,785.29 into 2,815,506 shares of common stock at a conversion price of $0.386 per share. That amount consisted of $924,615.88 of outstanding principal, $132,169.41 of default penalties and interest, and $30,000.00 of attorneys' fees and costs. Upon the issuance of the conversion shares and the transfer of assets to LHT I described below, all obligations under the Loan Agreement and the Senior Note were satisfied and cancelled, and the liens securing those obligations were released.

As previously reported in the Company's Current Report on Form 8-K filed with the SEC on September 16, 2026, on September 15, 2026, the Company, See ID, Inc., ShoulderUp Technology Acquisition Corp., and Dot Works, Inc. (collectively, the "Debtors") entered into a Settlement Agreement with LHT I, LLC. Under the Settlement Agreement, See ID, Inc. and Dot Works, Inc. transferred to LHT I, LLC, in full satisfaction of the Phillips Note, all of Dot Works' inventory and property and equipment at its Barceloneta, Puerto Rico facility, the hardware development equipment at the Company's Shirley, Massachusetts laboratory, the unreleased version 4.0 of the Company's software platform, firmware version 1.4 and subsequent versions, one issued patent, two patent applications and the related development work for two planned patent filings (the "Transferred Assets"). LHT I, LLC assumed no liabilities. The Company retained its released Dot Cloud software platform, earlier firmware versions, the SEE ID System patent and its reseller agreement. LHT I, LLC obtained title to and control of the Transferred Assets at the closing on September 15, 2026, and the Phillips Note was discharged on that date.

Other than the Loan Agreement, the Phillips Note, the Settlement Agreement and LHT I, LLC's ownership of approximately 54.6% of the Company's outstanding common stock since September 15, 2026 (see Note 13 to the condensed consolidated financial statements), there is no material relationship between LHT I, LLC and the Company or any of its affiliates, directors or officers.

In connection with the transfer of the Transferred Assets, the Company and LHT I, LLC are finalizing a transition services agreement currently expected to be effective on September 15, 2026. Under that agreement, it is currently anticipated that the Company and its subsidiaries will provide the services, access, information, and support reasonably necessary for LHT I, LLC to operate the transferred assets. As of the date of filing, the TSA has not been executed and there can be no assurance that the TSA will be executed. Upon the issuance of the conversion shares and the transfer of the Transferred Assets, all obligations of the Debtors under the Loan Agreement and the Phillips Note were fully satisfied and cancelled. All liens and security interests on the Debtors' assets were released.

Pro Forma Financial Information. The unaudited pro forma condensed consolidated financial information of the Company giving effect to the transfer of the Transferred Assets, as required by Item 9.01(b) of Form 8-K and Article 11 of Regulation S-X, will be filed in a subsequent amendment to the original Form 8-K.

The foregoing description of the Settlement Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Settlement Agreement, filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on September 16, 2026, and incorporated herein by reference.

Insider Trading Arrangements

During the three months ended September 30, 2026, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Item 408 of Regulation S-K.

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

No.	Description of Exhibit	Incorporation By Reference
2.1+	Business Combination Agreement by and among ShoulderUp Technology Acquisition Corp., CID Holdco, Inc., ShoulderUp Merger Sub, Inc., SEI Merger Sub, Inc., and SEE ID, Inc., dated as of March 18, 2024 (incorporated by reference to Exhibit 2.1 of the CID Holdco, Inc.'s Registration Statement on Form S-4, filed with the SEC on January 15, 2025).	Incorporated by reference
3.1	Amended and Restated Certificate of Incorporation of CID Holdco, Inc. (incorporated by reference to Exhibit 3.1 of CID Holdco, Inc.'s Current Report on Form 8-K, filed with the SEC on June 26, 2025.)	Incorporated by reference
3.2	Certificate of Amendment of the Fifth Amended and Restated Certificate of Incorporation of the Company, filed on May 27, 2026 (incorporated by reference to Exhibit 3.1 of CID Holdco, Inc.'s Current Report on Form 8-K, filed with the SEC on May 28, 2026.)	Incorporated by reference
3.3	Bylaws of CID Holdco, Inc. (incorporated by reference to Exhibit 3.2 of CID Holdco, Inc.'s Current Report on Form 8-K, filed with the SEC on June 26, 2025.)	Incorporated by reference
4.1	Description of Securities (incorporated by reference to Exhibit 4.1 of CID Holdco's Inc.'s Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 11, 2026)	Incorporated by reference
4.2	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.5 of CID Holdco, Inc.'s Registration Statement on Form S-4, filed with the SEC on January 15, 2025).	Incorporated by reference
4.3	Specimen Warrant Certificate (incorporated by reference to Exhibit 4.6 of CID Holdco, Inc.'s Registration Statement on Form S-4, filed with the SEC on January 15, 2025).	Incorporated by reference
4.4	Existing Warrant Agreement, dated November 16, 2021, by and between ShoulderUp Technology Acquisition Corp and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.4 of CID Holdco, Inc.'s Registration Statement on Form S-4, filed with the SEC on January 15, 2025).	Incorporated by reference
4.5	Warrant Assumption and Assignment Agreement, dated as of June 18, 2025. (incorporated by reference to Exhibit 4.4 of CID Holdco, Inc.'s Current Report on Form 8-K, filed with the SEC on June 26, 2025).	Incorporated by reference
4.6	Common Stock Purchase Warrant, dated April 17, 2026, by and between CID Holdco, Inc. and White Lion Capital, LLC (incorporated by reference to Exhibit 4.1 of CID HoldCo, Inc.'s Current Report on Form 8-K, filed with the SEC on April 20, 2026).	Incorporated by reference
4.7	Amendment to Common Stock Purchase Warrant, dated November 20, 2026, by and between CID HoldCo, Inc. and White Lion Capital, LLC.	Filed herewith.
4.8	Pre-Funded Common Stock Purchase Warrant.	Filed herewith.
10.1	Form of PIPE Subscription Agreement (incorporated by reference to Exhibit 10.8 of CID Holdco, Inc.'s Current Report on Form 8-K, filed with the SEC on June 26, 2025).	Incorporated by reference
10.2*	Registration Rights and Lock-up Agreement by and among CID Holdco, Inc., and certain parties listed therein, dated as of June 18, 2025 (incorporated by reference to Exhibit 10.10 of CID Holdco, Inc.'s Current Report on Form 8-K, filed with the SEC on June 26, 2025).	Incorporated by reference
10.3	Securities Purchase Agreement, dated July 22, 2026, by and among CID HoldCo, Inc. and the investors named therein (Series AA and Series B Convertible Preferred Stock) (incorporated by reference to Exhibit 10.1 of CID Holdco, Inc.'s Current Report on Form 8-K, filed with the SEC on July 22, 2026).	Incorporated by reference
10.4	Convertible Promissory Note, dated September 10, 2026, issued by CID HoldCo, Inc. to H Capital Ventures Management Consultancies Co. LLC (incorporated by reference to Exhibit 10.2 of CID Holdco, Inc.'s Current Report on Form 8-K, filed with the SEC on September 16, 2026).	Incorporated by reference

10.5	Binding Summary of Principal Terms, dated September 14, 2026, by and among CID HoldCo, Inc., BladeRanger Ltd. and Envoy Technologies, Inc. (incorporated by reference to Exhibit 10.1 of CID Holdco, Inc.'s Current Report on Form 8-K, filed with the SEC on September 16, 2026).	Incorporated by reference
10.6+	Settlement Agreement, dated September 15, 2026, by and among LHT I, LLC, CID HoldCo, Inc., See ID, Inc., ShoulderUp Technology Acquisition Corp. and Dot Works, Inc. (incorporated by reference to Exhibit 10.3 of CID Holdco, Inc.'s Current Report on Form 8-K, filed with the SEC on September 16, 2026).	Incorporated by reference
10.7+	Securities Purchase Agreement, dated September 25, 2026, by and among CID HoldCo, Inc., BladeRanger Ltd. and Envoy Technologies, Inc. (incorporated by reference to Exhibit 10.1 of CID Holdco, Inc.'s Current Report on Form 8-K, filed with the SEC on September 29, 2026).	Incorporated by reference
10.8+	Securities Purchase Agreement, dated as of November 20, 2026, by and between CID HoldCo, Inc. and White Lion Capital, LLC.	Filed herewith.
31.1*	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith.
31.2*	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished.
97.1	Clawback Policy (incorporated by reference to Exhibit 97.1 of CID Holdco's Inc.'s Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 11, 2026)	Incorporated by reference
101.INS	Inline XBRL Instance Document	
101.SCH	Inline XBRL Taxonomy Extension Schema Document	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	

* Filed herewith.

