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

Form 10-Q

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

For the quarterly period ended March 31, 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: 1-37897

VYOME HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**26-1828101**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

Harvard Square, One Mifflin Place, Suite 400, Cambridge, MA
(Address of principal executive offices) (zip code)

(973) 832-8147
(Registrant's telephone number, including area code)

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

Title of Each Class	**Trading Symbol**	**Name of Each Exchange on which Registered**
Common stock, $0.001 par value per share	HIND	The Nasdaq Capital Market

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

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

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

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☒
		Emerging Growth Company	☒

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

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

As of May 12, 2026, 7,018,528 shares of the registrant's Common Stock were outstanding.

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PART I – FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

VYOME HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Amount in USD)	March 31, 2026 (unaudited)	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 8,795,783	$ 4,982,333
Prepaid expenses	208,180	336,687
Other current assets	158,619	119,301
Total current assets	**9,162,582**	**5,438,321**
Non-current assets		
Property and equipment, net	44,429	46,393
Intangible asset - shell company	314,191	314,191
Goods and service tax and other credits receivable	579,335	601,537
Prepaid insurance- long term portion	63,668	67,307
Right-of-use of asset, net	21,241	29,428
Total non-current assets	**1,022,864**	**1,058,856**
Total assets	**$ 10,185,446**	**$ 6,497,177**
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued expenses	$ 1,122,271	$ 1,286,683
Due to Affiliates	179,346	204,562
Operating lease liability - current portion	22,548	31,258
Salary and post-employment benefits payable	592,194	870,822
Other current liabilities	227,766	341,835
Total current liabilities	**2,144,125**	**2,735,160**
Total liabilities	**2,144,125**	**2,735,160**
Commitments and contingencies (Note 13)		
Stockholders' equity		
Common stock, 300,000,000 VHI shares authorized, 7,018,528 and 5,919,337 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively	7,019	5,919
Additional paid in capital	95,381,758	90,078,579
Non-controlling interest in VTI; 20,000,000 common shares authorized, 1,481,598 and 1,481,598 shares issued and outstanding at March 31, 2026 and December 31, 2025	1,297,347	1,319,958
Accumulated deficit	(88,526,485)	(87,563,575)
Accumulated other comprehensive loss	(118,318)	(78,864)
Total stockholders' equity	**8,041,321**	**3,762,017**
Total liabilities and stockholders' equity	**$ 10,185,446**	**$ 6,497,177**

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

VYOME HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)
THREE MONTHS ENDED MARCH 31,

(Amount in USD)	2026	2025
Revenue	$ 31,591	$ 198,581
Cost of goods sold	(14,946)	(44,162)
Gross profit	**16,645**	**154,419**
Operating expenses		
Depreciation and amortization	2,605	3,523
Selling, general and administrative	477,575	259,626
Research and development	666,405	90,268
Total operating expenses	**1,146,585**	**353,417**
Operating loss	(1,129,940)	(198,998)
Other income/(expense), net:		
Interest expense	(2,845)	(54,954)
Interest income and other	147,264	(4,014)
Fair value adjustment	-	(36,008)
Total other income (expense), net	**144,419**	**(94,976)**
Net loss	**(985,521)**	**(293,974)**
Net loss attributable to non-controlling interest	(22,611)	-
Net loss attributable to owners of the Company	**(962,910)**	**(293,974)**
Comprehensive loss:		
Net loss	**(985,521)**	**(293,974)**
Other Comprehensive loss - Foreign currency translation adjustments	(39,454)	1
Total comprehensive loss	**$ (1,024,975)**	**$ (293,973)**
Net Loss per share:		
Loss per share – basic and diluted	**$ (0.15)**	**$ (761.59)**
Weighted average number of shares outstanding	6,690,271	386

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

VYOME HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

	Common stock of VHI		Preferred stock		Additional Paid-in	Accumulated	Non controlling Interest		Accumulated Other Comprehensive	Total Stockholders
	Shares	Amount	Shares	Amount	Capital	Deficit	VTI Shares	Amount	Income (Loss)	equity (Deficit)
Balance at December 31, 2024	**-**	**$ -**	**3,076**	**$ 3**	**$ 51,084,877**	**$ (55,422,744)**	**386**	**$ 1**	**$ (53,170)**	**$ (4,391,033)**
Net loss for the period						(293,974)				**(293,974)**
Foreign currency translation adjustment									1	1
Balance at March 31, 2025	**-**	**$ -**	**3,076**	**$ 3**	**$ 51,084,877**	**$ (55,716,718)**	**386**	**$ 1**	**$ (53,169)**	**$ (4,685,006)**

	Common stock of VHI		Preferred stock		Additional Paid-in	Accumulated	Non controlling Interest		Accumulated Other Comprehensive	Total Stockholders
	Shares	Amount	Shares	Amount	Capital	Deficit	VTI Shares	Amount	Income (Loss)	equity (Deficit)
Balance at December 31, 2025	**5,919,337**	**$ 5,919**	**-**	**$ -**	**90,078,579**	**$ (87,563,575)**	**1,481,598**	**$ 1,319,958**	**$ (78,864)**	**$ 3,762,017**
Shares issued in connection with ATM financing, net of costs	1,089,545	1,090			5,287,778					5,288,868
Adjustment of net liabilities assumed in Merger transaction					(20,285)					(20,285)
Issuance of shares to marketing firm	9,646	10			29,990					30,000
Stock based compensation					5,696					5,696
Net loss for the period						(962,910)		(22,611)		(985,521)
Foreign currency translation adjustment									(39,454)	(39,454)
Balance at March 31, 2026	**7,018,528**	**$ 7,019**	**-**	**$ -**	**$ 95,381,758**	**$ (88,526,485)**	**1,481,598**	**$1,297,347**	**$ (118,318)**	**$ 8,041,321**