\+ Schedules omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally to the SEC a copy of any omitted schedule or exhibit upon the request of the SEC in accordance with Item 601(b)(2) of Regulation S-K.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CID HOLDCO, INC.

Date: November 23, 2026

/s/ Edmund Nabrotzky

Name: Edmund Nabrotzky
Title: Chief Executive Officer
(Principal Executive Officer)

/s/ Charles Maddox

Name: Charles Maddox
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

AMENDMENT
TO
COMMON STOCK PURCHASE WARRANT

CID HOLDCO, INC.

November 20th, 2026

This **AMENDMENT TO COMMON STOCK PURCHASE WARRANT** (this "Amendment") is made and entered into as of November 20, 2026 by and among CID Holdco, Inc., a Delaware corporation (the "Company"), and White Lion Capital LLC (the "Holder").

WHEREAS, on April 17, 2026, the Company issued to the Holder that certain Common Stock Purchase Warrant (the "Warrant") to purchase up to $2,000,000 of shares of the Company's common stock (the "Common Stock") at an exercise price per share equal to 99% of the closing sales price of the Common Stock on the trading day prior to the exercise date;

WHEREAS, on May 12, 2026, the stockholders of the Company approved, for purposes of complying with Nasdaq Listing Rule 5635, the issuance of the shares of Common Stock upon exercise of the Warrant in excess of 20% of the Company's Common Stock then outstanding; and

WHEREAS, the Company and the Holder desire to amend the Warrant as provided herein.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound hereby, the Company and the Holder hereby agree as follows:

1. **Definitions**. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Warrant.

2. **Additional Definitions**. The following terms shall be added to Section 1 of the Warrant and, for the purposes of the Warrant, shall have the following meanings:

"Available" means, with respect to a Reverse Split, that all corporate action necessary to effect the Reverse Split has been taken, including the filing or effectiveness of any required amendment to the Company's organizational documents, such that the Company may effect the Reverse Split at its discretion within one (1) Trading Day without any further stockholder, board, or regulatory approval.

"Closing Bid Price" means, for any Trading Day, the closing bid price of the Common Stock on the Principal Market as reported by Nasdaq (or, if not reported there, by Bloomberg).

"Closing Date" means the date on which the Amendment to this Warrant dated as of November __, 2026 becomes effective.

"Delisting Determination" means a written determination by the Listing Qualifications Department of Nasdaq, a Nasdaq Hearings Panel, or the Nasdaq Listing Council that the Common Stock is subject to delisting from the Principal Market, whether or not the Company appeals or requests a hearing or a stay and whether or not the determination is stayed pending such appeal or hearing. A deficiency notice or other notice of non-compliance that does not constitute a determination to delist is not a Delisting Determination.

"Extraordinary Event" shall mean any of the following:

(a) the Company has not obtained Shareholder Approval of a Reverse Split on or before December 14, 2026;

(b) the Company receives a Delisting Determination after the Closing Date;

(c) the Closing Bid Price is below $1.00 per share for twenty (20) consecutive Trading Days, unless, as of the close of the twentieth (20th) such Trading Day, Shareholder Approval of a Reverse Split has been obtained and the Reverse Split is Available; or

(d) at any time when a Nasdaq Market Capitalization Rule is in effect, the Market Capitalization is less than $5,000,000 for a number of consecutive Trading Days equal to one-half (1/2) of the number of days in the compliance, cure or measurement period prescribed by such Nasdaq Market Capitalization Rule (rounded down to the nearest whole Trading Day).

"Floor Price" means an amount equal to twenty percent (20%) of the Closing Sales Price of the Common Stock on the Closing Date.

"Market Capitalization" means, as of any date, the product of (A) the Closing Sales Price of the Common Stock on the Principal Market on the immediately preceding Trading Day and (B) the number of shares of Common Stock outstanding as of such date, as reported in the Company's most recent filing with the Commission (or such other measurement as used by the Principal Market).

"Nasdaq Market Capitalization Rule" means any rule of the Principal Market under which the Company would be subject to suspension or delisting of the Common Stock on the basis that its Market Capitalization or market value of listed securities is below a specified threshold.

"Principal Market" means The Nasdaq Stock Market LLC and any successor thereto, or, if the Common Stock is not then listed thereon, the principal national securities exchange or trading market on which the Common Stock is then listed or quoted.

"Remaining Exercise Amount" means $950,000. The Company and the Holder acknowledge and agree that the aggregate Exercise Value remaining available for exercise under this Warrant immediately prior to the Closing Date was $1,554,997.80, and that, effective as of the Closing Date, such amount is reduced to $950,000 and the balance of $604,997.80 is cancelled and shall no longer be available for exercise.

"Reverse Split" means a reverse stock split of the Common Stock at a ratio sufficient to cause the Closing Bid Price to equal or exceed $1.00 per share based on the Closing Bid Price on the Trading Day immediately preceding Shareholder Approval.

"Shareholder Approval" means the approval of the Company's stockholders of a Reverse Split (and any related amendment to the Company's organizational documents) in accordance with applicable law, the Company's organizational documents, and the rules of the Principal Market.

3. Deletion of Definitions. The definitions of "Black Scholes Value" and "Change of Control" set forth in Section 1 of the Warrant are hereby deleted in their entirety. Neither the Warrant, as amended by this Amendment, nor this Amendment shall confer upon the Holder any right to require the Company or any successor to purchase, redeem or cash out the Warrant, whether upon a Change of Control, a Fundamental Transaction or otherwise.

4. **Amendment to Definition of Termination Date**. The term "Termination Date" is hereby amended and restated to read as follows:

"Termination Date" means the twelve (12) month anniversary of the Closing Date.

5. Amendment to Section 2(b). Section 2(b) of the Warrant is hereby amended and restated in its entirety to read as follows:

"(b) Number of Warrant Shares. Subject to the terms and conditions set forth herein, the aggregate number of Warrant Shares that Holder shall have the right to purchase from the Company hereunder shall be a number of Warrant Shares equal to the quotient obtained by dividing (i) the Remaining Exercise Amount less the Exercise Value of all partial exercises of this Warrant in accordance with Section 2(a) on or after the Closing Date and prior to the Exercise Date, by (ii) the Exercise Price."

6. Floor Price; Maximum Number of Warrant Shares. Section 2(c) of the Warrant is hereby amended by adding the following sentence at the end thereof: "Notwithstanding anything to the contrary in this Warrant, in no event shall the Exercise Price be less than the Floor Price." The Company and the Holder acknowledge and agree that, as a result of the foregoing, the maximum aggregate number of Warrant Shares issuable upon exercise of the Warrant from and after the Closing Date is equal to the quotient obtained by dividing the Remaining Exercise Amount by the Floor Price.

7. **Amendment to Section 3(b)**. Section 3(b) of the Warrant is hereby amended and restated in its entirety to read as follows:

"Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person (other than for the purpose of changing the jurisdiction of incorporation of the Company or a holding company for the Company), (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets (on a consolidated basis) in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of shares of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of greater than 50% of the voting power of the outstanding securities of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the shares of Common Stock or any compulsory share exchange pursuant to which the shares of Common Stock are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires greater than 50% of the outstanding shares of Common Stock or greater than 50% of the voting power of the outstanding securities of the Company (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(f) on the exercise of this Warrant), the number of shares of Common Stock or other capital stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(f) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of shares of Common Stock are given any choice as to the securities, cash, or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall be added to the term "Company" under this Warrant (so that from and after the occurrence or consummation of such Fundamental Transaction, each and every provision of this Warrant referring to the "Company" shall refer instead to each of the Company and the Successor Entity or Successor Entities, jointly and severally), and the Successor Entity or Successor Entities, jointly and severally with the Company, may exercise every right and power of the Company prior thereto and the Successor Entity or Successor Entities shall assume all of the obligations of the Company prior thereto under this Warrant with the same effect as if the Company and such Successor Entity or Successor Entities, jointly and severally, had been named as the Company herein. "

8. **Required Reserve Amount; Maximum Warrant Shares**. The Company shall reserve, as the Required Reserve Amount, from its authorized and unissued shares of Common Stock, a number of shares of Common Stock equal to the quotient obtained by dividing (A) the Remaining Exercise Amount by (B) the Floor Price, to provide for the deposit of shares of Common Stock for the issuance of the Warrant Shares upon the exercise of any purchase rights under the Warrant. In no event shall the Company be obligated to issue, or the Holder be entitled to receive, Warrant Shares in excess of the Required Reserve Amount so determined.

9. **Amendment to Section 2(f)(iii)**. Section 2(f)(iii) of the Warrant is hereby amended and restated in its entirety to read as follows:

The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that the number of Warrant Shares to be issued on any Trading Day would exceed five percent (5%) of the greater of (A) the trading volume of the Common Stock (as reported on Bloomberg) on the Trading Day before the Exercise Date and (B) the trading volume of the Common Stock (as reported on Bloomberg) on the Exercise Date; provided, however, that the restriction in this Section 2(f)(iii) shall terminate permanently and irrevocably, and shall thereafter be void and of no further force or effect, if any Extraordinary Event occurs.

10. **Amendment to Section 2(f)(iv)**. Section 2(f)(iv) of the Warrant is hereby amended and restated in its entirety to read as follows:

The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that the Closing Sales Price of the Common Stock on the Trading Day before the Notice of Exercise is less than the Closing Sales Price of the Common Stock on each of the two prior Trading Days. For the avoidance of doubt, this restriction shall apply where the Closing Sales Price of the Common Stock has declined over each of the two Trading Days prior to the date of the Notice of Exercise. Notwithstanding the foregoing, the restriction set forth in this section may be waived by the Company in its sole discretion, which waiver may be granted or withheld for any reason or no reason, and shall be effective upon written notice from the Company to the Holder. The restriction in this Section 2(f)(iv) shall terminate permanently and irrevocably, and shall thereafter be void and of no further force or effect, if any Extraordinary Event occurs.

11. Additions to Section 2(f). The following Sections 2(f)(vi) and (vii) are added to the Warrant:

(vi) Once an Extraordinary Event has occurred, the termination of the restrictions to exercise under Sections 2(f)(iii) and (iv) shall be final. No subsequent event, including the withdrawal or reversal of a Delisting Determination, the Closing Bid Price, or Market Capitalization returning to or exceeding any threshold, the obtaining of Shareholder Approval after December 14, 2026, the effectiveness of a Reverse Split, or the repeal or amendment of any Nasdaq Market Capitalization Rule, shall reinstate, revive, or extend the right to exercise this Warrant.

(vii) The Company shall notify the Holder in writing within two (2) Trading Days after the occurrence of any Extraordinary Event.

12. Representation and Warranty. The Company represents and warrants to the Holder that neither the execution of this Amendment nor the issuance of shares of Common Stock pursuant the Warrant, as amended by this Amendment, requires the approval of the Company's shareholders under Delaware law or the rules of the applicable Trading Market.

13. Covenants. For so long as the Warrant remains outstanding, the Company covenants and agrees that it shall (a) timely file all reports required to be filed by it under the Securities Exchange Act of 1934, as amended, and otherwise satisfy the current public information requirement of Rule 144(c)(1), (b) if the Company is or has ever been an issuer described in Rule 144(i)(1)(i), satisfy each condition set forth in Rule 144(i)(2), and (c) not take any action that would cause the issuance of shares of Common Stock upon exercise of the Warrant, as amended by this Amendment, to require the approval of the Company's shareholders under Delaware law or the rules of the applicable Trading Market.

14. **Conditions to Effectiveness of Amendment**. This Amendment shall become effective upon receipt by the Company and the holder of counterpart signatures to this Amendment duly executed and delivered by the Company and the Holder.

15. **Counterparts**. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment by e-mail (e.g., "pdf" or "tiff") or facsimile transmission shall be effective as delivery of a manually executed counterpart of this Amendment.

16. **Governing Law**. THIS AMENDMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEVADA APPLICABLE TO CONTRACTS MADE AND TO BE PREPARED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Company and the Holder have caused this Amendment to be signed on the date first set forth above.

COMPANY:

CID HOLDCO, INC.

By: /s/ Edmund s. Nabrotzky
Title: CEO

HOLDER:

WHITE LION CAPITAL LLC

By: /s/ Yash Thukral
Title: Managing Member

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

PRE-FUNDED COMMON STOCK PURCHASE WARRANT

CID HOLDCO, INC.

Warrant Shares: 272,727 Initial Exercise Date: November 20, 2026

THIS PRE-FUNDED COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, White Lion Capital LLC or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") until this Warrant is exercised in full (the "Termination Date") but not thereafter, to subscribe for and purchase from CID Holdco, Inc., a Delaware corporation (the "Company"), shares of Common Stock (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Purchase Agreement (as defined below). In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on the Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Purchase Agreement" means that securities purchase agreement, dated November 20, 2026, between the Company and the purchaser signatories thereto.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on the Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Warrants" means this Warrant and other Pre-Funded Common Stock purchase warrants issued by the Company on November [__], 2026.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) one (1) Trading Day and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation as soon as reasonably practicable following the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise on the Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The aggregate exercise price of this Warrant, except for a nominal exercise price of $0.0001 per Warrant Share, was pre-funded to the Company on or prior to the Initial Exercise Date and, consequently, no additional consideration (other than the nominal exercise price of $0.0001 per Warrant Share) shall be required to be paid by the Holder to any Person to effect any exercise of this Warrant. The Holder shall not be entitled to the return or refund of all, or any portion, of such pre-paid aggregate exercise price under any circumstance or for any reason whatsoever. The remaining unpaid exercise price per share of Common Stock under this Warrant shall be $0.0001, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. This Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing (A-B) (X) by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) the highest Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. ("Bloomberg") as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the characteristics of the Warrants being exercised, and the holding period of the Warrant Shares being issued may be tacked on to the holding period of this Warrant. The Company agrees not to take any position contrary to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (assuming cashless exercise of the Warrants), and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earlier of (i) one (1) Trading Day after the delivery to the Company of the Notice of Exercise and (ii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) one (1) Trading Day and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), $10 per Trading Day (increasing to $20 per Trading Day on the third Trading Day after the Warrant Share Delivery Date) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise. Notwithstanding the foregoing, with respect to any Notice(s) of Exercise delivered on or prior to 4:00 p.m. (New York City time) on the Trading Day prior to the Initial Exercise Date, which may be delivered at any time after the time of execution of the Purchase Agreement, the Company agrees to deliver the Warrant Shares subject to such notice(s) by 4:00 p.m. (New York City time) on the Initial Exercise Date and the Initial Exercise Date shall be the Warrant Share Delivery Date for purposes hereunder, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received by such Warrant Share Delivery Date.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that, in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any Warrants, 9.99%) of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any change in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Intentionally omitted.

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, that, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company or any Subsidiary, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of greater than 50% of the outstanding Common Stock or greater than 50% of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires greater than 50% of the outstanding shares of Common Stock or greater than 50% of the voting power of the common equity of the Company (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and other Transaction Documents in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall be added to the term "Company" under this Warrant (so that from and after the occurrence or consummation of such Fundamental Transaction, each and every provision of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to each of the Company and the Successor Entity or Successor Entities, jointly and severally), and the Successor Entity or Successor Entities, jointly and severally with the Company, may exercise every right and power of the Company prior thereto and the Successor Entity or Successor Entities shall assume all of the obligations of the Company prior thereto under this Warrant and the other Transaction Documents with the same effect as if the Company and such Successor Entity or Successor Entities, jointly and severally, had been named as the Company herein. For the avoidance of doubt, the Holder shall be entitled to the benefits of the provisions of this Section 3(e) regardless of (i) whether the Company has sufficient authorized shares of Common Stock for the issuance of Warrant Shares and/or (ii) whether a Fundamental Transaction occurs prior to the Initial Exercise Date.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company (or any of its Subsidiaries) is a party, any sale or transfer of all or substantially all of its assets, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof and to the provisions of Section 4.1 of the Purchase Agreement, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, comply with the provisions of Section 5.7 of the Purchase Agreement.

e) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. Without limiting any rights of a Holder to receive Warrant Shares on a "cashless exercise" pursuant to Section 2(c) or to receive cash payments pursuant to Section 2(d)(i) and Section 2(d)(iv) herein, in no event shall the Company be required to net cash settle an exercise of this Warrant.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant or the Purchase Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. Other than Section 2(e) and Section 5(1), which may not be amended, modified, or waived, this Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company, on the one hand, and the Holder or the beneficial owner of this Warrant, on the other hand.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

CID HOLDCO, INC.