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

VYOME HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
THREE MONTHS ENDED MARCH 31,

(Amount in USD)	2026	2025
Cash flows from operating activities		
Net loss	$ (985,521)	$ (293,974)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,605	3,523
(Gain) loss on fair value adjustment of convertible debt	-	36,008
Non-cash accrued Interest expense	-	50,939
Stock compensation expense - stock options	5,696	-
Stock compensation expense – issuance of common stock	30,000	-
Changes in assets and liabilities:		
Prepaid expenses and other current assets	89,189	(133,844)
Other assets	33,387	25,254
Accounts payable & accrued expenses	(184,697)	73,172
Due to Affiliates	(25,216)	11,211
Post employment benefits	(278,628)	68,021
Other liabilities	(122,779)	(43,843)
Net cash used in operating activities	**(1,435,964)**	**(203,533)**
Cash flows from financing activities:		
Proceeds from issuance of convertible debt	-	160,000
Proceeds from sale of common stock pursuant to ATM	5,288,868	-
Net cash generated from financing activities	**5,288,868**	**160,000**
Effect of exchange rate changes on cash and cash equivalents	(39,454)	1
Net increase (decrease) in cash and cash equivalents	**3,813,450**	(43,534)
Cash and cash equivalents at beginning of the period	4,982,333	101,904
Cash and cash equivalents at end of the period	**$ 8,795,783**	**$ 58,370**
Supplemental non-cash and financing activities:		
Interest paid	$ 2,845	$ 4,015

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

1. Organization and principal activities

a) Merger Transaction:

Vyome Holdings, Inc. ("Vyome Holdings" or the "Company"), formerly known as Reshape Lifesciences, Inc. ("Reshape"), is the holding company for Vyome Therapeutics, Inc. ("VTI"), a Delaware corporation, and its subsidiary in India, Vyome Therapeutics Limited ("VTL") and are collectively referred to as "Vyome".

VTI signed a definitive merger agreement ("Merger") with Reshape in July 2024, and such transaction was completed on August 15, 2025. Immediately prior to the Merger, Reshape sold substantially all of its assets and operations to a third-party. Immediately prior to the Merger, all of the convertible notes and preferred stock of Vyome were converted into shares of common stock based upon negotiated values. As a result of the Merger, the Board of Directors and management team of Reshape resigned, the Board of Directors and management of VTI were installed, and the Company became a Nasdaq-listed company. Reshape changed its name to Vyome Holdings, Inc. and began trading under the ticker symbol "HIND". The Company will focus on Vyome's business of advancing the development of its immuno-inflammatory assets and on identifying additional opportunities in the world-class US-Indian innovation corridor for the global market.

The Company has accounted for the transaction as a reverse recapitalization with VTI as the accounting acquirer. Because VTI is the accounting acquirer, its historical financial statements became the Company's historical financial statements, and such assets and liabilities continued to be recorded at their historical carrying values. The impact of the recapitalization has been retroactively applied to all periods presented. Immediately after the closing of the Merger and the consummation of a private placement offering, the former holders of common stock of VTI owned, in the aggregate, approximately 88% of the common shares, with Reshape's shareholders immediately prior to the Merger owning approximately 12% of common shares outstanding.

b) Business

The Company is a Cambridge, Massachusetts-based clinical-stage specialty pharmaceutical company working to treat immune-inflammatory and rare diseases of unmet need with next-generation therapeutic solutions. The lead program VT-1953 is a novel and patented topical gel to treat signs and symptoms of Malignant Fungating wounds and that can be a potential orphan drug designated program. The Company is planning to have discussions with the Food & Drug Administration (FDA) on the pivotal trial protocol in the second quarter of 2026. The Company had initiated a Phase II investigator-initiated trial in the first quarter of 2025 for VT-1953 and announced interim results in September 2025 and final results in December 2025. The Company also has a Pre-Investigational New Drug application stage ophthalmic drops program, a potentially orphan drug designated program, and a repurposed immune modulator to treat steroid-sparing anterior uveitis. Another late clinical-stage program, VB-1953, for moderate to severe inflammatory acne has successfully completed its Phase II clinical trial with positive read-outs, and this program is Phase III ready. The Company is also developing other assets for treating immune-inflammatory diseases, which are in pre-clinical or early clinical development.

The Company also has commercialized novel reformulated topical anti-fungal products using its patented technology after two such products successfully completed clinical testing in India. The Company has entered into a licensing and marketing agreement with the Sun Pharma group of companies in India ("Sun Pharma"). The Company has entered into a Development and Licensing agreement for Luliconazole (an anti-fungal product) with Sun Pharma for additional development and commercialization in India. The Company earns royalties and milestone payments from this arrangement.

Since its inception, the Company has devoted substantially all its efforts to drug development, business planning, research and development, conducting clinical trials, recruiting management and technical staff, acquiring operating assets, and raising capital. The Company is subject to risks common to companies in the biotechnology industry, including, but not limited to, successful development of technology, obtaining additional funding, protection of proprietary technology, compliance with government regulations, risks of delays or failure of pre-clinical studies, clinical studies and clinical trials, the need to obtain marketing approval for its drug candidates and its consumer products, fluctuations in operating results, economic pressure impacting therapeutic pricing, dependence on key personnel, risks associated with changes in technologies, development by competitors of technological innovations and the ability to transition from pilot scale manufacturing to large scale production.

c) Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. For the periods ended March 31, 2026 and 2025, the Company generated a net loss of $985,521 and $293,974, respectively. The Company's major sources of funds prior to the Merger have been through the sale of preferred stock and the issuance of convertible debt. In connection with the Merger, the Company sold shares of its stock (the "Concurrent Financing"). After the Merger, the Company has access to a financing facility to sell shares of common stock of the Company through an ATM facility, which may be accessed under certain circumstances– See Note 9. Further, the Company will be able to determine the timing of when planned clinical and pre-clinical operations will commence.

Obtaining additional financing to support the successful development of the Company's contemplated plan of drug development and operations and its transition, ultimately, to the attainment of profitable operations, is necessary for the Company to continue operations. The Company will continue to seek funds through debt or equity financings, marketing and distribution arrangements, and other collaborations, strategic alliances, and licensing arrangements, or other sources of financing. However, there can be no assurances that such financing or other strategic transactions will be available on acceptable terms, or at all. If the Company is unable to raise additional funds, it will need to do one or more of the following:

- Delay clinical trials and processes;
- License third parties to develop and commercialize products or technologies that it would otherwise seek to develop and commercialize itself;
- Seek strategic alliances or business combinations;
- Attempt to sell the Company;
- Cease operations; or
- Declare bankruptcy

As a result of the Merger transaction and private placement offering described in Note 9, and depending upon the timing of the commencement of certain clinical activities, the Company believes it has sufficient funds to finance the operating requirements for at least the next 12 months from the issuance of these Consolidated Financial Statements. The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. Management continues to implement plans to manage the timing and amount of expenses and seek additional financing. However, there can be no assurance that these plans will be successful. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and pursuant to the accounting and disclosure rules and regulations of the Securities and Exchange Commission ("SEC"), and reflect all adjustments consisting only of normal recurring adjustments of the Company, which are, in the opinion of management, necessary for a fair presentation of the financial position as of March 31, 2026 and December 31, 2025, and the results of operations, and cash flows for the periods presented. Any reference in these notes to applicable guidance is meant to refer to GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") promulgated by the Financial Accounting Standards Board ("FASB"). Certain amounts in 2025 have been reclassified to conform to the 2026 presentation.

In August 2025, the Board of Directors of the Company approved a 5,000: 1 reverse stock split. All share and per share numbers have been updated to reflect such a reverse stock split.

b) Segments

The Company organized its operations into two operating segments. The segments reflect the way the Company evaluates its business performance and manages its operations by the Company's chief operating decision maker ("CODM") for making decisions, allocating resources, and assessing performance. The Company's CODM has been identified as its chief executive officer. The Company determined it has two operating segments: (1) Pharmaceutical segment, and (2) Biotechnology segment. The Company's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. See Note 14.

As the Company's long-lived assets, except for the intangible asset, are substantially all located in India, and all of the Company's revenue and expenses related to the sale of products are derived from within India, no geographical segments are presented.

c) Basis of Consolidation

The Consolidated Financial Statements include the accounts of the Company, its majority-owned subsidiaries, VTL and VTI, and other wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in the consolidation.

d) Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results, as determined at a later date, could differ from those estimates. Significant estimates used in preparing these consolidated financial statements include the realization of deferred tax assets, timing of the recognition of research and development costs, fair value of debt and equity-based instruments, and future obligations under employee benefit plans.

e) Foreign Currency Translation and Transactions

The Company also operates in India, which may give rise to significant foreign currency risks from fluctuations and the degree of volatility of foreign exchange rates between the US dollar and the Indian Rupee.

The Company's functional currency is the United States Dollar. The functional currency of its Indian subsidiary is Indian National Rupees. Consequently, revenues and expenses of operations of the Indian subsidiary are translated into United States Dollars using average period exchange rates, while assets and liabilities of the Indian subsidiary are translated into United States Dollars using the year-end exchange rate in effect at the balance sheet dates. Adjustments resulting from the translation of functional currency financial statements to reporting currency are accumulated and reported as a part of Accumulated Other Comprehensive loss, a separate component of stockholders' equity (deficit) in the accompanying Condensed Consolidated Balance Sheets.

Transactions in foreign currencies are translated at the exchange rate prevailing on the date of the transaction. Resulting gains or losses from the settlement of such foreign currency transactions are included in the consolidated statements of operations. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates in effect on the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are expressed in functional currency at the historical exchange rates. Losses/ (gains) resulting from foreign currency transactions amounting to $39,454 and $(1) for the three months ended March 31, 2026 and 2025, respectively, are included in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

f) Cash and Cash Equivalents

Cash includes all highly liquid instruments with a maturity of three months or less when purchased. VTI and VHI maintain their cash balances in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"). At various times during the year, such balances may exceed the FDIC limit. At March 31, 2026, the Company held approximately $8 million in one bank account, which exceeded the FDIC limit by approximately $7,750,000. The Company has not experienced any credit losses associated with its balances in such accounts. Cash held in the U.S. bank account of VTI as of March 31, 2026 and December 31, 2025 was $8,105,395 and $4,051,958, respectively. Cash held in India in VTL bank accounts as of March 31, 2026 and December 31, 2025 was $690,388 and $930,375, respectively.