By: /s/ Edmund Nabrotzky
Name: Edmund Nabrotzky
Title: Chief Executive Officer

NOTICE OF EXERCISE

TO: CID HOLDCO, INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____ __, _____

Holder's Signature: _____

Holder's Address: _____

Exhibit 10.8

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of November 20th, 2026, between CID Holdco, Inc., a Delaware corporation (the "Company"), and the purchaser identified on the signature pages hereto (each, including its successors and assigns, the "Purchaser").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act (as defined below), and Rule 506 promulgated thereunder, the Company desires to issue and sell to the Purchaser, and the Purchaser desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.5.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York are generally open for use by customers on such day.

"Closing" means the closing of the purchase and sale of the Securities to be purchased and sold for the Initial Subscription Amount pursuant to Section 2.1.

"Closing Date" means the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchaser's obligation to pay the Initial Subscription Amount and (ii) the Company's obligations to deliver the Securities to be delivered at the Closing, in each case, have been satisfied or waived, but in no event later than the first (1st) Trading Day (or second (2nd) Trading Day if this Agreement is executed after 4:00 p.m. (New York City Time) but prior to 11:59 p.m. (New York City Time)) following the date hereof.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, par value $0.0001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Company Counsel" means DLA Piper LLP (US).

"Disclosure Time" means, (i) if this Agreement is signed on a day that is not a Trading Day or after 9:00 a.m. (New York City time) and before midnight (New York City time) on any Trading Day, 9:01 a.m. (New York City time) on the Trading Day immediately following the date hereof, and (ii) if this Agreement is signed between midnight (New York City time) and 9:00 a.m. (New York City time) on any Trading Day, no later than 9:01 a.m. (New York City time) on the date hereof.

"Effective Date" means the earliest of the date that (a) a Registration Statement has been declared effective by the Commission, (b) all of the Shares and Warrant Shares have been sold pursuant to Rule 144 or may be sold pursuant to Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 and without volume or manner-of-sale restrictions, (c) following the one year anniversary of the Closing Date provided that a holder of Shares or Warrant Shares is not an Affiliate of the Company, or (d) all of the Shares and Warrant Shares may be sold pursuant to an exemption from registration under Section 4(a)(1) of the Securities Act without volume or manner-of-sale restrictions and Company Counsel has delivered to such holders a standing written unqualified opinion that resales may then be made by such holders of the Shares and Warrant Shares pursuant to such exemption which opinion shall be in form and substance reasonably acceptable to such holders.

"Evaluation Date" shall have the meaning ascribed to such term in Section 3.1(s).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder, and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the prohibition period in Section 4.11 herein, and provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"FDA" shall have the meaning ascribed to such term in Section 3.1(hh).

"FDCA" shall have the meaning ascribed to such term in Section 3.1(hh).

"GAAP" shall have the meaning ascribed to such term in Section 3.1(h).

"Indebtedness" shall have the meaning ascribed to such term in Section 3.1(aa).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.1(p).

"Legend Removal Date" shall have the meaning ascribed to such term in Section 4.1(c).

"Liens" means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1(b).

"Material Permits" shall have the meaning ascribed to such term in Section 3.1(n).

"Participation Maximum" shall have the meaning ascribed to such term in Section 4.11(a).

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Per Share Purchase Price" equals $1.10, subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement, provided that the purchase price per Pre-Funded Warrant shall be the Per Share Purchase Price minus $0.0001

"Pharmaceutical Product" shall have the meaning ascribed to such term in Section 3.1(hh).

"Pre-Notice" shall have the meaning ascribed to such term in Section 4.11(b).

"Pro Rata Portion" shall have the meaning ascribed to such term in Section 4.11(e).

"Pre-Funded Warrant" means each Pre-Funded Common Stock Purchase Warrant delivered to the Purchaser at the Closing or the Second Closing in accordance with Section 2.2(a) or Section 2.4 hereof, which Pre-Funded Warrant shall be exercisable immediately and shall expire when exercised in full.

"Pre-Funded Warrant Shares" means the shares of Common Stock issuable upon exercise of the Pre-Funded Warrant.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Public Information Failure" shall have the meaning ascribed to such term in Section 4.2(b).

"Public Information Failure Payments" shall have the meaning ascribed to such term in Section 4.2(b).

"Purchaser Party" shall have the meaning ascribed to such term in Section 4.8.

"Registration Statement" means a registration statement covering the resale by the Purchaser of the Shares and the Warrant Shares.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"SEC Reports" shall have the meaning ascribed to such term in Section 3.1(h).

"Securities" means the Shares, the Warrant and the Warrant Shares.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shareholder Approval" means such approval as may be required by the applicable rules and regulations of the Nasdaq Stock Market (or any successor entity) from the shareholders of the Company with respect to the transactions contemplated by the Transaction Documents, including the issuance of all of the Shares and Warrant Shares in excess of 19.99% of the issued and outstanding Common Stock on the Closing Date.

"Shareholder Approval Date" means the date on which Shareholder Approval is received and deemed effective under Delaware law.

"Shares" means the shares of Common Stock issued or issuable to the Purchaser pursuant to this Agreement.

"Short Sales" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include locating and/or borrowing shares of Common Stock).

"Subscription Amount" means, as to the Purchaser, the aggregate amount to be paid for Shares and Warrant purchased hereunder as specified below the Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds (minus, if applicable, the Purchaser's aggregate exercise price of the Pre-Funded Warrant, which amounts shall be paid as and when such Pre-Funded Warrant are exercised).

"Subsequent Financing" shall have the meaning ascribed to such term in Section 4.11(a).

"Subsequent Financing Notice" shall have the meaning ascribed to such term in Section 4.11(b).

"Subsidiary" means any subsidiary of the Company as set forth in the SEC Reports, and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or the New York Stock Exchange (or any successors to any of the foregoing).

"Transaction Documents" means this Agreement, the Warrant, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" shall mean the transfer agent of the Company as of the Effective Date and any successor transfer agent of the Company.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB Venture Market ("OTCQB") or OTCQX Best Market ("OTCQX") is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on the Pink Open Market ("Pink Market") operated by OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchaser and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Warrant" means the Pre-Funded Warrant.

"Warrant Shares" means the shares of Common Stock issuable upon exercise of the Warrant.

ARTICLE II.
PURCHASE AND SALE

2.1 Closing. On the Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchaser agrees to purchase, an aggregate of $300,000.00 of Shares and/or Pre-Funded Warrant, of which $50,000.00 (the "Initial Subscription Amount") shall be purchased and sold at the Closing and $250,000.00 (the "Second Subscription Amount") shall be purchased and sold at the Second Closing. The Purchaser shall deliver, on behalf of the Company and directly to the Company's accountants in accordance with the Flow of Funds Memorandum, via wire transfer, immediately available funds equal to the Initial Subscription Amount, which delivery shall constitute payment in full of the Initial Subscription Amount to the Company, and the Company shall deliver to the Purchaser its Shares and a Warrant, as determined pursuant to Section 2.2(a), and the Company and the Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing shall take place remotely by electronic transfer of the Closing documentation.

2.2 Deliveries.

(a) On or prior to the Closing Date, the Company shall deliver or cause to be delivered to the Purchaser the following:

(i) On the date hereof, this Agreement duly executed by the Company;

(ii) the Company shall have provided the Purchaser with the Company's wire instructions, on Company letterhead and executed by the Chief Executive Officer or Chief Financial Officer;

(iii) a copy of the irrevocable instructions to the Transfer Agent instructing the Transfer Agent to deliver, on an expedited basis, a certificate evidencing a number of Shares equal to the Initial Subscription Amount divided by the Per Share Purchase Price, registered in the name of the Purchaser, or, at the election of the Purchaser, evidence of the issuance of the Purchaser's Shares hereunder as held in DRS book-entry form by the Transfer Agent and registered in the name of the Purchaser, which evidence shall be reasonably satisfactory to the Purchaser;

(iv) a Pre-Funded Warrant registered in the name of the Purchaser to purchase up to a number of shares of Common Stock equal to the portion of the Initial Subscription Amount applicable to Pre-Funded Warrant divided by the Per Share Purchase Price minus $0.0001, with an exercise price equal to $0.0001, subject to adjustment therein; and

(v) a flow of funds memorandum, duly executed by the Company, directing the Purchaser to pay the Initial Subscription Amount directly to the Company's accountants identified therein (the "Flow of Funds Memorandum").