g) Accounts Receivable, net

Accounts receivable are generally recorded at the invoiced amounts, net of an allowance for expected losses. The Company establishes credit terms for new customers based upon management's review of their credit information and project terms and performs ongoing credit evaluations of its customers, adjusting credit terms when management believes appropriate based upon payment history and an assessment of the customer's current creditworthiness. The Company follows *Financial Instruments - Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instrumen*ts, which removed all current thresholds and requires entities under the new current expected credit loss ("CECL") model to recognize an allowance for credit losses for the difference between the amortized cost basis of a financial instrument and the amount of amortized cost that an entity expects to collect over the instrument's contractual life. The new CECL model is based on expected losses rather than incurred losses. Management determined that no allowance for doubtful accounts was necessary as of March 31, 2026 and December 31, 2025.

h) Property and equipment, net

Property and equipment is stated as net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, summarized as follows:

- Computers and software. 3 years
- Office equipment. 5 years
- Furniture and Fixtures. 10 Years
- Lab machinery. 10 years
- Leasehold improvements. Lower of estimated useful life or remaining period of lease term

Repairs and maintenance costs are expensed as incurred; major renewals and betterments are capitalized. When assets are disposed of, the assets and related allowances for depreciation and amortization are eliminated from the accounts, and any resulting gain or loss is reflected in operations.

i) Goods and Service Tax and Other Credits Receivable

The Company has indirect tax credit carry-forwards arising in India, which may be utilized or refunded as VTL generates sales to third parties or invoices to VTI pursuant to intercompany transfer pricing arrangements. The Company expects to utilize these indirect tax credit carry-forwards over a 4-to-5-year period.

j) Intangible Assets

On August 21, 2021, Vyome acquired the majority of the outstanding shares, representing substantially all of the outstanding shares of preferred stock of Livechain, Inc. ("LICH") for $220,000. The total costs of the shares acquisition were $314,191. LICH is an inactive non-reporting shell ("Shell Company") that trades on the OTCID operated by OTC Markets Group under the ticker symbol LICH. As of the date of the acquisition of LICH and through March 31, 2026, LICH had no operations. LICH did not meet the definition of a business and therefore was accounted for as an asset acquisition of the shell company, a single indefinite-lived asset.

Intangible assets with indefinite lives (i.e., non-reporting shell) are not amortized; rather, they are tested for impairment annually or whenever events or circumstances exist that would make it more likely than not that an impairment exists.

In February 2026, a newly formed subsidiary of LICH ("LICH sub") signed a definitive agreement to purchase a note receivable from an investor in an AI company called "Humanyze" in exchange for 25% of its holdings in LICH. Such investor is also an investor in the Company, and a principal of such investor is a member of both Humanyze and our Board of Directors. LICH sub, using the default provision of the note receivable, acquired all of the assets of Humanyze in settlement of the note receivable. LICH sub intends to hire personnel, raise funds and advance the operations of Humanyze. This transaction has still not closed as of the date of the filing of this document.

k) Impairment of Long-Lived Assets

The Company evaluates all long-lived assets for impairment annually, or sooner if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the carrying amount is not fully recoverable, an impairment loss is recognized to reduce the carrying amount to fair value and is charged to expense in the period of impairment. As of March 31, 2026 and December 31, 2025 management has determined that the value of the shares acquired in LICH is not impaired.

l) Non-Controlling interest

Noncontrolling interest reported as a component of equity on the consolidated balance sheets represents the equity interests not owned by the Company and is recorded for consolidated entities the Company controls, but which the Company owns less than 100%. The portion of the loss attributable to each such subsidiary that is held by outside investors is reported as Loss Attributable to Non-Controlling Interest in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

m) Revenue Recognition

The Company recognizes revenue under ASC Topic 606, "*Revenue from Contracts with Customers*" ("ASC 606"). The Company determines revenue recognition through the following steps:

- Step 1: Identify the contract with the customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when the company satisfies a performance obligation.

The Company records sales of its dermatological products to the pharmaceutical company when performance obligations with its customer are satisfied. The Company's performance obligation is a promise to transfer a distinct good to the customer, and each distinct good represents a single performance obligation. Such performance obligations are satisfied at a point in time, and revenues are recognized when all rights and rewards of ownership are transferred. The majority of the Company's products are shipped by common carriers resulting in recognition of revenues upon shipment, at which time control passes to the customer. Revenue is measured at the amount of consideration the Company expects to receive in exchange for the transfer of products. Customers may be entitled to cash discounts, typically denoted at the time of invoicing and shipping. Such amounts are considered to be variable consideration under ASC 606. An estimate for cash discounts is included in the transaction price as a component of sales and is estimated based on the satisfaction of outstanding receivables and historical performance. The Company does not have any material financing terms as payment is received shortly after the transfer of control of the products to the customer within a period of 30-60 days.

Net service fee payment and agent fees for sales of products made by Sun Pharma are recorded as service fee revenue and are based upon a percentage of invoiced amount Sun Pharma invoices its customers. Such revenues are recorded at the net amount received by the Company in the period earned.

Pursuant to licensing and marketing contracts, the Company receives payments from its pharmaceutical company marketing partner for the right to distribute the products ("royalties"). Such royalty payments are linked to the net sales value of the products sold by its marketing partner to third parties and are recognized in the period to which the royalty relates. Such amounts are recorded under revenue from operations in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

The Company recognizes milestone payments under the license and marketing agreements when all performance obligations are completed, typically when there are no further steps required by the Company for that milestone.

n) Cost of products sold

The cost of products sold represents the cost of manufacturing the products supplied by third-party manufacturers.

o) Research and Development Expenses

Research and development costs are expensed as incurred. Research and development expenses consist of internal and external expenses. Internal expenses include employee compensation and overheads. External expenses include development, clinical trials, statistical analysis and report writing, and regulatory compliance costs incurred with clinical research organizations and other third-party vendors. At the end of the reporting period, the Company compares payments made to third-party service providers to the estimated progress toward completion of the research or development objectives. Such estimates are subject to change as additional information becomes available. Depending on the timing of payments to the service providers and the progress that the Company estimates have been made as a result of the service provided, the Company may record net prepaid or accrued expenses relating to these costs. Payments made to third parties that perform research and development services on the Company's behalf are expensed as services are rendered, or as contractually agreed.

p) Stock-based Compensation

The Company accounts for stock options granted to employees and non-employees at fair value, which is measured using the Black-Scholes Option pricing model. Measurement inputs include share price on the measurement date, the exercise price of the instrument, expected volatility (based on weighted average historic volatility for a duration equal to the weighted average life of the instruments, life based on the average of the vesting and contractual periods for employee awards as minimal prior exercises of options in which to establish historical exercise experience), and the risk-free interest rate. The expected life of the stock options is not necessarily indicative of exercise patterns that may occur. The fair value measurement date for employee awards is the date of the grant.

The expected life of the stock options in years is estimated using the "simplified method," as prescribed in SEC's Staff Accounting Bulletin (SAB) No. 107, as the Company has no historical information from which to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior for its stock option grants. The simplified method is the midpoint between the vesting period and the contractual term of the option. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome. Prior to the Merger, the Company was a private company and lacked company-specific historical and implied volatility information. Therefore, it estimated its expected stock volatility based on the historical data regarding the volatility of a publicly traded set of peer companies. The risk-free rate is based on the U.S. Treasury yield curve commensurate with the expected life of the option. The expected dividend yield is zero as the Company has no history of paying dividends and no plans to do so in the near term.

Stock-based compensation expense attributable to equity awards granted to employees is measured at the grant date based on the fair value of the award. The expense is recognized on a straight-line basis over the requisite service period for awards that vest, which is generally the period from the grant date to the end of the vesting period. Stock-based awards provided to non-employees are measured and expensed as the services are provided.

The Company's policy is to account for forfeitures of awards when they occur in accordance with ASC 718, "*Compensation-Stock Compensation"*. The Company reverses compensation cost previously recognized in the period the award is forfeited, for an award that is forfeited before completion of the requisite service period.

As the Company's common stock has not been publicly traded prior to the Merger, its board of directors periodically estimated the fair value of the Company's common stock considering, among other things, contemporaneous valuations of its common stock prepared by an independent valuation firm in accordance with the guidance provided by the American Institute of Certified Public Accountants 2013 Practice Aid, "*Valuation of Privately-Held-Company Equity Securities Issued as Compensation"*.

q) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards in the Consolidated Financial Statements. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statements of operations in the period that includes the enactment date.

Valuation allowances are recognized to reduce deferred tax assets to the amount that will more likely than not be realized. In assessing the need for a valuation allowance, management considers all available evidence for each jurisdiction, including past operating results, estimates of future taxable income, and the feasibility of ongoing tax planning strategies. When the Company changes its determination as to the amount of deferred tax assets that can be realized, the valuation allowance is adjusted with a corresponding impact to income tax expense in the period in which such determination is made.

The Company also accounts for uncertain tax positions in accordance with ASC Topic 740, "*Income Taxes"*. This guidance prescribes a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken in the Company's income tax returns. As of March 31, 2026 and December 31, 2025, the Company had no uncertain tax positions that affected its financial position and its results of operations or its cash flows, and will continue to evaluate for uncertain tax positions in the future. There are no interest costs or penalties provided for in the Company's consolidated financial statements for the three months ended March 31, 2026 and 2025. If at any time the Company should record interest and penalties in connection with income taxes, the interest and the penalties will be expensed within the general and administrative expenses category in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Loss.

r) Leases

ASC Topic 842, "*Leases*", establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. Lessor accounting under the new standard is substantially unchanged. Additional qualitative and quantitative disclosures are also required.

The Company adopted the following practical expedients and accounting policies elections related to this standard:

- Short-term lease accounting policy election allowing lessees to not recognize ROU assets and liabilities for leases with a term of 12 months or less; option to not separate lease and non-lease components in the Company's lease contracts; and

- The package of practical expedients applied to all of its leases, including (i) not reassessing whether any expired or existing contracts are or contain leases, (ii) not reassessing the lease classification for any expired or existing leases, and (iii) not reassessing the capitalization of initial direct costs for any existing leases.

Disclosures related to the amount, timing and uncertainty of cash flows arising from leases are included in Note 12.

s) Notes Payable

The Company has elected to account for notes payable issued to investors using the fair value option in accordance with the guidance contained in ASC 825-10-25. The fair value option provides an option to elect fair value as an alternative measurement for selected financial assets, financial liabilities, unrecognized firm commitments, and written loan commitments. See Note 8 for additional information. Pursuant to ASC 815-40-65-1(d), the Company made a one-time irrevocable election to apply the fair value option in ASC 825-10 for any liability classified convertible securities that are within the scope of ASC 825-10.

t) Fair Value Measurements

The Company considers its cash and cash equivalents, accounts receivable, and accounts payable to meet the definition of financial instruments, and the carrying amounts of such instruments approximated their fair values due to the short maturities of these instruments. The Company recorded the convertible debt at fair value.