(b) On or prior to the Closing Date, the Purchaser shall deliver or cause to be delivered to the Company, the following:

(i) on the date hereof, this Agreement duly executed by the Purchaser; and

(ii) the Initial Subscription Amount by wire transfer in accordance with the Flow of Funds Memorandum.

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) on the Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate in all material respects (or, to the extent representations or warranties are qualified by materiality, in all respects) as of such date);

(ii) all obligations, covenants and agreements of the Purchaser required to be performed at or prior to the Closing Date shall have been performed; and

(iii) the delivery by the Purchaser of the items set forth in Section 2.2(b) of this Agreement.

(b) The obligations of the Purchaser hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be accurate in all material respects or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) as of such date;

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;

(iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and

(v) from the date hereof to the Closing Date, trading in the Common Stock shall not have been suspended by the Commission or the Company's principal Trading Market, and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of the Purchaser, makes it impracticable or inadvisable to purchase the Securities at the Closing.

2.4 Second Closing. On the Second Closing Date, upon the terms and subject to the conditions set forth herein, the Company agrees to sell, and the Purchaser agrees to purchase, the Second Subscription Amount of Shares and/or Pre-Funded Warrant at the Per Share Purchase Price (the "Second Closing"). The "Second Closing Date" means the first (1st) Trading Day following the date on which the Company files with the Commission its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2026 (the "Form 10-Q"). At the Second Closing, (a) the Company shall deliver to the Purchaser the items set forth in Sections 2.2(a)(iii) and 2.2(a)(iv) in respect of the Second Subscription Amount and (b) the Purchaser shall deliver the Second Subscription Amount by wire transfer to the account specified in writing by the Company. The obligations of the Company and the Purchaser in connection with the Second Closing are subject to the conditions set forth in Sections 2.3(a) and 2.3(b), respectively, being met as of the Second Closing Date (with each reference therein to the Closing, the Closing Date and Section 2.2 being deemed a reference to the Second Closing, the Second Closing Date and this Section 2.4), and the obligation of the Purchaser is further subject to the Form 10-Q having been filed with the Commission.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth in the disclosure schedules delivered by the Company to the Purchaser concurrently herewith (the "Disclosure Schedules"), which Disclosure Schedules shall be deemed part of the representations and warranties made hereunder, the Company hereby makes the following representations and warranties to the Purchaser:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth in the SEC Reports. The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which the Company is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, anti-dilution or similar adjustments, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.4 of this Agreement, (ii) notices and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and listing of the Shares and Warrant Shares for trading thereon in the time and manner required thereby, (iii) the filing of Form D with the Commission, (iv) such filings as are required to be made under applicable state securities laws and (v) Shareholder Approval (collectively, the "Required Approvals").

(f) Issuance of the Securities; Registration. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Warrant Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. Except as required by the Shareholder Approval, the Company has reserved from its duly authorized capital stock the maximum number of shares of Common Stock issuable pursuant to this Agreement and the Warrant.

(g) Capitalization. The capitalization of the Company as of the end of the period covered by its most recently filed periodic report under the Exchange Act was set forth in such periodic report. The Company has not issued any securities since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Company's stock option plans, the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plans and pursuant to the conversion and/or exercise of Common Stock Equivalents outstanding as of the date of the most recently filed periodic report under the Exchange Act. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as set forth in the SEC Reports, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any shares of Common Stock or the capital stock of any Subsidiary, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents or capital stock of any Subsidiary. The issuance and sale of the Securities will not obligate the Company or any Subsidiary to issue shares of Common Stock or other securities to any Person (other than the Purchaser). There are no outstanding securities or instruments of the Company or any Subsidiary with any provision that adjusts the exercise, conversion, exchange or reset price of such security or instrument upon an issuance of securities by the Company or any Subsidiary. There are no outstanding securities or instruments of the Company or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to redeem a security of the Company or such Subsidiary. The Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

(h) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Company has never been an issuer subject to Rule 144(i) under the Securities Act. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the SEC Reports, except as set forth in the SEC Reports, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans. The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth in the SEC Reports, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least 1 Trading Day prior to the date that this representation is made. Unless otherwise disclosed in an SEC Report filed prior to the date hereof, the Company has not: (i) issued any securities or incurred any liability or obligation, direct or contingent, for borrowed money; or (ii) declared or paid any dividend or made any other distribution on or in respect to its capital stock.

(j) Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(k) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters that would reasonably be expected to have a Material Adverse Effect. The Company and its Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any credit facility, indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with all federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("Environmental Laws"); (ii) have received all permits licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where in each of clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(o) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance.

(p) Intellectual Property. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses as described in the SEC Reports and which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). None of, and neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement except where such expiration, termination or abandonment would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements included within the SEC Reports, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage at least equal to the aggregate Subscription Amount. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(r) Transactions With Affiliates and Employees. Except as set forth in the SEC Reports, none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

(s) Sarbanes-Oxley; Internal Accounting Controls. The Company and the Subsidiaries are in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002, as amended that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of the Closing Date. The Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company and the Subsidiaries as of the end of the period covered by the most recently filed periodic report under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) of the Company and its Subsidiaries that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.

(t) Certain Fees. No brokerage or finder's fees or commissions are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchaser shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(u) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(v) Registration Rights. Other the Purchaser, no Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act of any securities of the Company or any Subsidiary.

(w) Listing and Maintenance Requirements. The Common Stock is registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. The Company has not, in the 12 months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market, which has not been resolved to the Trading Market's satisfaction. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements. The Common Stock is currently eligible for electronic transfer through the Depository Trust Company or another established clearing corporation and the Company is current in payment of the fees to the Depository Trust Company (or such other established clearing corporation) in connection with such electronic transfer.

(x) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to the Purchaser as a result of the Purchaser and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company's issuance of the Securities and the Purchaser's ownership of the Securities.

(y) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided the Purchaser or its agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Purchaser will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchaser regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(z) No Integrated Offering. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.

(aa) Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder, (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. The SEC Reports sets forth as of the date thereof all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, "Indebtedness" means (x) any liabilities for borrowed money or amounts owed in excess of $50,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of $50,000 due under leases required to be capitalized in accordance with GAAP. Neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(bb) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, subject to permitted extensions (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

(cc) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of FCPA.

(dd) Accountants. The Company's accounting firm is Carr, Riggs & Ingram L.L.C. To the knowledge and belief of the Company, such accounting firm (i) is a registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Company's Annual Report for the fiscal year ending December 31, 2026.

(ee) Acknowledgment Regarding Purchaser's Purchase of Securities. The Company acknowledges and agrees that the Purchaser is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by the Purchaser or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchaser's purchase of the Securities. The Company further represents to the Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(ff) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding (except for Sections 3.2(f) and 4.14 hereof), it is understood and acknowledged by the Company that: (i) the Purchaser has been asked by the Company to agree, nor has the Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term; (ii) past or future open market or other transactions by the Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities; (iii) the Purchaser, and counter-parties in "derivative" transactions to which the Purchaser is a party, directly or indirectly, presently may have a "short" position in the Common Stock, and (iv) the Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) the Purchaser may engage in hedging activities at various times during the period that the Securities are outstanding, including, without limitation, during the periods that the value of the Warrant Shares are deliverables with respect to Securities are being determined, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(gg) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or, paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company.