The Company measures fair value as required by the ASC Topic 820, "*Fair Value Measurements and Disclosures"* ("ASC Topic 820"). ASC Topic 820 defines fair value, establishes a framework and gives guidance regarding the methods used for measuring fair value, and expands disclosures about fair value measurements. ASC Topic 820 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, there exists a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 - Unobservable inputs for the asset or liability are only used when there is little if any, market activity for the asset or liability at the measurement date.

The Company utilized a Probability Weighted Expected Return Model ("PWERM") to value the convertible debt and promissory notes through the date of their conversion at the date of the Merger. The quantitative information with respect to valuation methodology and significant unobservable inputs used for the Company's convertible debt that is categorized within Level 3 of the fair value hierarchy included the discount rate and expected financing date. The other factors used in the calculation of fair value are contractual terms of the convertible note and promissory note instruments.

There were no financial liabilities, measured at fair value, by level within the fair value hierarchy as of March 31, 2026 and December 31, 2025.

u) Basic and diluted net loss per common share

Net loss per share information is determined using the two-class method, which includes the weighted average number of shares of common stock outstanding during the period and other securities that participate in dividends (a "participating security"). The Company considered its Preferred Stock to be participating securities because the shares included rights to participate in dividends with the common stock.

Under the two-class method, basic net loss per share attributable to common stockholders is computed by dividing the net income attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. The net loss attributable to common stockholders is calculated by adjusting the net loss of the Company for the accretion on the Preferred Stock. Net losses are not allocated to preferred stockholders as they do not have an obligation to share in the Company's net losses. In periods with net income attributable to common stockholders, the Company would allocate net income first to preferred stockholders based on dividend rights under the Company's certificate of incorporation and then to preferred and common stockholders based on ownership interests. Diluted net loss per share attributable to common stockholders is computed using the more dilutive of (1) the two-class method or (2) the if-converted method.

During the three months ended March 31, 2026 and 2025, diluted earnings per common share is the same as basic earnings per common share because, as the Company incurred a net loss during each period presented, the potentially dilutive securities from the assumed exercise of all outstanding stock options would have an anti-dilutive effect. The number of shares potentially issuable at March 31, 2025 upon conversion of the debt was not calculable and would be anti-dilutive.

The dilutive shares as of March 31, 2026 and 2025, not included in the dilutive loss per share calculation, are as follows:

	March 31, 2026	March 31, 2025
Stock options	1,800,611	280
Warrants	817	-
Preferred stock	-	15,303,417
Shares that are subject to put call option agreement for certain entitled VHI shares	1,481,598	-
Total	3,283,026	15,303,697

v) Post Employment benefits

The Subsidiary in India has a defined benefit gratuity scheme for its employees in India. This gratuity scheme provides for lump sum payment in accordance with the provisions of the Payment of Gratuity Act, 1972 to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service or part thereof in excess of six months subject to a limit of INR 2,000,000 (equivalent to approximately $24,000). Vesting occurs upon completion of 5 years of continuous service.

Accumulated compensated absences, which are expected to be encashed within 12 months from end of the year, are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement at the end of the year. Actuarial gains or losses are recognized in the Condensed Consolidated Statement of Operations and Comprehensive Loss in the period in which they arise.

w) Recent accounting pronouncements

From time to time, new accounting pronouncements are issued by the FASB and are early adopted by the Company or adopted as of the specified effective date. There were no recent accounting pronouncements that impacted the Company or are expected to have a significant effect on its consolidated financial statements.

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, *Income Statement Reporting Comprehensive Income Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires companies to provide more detailed and organized disclosures of their expenses in their income statements. The standard requires breaking down expenses into specific categories, such as employee compensation and costs related to depreciation and amortization. This update is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, on a prospective basis and early adoption and retrospective application is permitted. The Company is currently evaluating this new guidance and its impact on its Consolidated Financial Statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740)*: *Improvements to Income Tax Disclosures*, which requires entities to provide additional information in the rate reconciliation and additional disaggregated disclosures about income taxes paid. This guidance requires public entities to disclose in their rate reconciliation table additional categories of information about federal, state, and foreign income taxes and to provide more details about the reconciling items in some categories if the items meet a quantitative threshold. The guidance is effective for annual periods beginning after December 15, 2024. The Company does not expect the adoption of this guidance to impact its consolidated financial statements, but the guidance will impact its income tax disclosures.

There are no other recent accounting pronouncements that the Company expects will have a material effect on its prospective Condensed Consolidated Financial Statements.

3. Other current assets

Other current assets consist of the following:

	March 31, 2026	December 31, 2025
Advances to suppliers	$ 2,609	$ 3,262
Accounts receivable	309	325
Receivables from LICH	140,534	98,286
Others	15,167	17,428
Total other current assets	**158,619**	**119,301**
Prepaid expenses	271,848	403,994
Less long term prepaid insurance	(63,668)	(67,307)
Total prepaid expenses	208,180	336,687
Total	**$ 366,799**	**$ 455,988**

Prepaid expenses consist primarily of prepaid directors' and officers' insurance.

4. Property and equipment, net

Property and equipment, net consist of the following:

	March 31, 2026	December 31, 2025
Buildings and Improvement	$ 116,770	$ 122,609
Computer and office equipment	42,824	42,360
Furniture & fixtures	13,392	13,622
Laboratory equipment	372,908	392,111
Total	545,894	570,702
Accumulated depreciation	(501,465)	(524,309)
Property and equipment, net	**$ 44,429**	**$ 46,393**

Depreciation expense was $2,605 and $3,523 for the periods ended March 31, 2026 and 2025, respectively.

5. Goods and services tax and other credits receivable

The Company's balance of goods and services tax and other credits receivable from government authorities as of March 31, 2026 and December 31, 2025 consists of the following:

	March 31, 2026	December 31, 2025
Tax deducted at source and tax collected at source receivable	$ 4,893	$ 17,263
Input goods and service tax credit	560,299	584,274
Delaware Franchise Tax credit paid	14,143	-
Total	**$ 579,335**	**$ 601,537**

6. Accounts payable and accrued expenses

Accounts payable and accrued expenses as of March 31, 2026 and December 31, 2025 consist of the following:

	March 31, 2026	December 31, 2025
Accounts payable	$ 532,131	$ 647,533
Accrued expenses	590,140	639,150
Total	**$ 1,122,271**	**$ 1,286,683**

7. Salary and post-employment benefits payable

Salary and post-employment benefits payable as of March 31, 2026 and December 31, 2025 consist of the following:

	March 31, 2026	December 31, 2025
Salaries payable	$ 511,792	$ 711,167
Accrued leave encashment (note 13)	40,530	77,298
Accrued gratuity plan (note 13)	39,872	82,357
Total	**$ 592,194**	**$ 870,822**

8. Other current liabilities

Other current liabilities as of March 31, 2026 and December 31, 2025 consist of the following:

	March 31, 2026	December 31, 2025
Statutory dues payable	$ 20,736	$ 8,323
Advance from customer	24,844	26,086
Insurance premium payable	123,476	244,974
Other liabilities	58,710	62,452
Total	**$ 227,766**	**$ 341,835**

9. Convertible debt and Promissory Notes- ReShape

Convertible Debt

Commencing in October 2020 through February 2024, the Company began raising money through the issuance of a compulsorily convertible promissory note (the "Promissory Note") pursuant to a Subscription Agreement (the "Subscription Agreement"). The Promissory Note was issued as part of a private placement (the "Offering") for the sale of up to $1,982,000 of secured convertible promissory notes (collectively, the "Promissory Notes") for a period of three years of maturity. The Promissory Notes bear interest at a rate of eight percent (8%) per annum, on a non-compounding basis, and are due and payable on the earlier of (i) the date upon which the Promissory Notes are converted into equity securities of the Company, or (ii) at maturity in three (3) years ("Maturity Date"). Significant conversion terms of the Promissory Notes are as follows:

a) In the event that the Company issues and sells shares of its equity securities ("**Equity Securities**") to investors (the "**Investors**") prior to the Maturity Date in an equity financing with total proceeds to the Company of not less than $10,000,000 (excluding the conversion of the Promissory Notes or other convertible securities issued for capital raising purposes (*e.g.*, Simple Agreements for Future Equity) (a "**Qualified Financing**"), then the outstanding principal amount of this Note and any unpaid accrued interest shall automatically convert in whole without any further action by the Holder into Equity Securities sold in the Qualified Financing at a conversion price equal to the cash price per share paid for Equity Securities by the Investors in the Qualified Financing multiplied by 0.75 in some notes or 0.8 in some other notes; provided, that if such Qualified Financing is also a Deemed Liquidation Event (as defined in VTI's Certificate of Incorporation, as amended, restated, and otherwise in effect from time to time, the ("**Certificate of Incorporation**"), shall govern with respect to the conversion of this Note. The issuance of Equity Securities upon the conversion of this Note shall be upon and subject to the same terms and conditions applicable to Equity Securities sold in the Qualified Financing. Notwithstanding the foregoing, if the conversion price of the Notes as determined pursuant to the foregoing (the "**Conversion Price**") is less than the price per share at which Equity Securities are issued in the Qualified Financing, the Company may, solely at its option, elect to convert the Promissory Note into shares of a newly created series of preferred stock having the identical rights, privileges, preferences and restrictions as Equity Securities issued in the Qualified Financing, and otherwise on the same terms and conditions, other than with respect to (if applicable): (i) the per share liquidation preference and the conversion price for purposes of price-based anti-dilution protection, which will equal the Conversion Price; and (ii) the per share dividend, which will be the same percentage of the Conversion Price as applied to determine the per share dividends of the Investors in the Qualified Financing relative to the purchase price paid by the Investors. For the avoidance of doubt, such newly created series of preferred stock described in the preceding sentence shall be pari passu with the Equity Securities issued in the Qualified Financing.

b) If the Company consummates a transaction that is a Deemed Liquidation Event (as defined in the Certificate of Incorporation) while the Promissory Note remains outstanding, then the outstanding principal amount of the Promissory Note and any unpaid accrued interest shall, immediately prior to the closing of such Deemed Liquidation Event, automatically convert in whole without any further action by the holder of the Promissory Note into shares of a newly created series of preferred stock ("New Senior Preferred Stock") at a conversion price equal to the Original Issue Price (as defined in the Certificate of Incorporation) for the most senior series of preferred stock of the Company outstanding at such time (the "New Senior Preferred Conversion Price"). The New Senior Preferred Stock shall have the identical rights, privileges, preferences and restrictions as the most senior series of preferred stock of the Company outstanding at the time of such conversion, other than with respect to: (i) the per share liquidation preference, which shall be equal to two (2) times in some notes three (3) times in the other notes the New Senior Preferred Conversion Price; (ii) the conversion price for purposes of price-based anti-dilution protection, which will equal the New Senior Preferred Conversion Price; and (iii) the per share dividend, which will be the same percentage of the New Senior Preferred Conversion Price as applied to determine the per share dividends of the holders of the most senior series of preferred stock of the Company outstanding at such time relative to the Original Issue Price for such shares. For the avoidance of doubt, the New Senior Preferred Stock shall be senior to the most senior series of preferred stock of the Company outstanding at such time and shall be pari passu with all other securities into which compulsory convertible notes issued by the Company convert.

c) If the Promissory Note has not otherwise been converted pursuant to the above, then, effective as of the Maturity Date, all outstanding principal and accrued and unpaid interest under the Promissory Note shall be automatically converted into Series D Preferred Stock, at a conversion price equal to the New Senior Preferred Conversion Price.