(hh) FDA. As to each product subject to the jurisdiction of the U.S. Food and Drug Administration ("FDA") under the Federal Food, Drug and Cosmetic Act, as amended, and the regulations thereunder ("FDCA") that is manufactured, packaged, labeled, tested, distributed, sold, and/or marketed by the Company or any of its Subsidiaries (each such product, a "Pharmaceutical Product"), such Pharmaceutical Product is being manufactured, packaged, labeled, tested, distributed, sold and/or marketed by the Company in compliance with all applicable requirements under FDCA and similar laws, rules and regulations relating to registration, investigational use, premarket clearance, licensure, or application approval, good manufacturing practices, good laboratory practices, good clinical practices, product listing, quotas, labeling, advertising, record keeping and filing of reports, except where the failure to be in compliance would not have a Material Adverse Effect. There is no pending, completed or, to the Company's knowledge, threatened, action (including any lawsuit, arbitration, or legal or administrative or regulatory proceeding, charge, complaint, or investigation) against the Company or any of its Subsidiaries, and none of the Company or any of its Subsidiaries has received any notice, warning letter or other communication from the FDA or any other governmental entity, which (i) contests the premarket clearance, licensure, registration, or approval of, the uses of, the distribution of, the manufacturing or packaging of, the testing of, the sale of, or the labeling and promotion of any Pharmaceutical Product, (ii) withdraws its approval of, requests the recall, suspension, or seizure of, or withdraws or orders the withdrawal of advertising or sales promotional materials relating to, any Pharmaceutical Product, (iii) imposes a clinical hold on any clinical investigation by the Company or any of its Subsidiaries, (iv) enjoins production at any facility of the Company or any of its Subsidiaries, (v) enters or proposes to enter into a consent decree of permanent injunction with the Company or any of its Subsidiaries, or (vi) otherwise alleges any violation of any laws, rules or regulations by the Company or any of its Subsidiaries, and which, either individually or in the aggregate, would have a Material Adverse Effect. The properties, business and operations of the Company have been and are being conducted in all material respects in accordance with all applicable laws, rules and regulations of the FDA. The Company has not been informed by the FDA that the FDA will prohibit the marketing, sale, license or use in the United States of any product proposed to be developed, produced or marketed by the Company nor has the FDA expressed any concern as to approving or clearing for marketing any product being developed or proposed to be developed by the Company.

(ii) Cybersecurity. (i)(x) There has been no security breach or other compromise of or relating to any of the Company's or any Subsidiary's information technology and computer systems, networks, hardware, software, data (including the data of its respective customers, employees, suppliers, vendors and any third party data maintained by or on behalf of it), equipment or technology (collectively, "IT Systems and Data") and (y) the Company and the Subsidiaries have not been notified of, and has no knowledge of any event or condition that would reasonably be expected to result in, any security breach or other compromise to its IT Systems and Data; (ii) the Company and the Subsidiaries are presently in compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification, except as would not, individually or in the aggregate, have a Material Adverse Effect; (iii) the Company and the Subsidiaries have implemented and maintained commercially reasonable safeguards to maintain and protect its material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and Data; and (iv) the Company and the Subsidiaries have implemented backup and disaster recovery technology consistent with industry standards and practices.

(jj) Compliance with Data Privacy Laws. (i) The Company and the Subsidiaries are, and at all times during the last three (3) years were, in compliance with all applicable state, federal and foreign data privacy and security laws and regulations, including, without limitation, the European Union General Data Protection Regulation ("GDPR") (EU 2016/679) (collectively, "Privacy Laws"); (ii) the Company and the Subsidiaries have in place, comply with, and take appropriate steps reasonably designed to ensure compliance with their policies and procedures relating to data privacy and security and the collection, storage, use, disclosure, handling and analysis of Personal Data (as defined below) (the "Policies"); (iii) the Company provides accurate notice of its applicable Policies to its customers, employees, third party vendors and representatives as required by the Privacy Laws; and (iv) applicable Policies provide accurate and sufficient notice of the Company's then-current privacy practices relating to its subject matter, and do not contain any material omissions of the Company's then-current privacy practices, as required by Privacy Laws. "Personal Data" means (i) a natural person's name, street address, telephone number, email address, photograph, social security number, bank information, or customer or account number; (ii) any information which would qualify as "personally identifying information" under the Federal Trade Commission Act, as amended; (iii) "personal data" as defined by GDPR; and (iv) any other piece of information that allows the identification of such natural person, or his or her family, or permits the collection or analysis of any identifiable data related to an identified person's health or sexual orientation. (i) None of such disclosures made or contained in any of the Policies have been inaccurate, misleading, or deceptive in violation of any Privacy Laws and (ii) the execution, delivery and performance of the Transaction Documents will not result in a breach of any Privacy Laws or Policies. Neither the Company nor the Subsidiaries (i) to the knowledge of the Company, has received written notice of any actual or potential liability of the Company or the Subsidiaries under, or actual or potential violation by the Company or the Subsidiaries of, any of the Privacy Laws; (ii) is currently conducting or paying for, in whole or in part, any investigation, remediation or other corrective action pursuant to any regulatory request or demand pursuant to any Privacy Law; or (iii) is a party to any order, decree, or agreement by or with any court or arbitrator or governmental or regulatory authority that imposed any obligation or liability under any Privacy Law.

(kk) Stock Option Plans. Each stock option granted by the Company under the Company's incentive equity plan was granted (i) in accordance with the terms of the Company's incentive equity plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Company's incentive equity plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(ll) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(mm) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon Purchaser's request.

(nn) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(oo) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no Action or Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

(pp) Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchaser as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(qq) No General Solicitation. Neither the Company nor any Person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising. The Company has offered the Securities for sale only to the Purchaser and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(rr) Form S-3 Eligibility. The Company is eligible to register the resale of the Securities for resale by the Purchaser on Form S-3 promulgated under the Securities Act.

(ss) No Disqualification Events. With respect to the Securities to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering hereunder, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Purchaser a copy of any disclosures provided thereunder.

(tt) Other Covered Persons. The Company is not aware of any person (other than any Issuer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Securities.

(uu) Notice of Disqualification Events. The Company will notify the Purchaser in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

(a) Organization; Authority. The Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by the Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of the Purchaser. Each Transaction Document to which it is a party has been duly executed by the Purchaser, and when delivered by the Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting the Purchaser's right to sell the Securities pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it exercises any Warrant, it will be an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7), (a)(8), (a)(9), (a)(12), or (a)(13) under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) Access to Information. Such Purchaser acknowledges that it has had the opportunity to review the Transaction Documents (including all exhibits and schedules thereto) and the SEC Reports and has been afforded, (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Securities and the merits and risks of investing in the Securities; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment..

(f) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, the Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with the Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that the Purchaser first received definitive pricing terms (written or oral) from the Company or any other Person representing the Company setting forth the material pricing terms of the transactions contemplated hereunder and ending when the transaction is first publicly announced pursuant to the initial press release as described in Section 4.4. Notwithstanding the foregoing, in the case of the Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of the Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of the Purchaser's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement. Other than to other Persons party to this Agreement or to the Purchaser's representatives, including, without limitation, its officers, directors, partners, legal and other advisors, employees, agents and Affiliates, the Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Notwithstanding the foregoing, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to locating or borrowing shares in order to effect Short Sales or similar transactions in the future.

(g) General Solicitation. Such Purchaser is not, to the Purchaser's knowledge, purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or, to the knowledge of the Purchaser, any other general solicitation or general advertisement.

The Company acknowledges and agrees that the representations contained in this Section 3.2 shall not modify, amend or affect the Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transactions contemplated hereby. Notwithstanding the foregoing, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to locating or borrowing shares in order to effect Short Sales or similar transactions in the future.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of the Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of the Purchaser under this Agreement.

(b) The Purchaser agrees to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Securities in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

The Company acknowledges and agrees that the Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and, if required under the terms of such arrangement, the Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities, the preparation and filing of any required prospectus supplement under Rule 424(b)(3) under the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of selling stockholders thereunder.

(c) Certificates evidencing the Shares and Warrant Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Shares or Warrant Shares pursuant to Rule 144 (assuming cashless exercise of the Warrant), (iii) if such Shares or Warrant Shares are eligible for sale under Rule 144 (assuming cashless exercise of the Warrant), without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Shares and Warrant Shares and without volume or manner-of-sale restrictions, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Company shall cause its counsel to issue a legal opinion to the Transfer Agent or the Purchaser promptly after the Effective Date if required by the Transfer Agent to effect the removal of the legend hereunder, or if requested by the Purchaser. If all or any portion of a Warrant is exercised at a time when there is an effective registration statement to cover the resale of the Warrant Shares, or if such Shares or Warrant Shares may be sold under Rule 144 and the Company is then in compliance with the current public information required under Rule 144 (assuming cashless exercise of the Warrant), or if the Shares or Warrant Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Shares or Warrant Shares or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Warrant Shares shall be issued free of all legends. The Company agrees that following the Effective Date or at such time as such legend is no longer required under this Section 4.1(c), it will, no later than the earlier of (i) one (1) Trading Day and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) following the delivery by the Purchaser to the Company or the Transfer Agent of a certificate representing Shares or Warrant Shares, as the case may be, issued with a restrictive legend (such date, the "Legend Removal Date"), deliver or cause to be delivered to the Purchaser a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4. Certificates for Securities subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company System as directed by the Purchaser. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of a certificate representing Shares or Warrant Shares, as the case may be, issued with a restrictive legend.

(d) In addition to the Purchaser's other available remedies, the Company shall pay to the Purchaser, in cash, (i) as partial liquidated damages and not as a penalty, for each $1,000 of Shares or Warrant Shares (based on the VWAP of the Common Stock on the date such Securities are submitted to the Transfer Agent) delivered for removal of the restrictive legend and subject to Section 4.1(c), $10 per Trading Day (increasing to $20 per Trading Day three (3) Trading Days after the Legend Removal Date) for each Trading Day after the Legend Removal Date until such certificate is delivered without a legend and (ii) if the Company fails to (a) issue and deliver (or cause to be delivered) to the Purchaser by the Legend Removal Date a certificate representing the Securities so delivered to the Company by the Purchaser that is free from all restrictive and other legends and (b) if after the Legend Removal Date the Purchaser purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Purchaser of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock that the Purchaser anticipated receiving from the Company without any restrictive legend, then, an amount equal to the excess of the Purchaser's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the "Buy-In Price") over the product of (A) such number of Shares or Warrant Shares that the Company was required to deliver to the Purchaser by the Legend Removal Date multiplied by (B) the lowest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by the Purchaser to the Company of the applicable Shares or Warrant Shares (as the case may be) and ending on the date of such delivery and payment under this clause (ii).

(e) The Purchaser agrees with the Company that the Purchaser will sell any Securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Securities are sold pursuant to a Registration Statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 4.1 is predicated upon the Company's reliance upon this understanding.

4.2 Furnishing of Information; Public Information.

(a) Until the earlier of the time that (i) no Purchaser owns Securities or (ii) the Warrant has expired, the Company covenants to maintain the registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act and to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.

(b) At any time during the period commencing from the six (6) month anniversary of the date hereof and ending at such time that all of the Securities may be sold without the requirement for the Company to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, if the Company (i) shall fail for any reason to satisfy the current public information requirement under Rule 144(c) or (ii) has ever been an issuer described in Rule 144(i)(1)(i) or becomes an issuer in the future, and the Company shall fail to satisfy any condition set forth in Rule 144(i)(2) (a "Public Information Failure") then, in addition to the Purchaser's other available remedies, the Company shall pay to the Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the Securities, an amount in cash equal to two percent (2.0%) of the aggregate Subscription Amount of the Purchaser's Securities on the day of a Public Information Failure and on every thirtieth (30th) day (pro rated for periods totaling less than thirty days) thereafter until the earlier of (a) the date such Public Information Failure is cured and (b) such time that such public information is no longer required for the Purchaser to transfer the Shares and Warrant Shares pursuant to Rule 144. The payments to which the Purchaser shall be entitled pursuant to this Section 4.2(b) are referred to herein as "Public Information Failure Payments." Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Public Information Failure Payments are incurred and (ii) the third (3rd) Business Day after the event or failure giving rise to the Public Information Failure Payments is cured. In the event the Company fails to make Public Information Failure Payments in a timely manner, such Public Information Failure Payments shall bear interest at the rate of 1.5% per month (prorated for partial months) until paid in full. Nothing herein shall limit the Purchaser's right to pursue actual damages for the Public Information Failure, and the Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

4.3 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities or that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.4 Securities Laws Disclosure; Publicity. The Company shall (a) by the Disclosure Time, issue a press release disclosing the material terms of the transactions contemplated hereby, and (b) file a Current Report on Form 8-K, including the Transaction Documents as exhibits thereto, with the Commission within the time required by the Exchange Act. From and after the issuance of such press release, the Company represents to the Purchaser that it shall have publicly disclosed all material, non-public information delivered to the Purchaser by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees, Affiliates or agents, in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the issuance of such press release, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees, Affiliates or agents, on the one hand, and the Purchaser or any of its Affiliates on the other hand, shall terminate and be of no further force or effect. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. The Company and the Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor the Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of the Purchaser, or without the prior consent of the Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of the Purchaser, or include the name of the Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of the Purchaser, except (a) as required by federal securities law in connection with (i) any registration statement and (ii) the filing of final Transaction Documents with the Commission and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchaser with prior notice of such disclosure permitted under this clause (b) and reasonably cooperate with the Purchaser regarding such disclosure.

4.5 Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that the Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that the Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and the Purchaser.

4.6 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, which shall be disclosed pursuant to Section 4.4, the Company covenants and agrees that neither it, nor any other Person acting on its behalf will provide the Purchaser or its agents or counsel with any information that constitutes, or the Company reasonably believes constitutes, material non-public information, unless prior thereto the Purchaser shall have consented in writing to the receipt of such information and agreed in writing with the Company to keep such information confidential. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. To the extent that the Company, any of its Subsidiaries, or any of their respective officers, directors, agents, employees or Affiliates delivers any material, non-public information to the Purchaser without the Purchaser's consent, the Company hereby covenants and agrees that the Purchaser shall not have any duty of confidentiality to the Company, any of its Subsidiaries, or any of their respective officers, directors, employees, Affiliates or agents, or a duty to the Company, any of its Subsidiaries or any of their respective officers, directors, employees, Affiliates or agents, not to trade on the basis of, such material, non-public information, provided that the Purchaser shall remain subject to applicable law. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously with the delivery of such notice file such notice with the Commission pursuant to a Current Report on Form 8-K. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4.7 Use of Proceeds. The Company shall use the net proceeds from the sale of the Securities hereunder for general corporate and working capital purposes and shall not use such proceeds: (a) for the satisfaction of any portion of the Company's debt (other than payment of trade payables in the ordinary course of the Company's business and prior practices), (b) for the redemption of any Common Stock or Common Stock Equivalents, (c) for the settlement of any outstanding litigation or (d) in violation of FCPA or OFAC regulations. Notwithstanding the foregoing, the Initial Subscription Amount shall be paid directly to the Company's accountants in accordance with the Flow of Funds Memorandum.

4.8 Indemnification of Purchaser. Subject to the provisions of this Section 4.8, the Company will indemnify and hold the Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls the Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any the Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is solely based upon a material breach of such Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such stockholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which is finally judicially determined to constitute fraud, gross negligence or willful misconduct). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and, the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, in the other Transaction Documents. The indemnification required by this Section 4.8 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.9 Reservation of Common Stock. As of the date hereof, the Company has reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Common Stock for the purpose of enabling the Company to issue Shares pursuant to this Agreement and Pre-Funded Warrant Shares pursuant to any exercise of the Pre-Funded Warrant.

4.10 Listing of Common Stock. The Company hereby agrees to use best efforts to maintain the listing or quotation of the Common Stock on the Trading Market on which it is currently listed, and concurrently with the Closing, the Company shall apply to list or quote all of the Shares and Warrant Shares on such Trading Market and promptly secure the listing of all of the Shares and Warrant Shares on such Trading Market. The Company further agrees, if the Company applies to have the Common Stock traded on any other Trading Market, it will then include in such application all of the Shares and Warrant Shares, and will take such other action as is necessary to cause all of the Shares and Warrant Shares to be listed or quoted on such other Trading Market as promptly as possible. The Company will then take all action reasonably necessary to continue the listing and trading of its Common Stock on a Trading Market and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Trading Market. The Company agrees to maintain the eligibility of the Common Stock for electronic transfer through the Depository Trust Company or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Company or such other established clearing corporation in connection with such electronic transfer. In addition, the Company shall hold a special meeting of shareholders (which may also be at the annual meeting of shareholders) at the earliest practical date after the date hereof, but in no event later than December 14, 2027, for the purpose of obtaining Shareholder Approval, with the recommendation of the Company's Board of Directors that such proposal be approved, and the Company shall solicit proxies from its shareholders in connection therewith in the same manner as all other management proposals in such proxy statement and all management-appointed proxyholders shall vote their proxies in favor of such proposal. The Company shall use its reasonable best efforts to obtain such Shareholder Approval. If the Company does not obtain Shareholder Approval at the first meeting, the Company shall call a meeting every four months thereafter to seek Shareholder Approval until the earlier of the date Shareholder Approval is obtained or the Warrant are no longer outstanding.

4.11 Subsequent Equity Sales.

(a) From the date hereof until sixty (60) days after the Closing Date, neither the Company nor any Subsidiary shall issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock or Common Stock Equivalents or (ii) file any registration statement or amendment or supplement thereto, except in compliance with Section 4.16 hereof.

(b) Notwithstanding the foregoing, this Section 4.11 shall not apply in respect of an Exempt Issuance.

4.12 Reserved.

4.13 Certain Transactions and Confidentiality. The Purchaser covenants that neither it nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales of any of the Company's securities during the period commencing as of the time that the Purchaser first received definitive pricing terms (written or oral) from the Company or any other Person representing the Company setting forth the material pricing terms of the transactions contemplated hereunder and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4. The Purchaser covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to the initial press release as described in Section 4.4, the Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Transaction Documents (other than as disclosed to its legal and other representatives). Notwithstanding the foregoing and notwithstanding anything contained in this Agreement to the contrary, the Company expressly acknowledges and agrees that (i) no Purchaser makes any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Company after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4, (ii) no Purchaser shall be restricted or prohibited from effecting any transactions in any securities of the Company in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.4 and (iii) no Purchaser shall have any duty of confidentiality or duty not to trade in the securities of the Company to the Company, any of its Subsidiaries, or any of their respective officers, directors, employees, Affiliates, or agent, after the issuance of the initial press release as described in Section 4.4. Notwithstanding the foregoing, if the Purchaser is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of the Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of the Purchaser's assets, the covenant set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement.

4.14 Exercise Procedures. The form of Notice of Exercise included in the Warrant set forth the totality of the procedures required of the Purchaser in order to exercise the Warrant. No additional legal opinion, other information or instructions shall be required of the Purchaser to exercise its Warrant. Without limiting the preceding sentences, no ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required in order to exercise the Warrant. The Company shall honor exercises of the Warrant and shall deliver Warrant Shares in accordance with the terms, conditions and time periods set forth in the Transaction Documents.

4.15 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof, promptly upon request of the Purchaser. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchaser at the Closing under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of the Purchaser.

4.16 Registration Rights. The Company shall include on any registration and/or offering statement filed with the Commission (other than a registration statement on Form S-4 or Form S-8), including without limitation on any offering statement on Form 1-A, all Shares and Warrant Shares for resale by the Purchaser. In addition to all other remedies at law or in equity or otherwise under this Agreement or other Transaction Documents, in the event that the Company fails to comply with this Section 4.16, in addition to the Purchaser's other available remedies, the Company shall pay to the Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the Shares and Warrant Shares, an amount in cash equal to two percent (2.0%) of the aggregate Subscription Amount of the Purchaser's Shares and Warrant Shares on the day of filing of any registration statement that does not comply with this Section 4.16 and on every thirtieth (30th) day (pro rated for periods totaling less than thirty days) thereafter until such time that the Shares and Warrant Shares are registered for resale by the Company. The payments to which the Purchaser shall be entitled pursuant to this Section 4.16 are referred to herein as "Registration Failure Payments." Registration Failure Payments shall be paid on the last day of the calendar month during which such Registration Failure Payments are incurred. In the event the Company fails to make Registration Failure Payments in a timely manner, such Registration Failure Payments shall bear interest at the rate of 1.5% per month (prorated for partial months) until paid in full. Nothing herein shall limit the Purchaser's right to pursue actual damages for the failure to register the Shares and Warrant Shares for resale, and the Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

4.17 Acknowledgment of Dilution. The Company acknowledges that the issuance of the Securities may result in dilution of the outstanding shares of Common Stock, which dilution may be substantial under certain market conditions. The Company further acknowledges that its obligations under the Transaction Documents, including, without limitation, its obligation to issue the Shares and Warrant Shares pursuant to the Transaction Documents, are unconditional and absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Company may have against the Purchaser and regardless of the dilutive effect that such issuance may have on the ownership of the other stockholders of the Company.

4.18 Capital Changes. Until the one-year anniversary of the Shareholder Approval, the Company shall not undertake a reverse or forward stock split or reclassification of the Common Stock without the prior written consent of the Purchaser other than a reverse stock split that is required, in the good faith determination of the Board of Directors, to maintain the listing of the Common Stock on the Trading Market.

ARTICLE V.
MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by the Purchaser by written notice to the Company if the Closing has not been consummated on or before the fifth (5^{th}) Trading Day following the date hereof; provided, however, that no such termination will affect the right of any party to sue for any breach by any other party (or parties).

5.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company and any exercise notice delivered by the Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchaser.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the time of transmission, if such notice or communication is delivered via email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the time of transmission, if such notice or communication is delivered via email attachment at the email address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2^{nd}) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and Purchaser. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser (other than by merger). The Purchaser may assign any or all of its rights under this Agreement to any Person to whom the Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchaser."

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.8.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflicts of law thereof. Each party agrees that all legal Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in Clark County, Nevada. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Clark County, Nevada for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an Action or Proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Section 4.8, the prevailing party in such Action or Proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action or Proceeding.

5.10 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by e-mail delivery of a ".pdf" format data file (including any electronic signature covered by the U.S. federal ESIGN Act of 200, Uniform Electronic Transaction Act, the Electronic Signatures and Records Act, or other applicable law, e.g. www.docusign.com),, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such ".pdf" signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever the Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then the Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that, in the case of a rescission of an exercise of a Warrant, the applicable Purchaser shall be required to return any shares of Common Stock subject to any such rescinded exercise notice concurrently with the return to the Purchaser of the aggregate exercise price paid to the Company for such shares and the restoration of the Purchaser's right to acquire such shares pursuant to the Purchaser's Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

5.14 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Purchaser and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any Action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Company makes a payment or payments to the Purchaser pursuant to any Transaction Document or the Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 Reserved.

5.18 Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.19 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.20 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

5.21 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

CID HOLDCO, INC.

By: /s/ Edmund Nabrotzky
Name: Edmund Nabrotzky
Title: CEO
With a copy to (which shall not constitute notice):

Address for Notice:

E-Mail:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

PURCHASER SIGNATURE PAGES TO CID HOLDCO, INC. SECURITIES PURCHASE AGREEMENT

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: White Lion Capital LLC

Signature of Authorized Signatory of Purchaser: /s/ Yash Thukral

Name of Authorized Signatory: Yash Thukral

Title of Authorized Signatory: Managing Member

Email Address of Authorized Signatory: [***]

Address for Notice to Purchaser: 21031 Ventura Blvd. Suite 920 Woodland Hills, CA 91364

Address for Delivery of Securities to Purchaser (if not same as address for notice):

Subscription Amount: $300,000.00 ($50,000.00 at the Closing; $250,000.00 at the Second Closing)

Shares: 0

Pre-Funded Warrant Shares: 272,727 Beneficial Ownership Blocker ☐ 4.99% or ☐ 9.99%

EIN Number: [***]

☐ Notwithstanding anything contained in this Agreement to the contrary, by checking this box (i) the obligations of the above-signed to purchase the securities set forth in this Agreement to be purchased from the Company by the above-signed, and the obligations of the Company to sell such securities to the above-signed, shall be unconditional and all conditions to Closing shall be disregarded, (ii) the Closing shall occur on the first (1st) Trading Day following the date of this Agreement and (iii) any condition to Closing contemplated by this Agreement (but prior to being disregarded by clause (i) above) that required delivery by the Company or the above-signed of any agreement, instrument, certificate or the like or purchase price (as applicable) shall no longer be a condition and shall instead be an unconditional obligation of the Company or the above-signed (as applicable) to deliver such agreement, instrument, certificate or the like or purchase price (as applicable) to such other party on the Closing Date.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Edmund Nabrotzky, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CID Holdco, Inc.;

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

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

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

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 23, 2026

/s/ Edmund Nabrotzky
Edmund Nabrotzky
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles Maddox, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CID Holdco, Inc.;

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

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

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

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 23, 2026

/s/ Charles Maddox
Charles Maddox
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of CID Holdco, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edmund Nabrotzky, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

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

Date: November 23, 2026

/s/ Edmund Nabrotzky
Edmund Nabrotzky
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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 CID Holdco, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles Maddox, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

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

Date: November 23, 2026

/s/ Charles Maddox
Charles Maddox
Chief Financial Officer
(Principal Financial and Accounting Officer)