During 2023 and through September 2025, certain of the Promissory Notes reached their maturity date and were extended by an additional year. In connection with such extension, the conversion rate was amended from 0.80 to 0.75, and the liquidation preference was amended from three times to two times. All other terms remained the same. The Company accounted for such extension as a modification of the debt instrument. In August 2024, two of the Promissory Notes with an aggregate principal plus accrued interest of $ 434,077 were converted into 22 shares of Series D Preferred stock at $19,450 per share. All other noteholders whose Promissory Notes reached their initial maturity date agreed to the extension terms as noted above.

In July 2024, the Company began offering investors the opportunity to participate in a private placement offering, providing the investors the right to purchase shares of its common stock, bridge notes and warrants and other equity rights in VTI and VTL, some of which are dependent upon the completion of the Merger (the "Concurrent Financing"). An aggregate of 34 investors agreed to participate in such Concurrent Financing through the date of the Merger, for an aggregate of approximately $7.3 million, of which approximately $ 659,542 was received before closing of the Merger, in the form of bridge notes in VTI and VTL (the "Bridge Notes"). The Bridge Notes had similar terms to the Promissory Notes, except for a one-year term and were convertible at a 30% discount to the Merger valuation.

The Company has elected to record the Promissory Notes and Bridge Notes at fair value. Changes in the fair value of the Convertible Notes for the three months ended March 31, 2025 are summarized as follows:

	Three months ended March 31, 2025
Balance, beginning of the period	$ 3,589,410
Additional notes issued	160,000
Interest accrued	50,939
Change in fair value	36,008
Total	**$ 3,836,357**

In connection with the Merger, all of the Promissory Notes and Bridge Notes were converted into 534,850 and 86 shares of common stock of VTI and VTL, respectively. Since the terms of the conversion were as specified in the original Promissory Notes and Bridge Notes agreement and the debt was not modified or extinguished, pursuant to ASC 470-20-40-4 (as amended by ASU 2020-06), there is no recognition of any additional interest expense upon conversion.

Promissory Notes – ReShape ("Reshape Notes")

VTI entered into a note payable with Reshape for $400,000, of which payments under such note were received in several instalments from April 16, 2025 to June 5, 2025. The note bears interest at 8% per annum, was senior to any existing promissory or bridge notes, and matured on December 31, 2025. On June 28, 2025, the Company borrowed an additional $200,000 from Reshape pursuant to the same terms. The Reshape Notes were cancelled at the date of the Merger; however, the outstanding principal and interest were a part of the calculation of the relative shares of common stock of the Company retained by former Reshape shareholders at the Merger date. Changes in the fair value of the Reshape Notes for the year ended December 31, 2025, are summarized as follows:

	Year ended December 31, 2025
Balance, beginning of the period	$ 0
Borrowings	600,000
Change in fair value	(181,184)
Elimination of promissory notes due to Merger	(418,816)
Total	**$ -**

Overall Debt

Interest expense on the above debt instruments was Nil and $50,939 for the three months ended March 31, 2026 and 2025, respectively.

The fair value of the Promissory Notes, Bridge Notes, and Reshape Notes is classified within Level 3 of the fair value hierarchy, using the inputs below to calculate the fair value. The Company used a probability-weighted scenario analysis to determine the fair value of the convertible notes. The risk-free rate used in the analysis is based on the yield on a U.S. government zero-coupon bond, interpolated for the period that corresponds to the time to liquidity as at the valuation date, for the three months ended March 31, 2025 are as follows:

	March 31, 2025
Adjusted Interest rate	4.23% to 4.35%
Time to Financing Date	3-4 months

10. Common Stock and Preferred Stock

Capital

VTI had been authorized to issue 20,000,000 shares of common stock, $0.001 par value per share, and 15,000,000 shares of preferred stock, $0.001 par value per share. In June 2024, the number of authorized shares of preferred stock increased to 16,000,000 shares. In August 2025, the Board of Directors of the Company approved a 5,000:1 reverse stock split. In August 2025, VTI amended the Articles of Incorporation of the Company to authorize three new series of preferred stock, with similar rights as the existing shares of preferred stock:

a. Series D-1 – 23,658 shares authorized with an "original issuance price" of $8.874 per share

b. Series D-2 – 315,256 shares authorized with an "original issuance price" of $5.886 per share

c. Series Seed-1 – 900,000 shares authorized with an "original issuance price" of $0.936 per share

As of March 31, 2026, VHI had 300,000,000 shares of common stock authorized. On April 24, 2026, VHI amended the Articles of Incorporation of the Company to effectuate a decrease in the number of shares of the Company's common stock authorized for issuance from 300,000,000 to 50,000,000 shares.

VTI Common stock transactions

In August 2025, VTI issued 376,256 shares of common stock to certain advisors and consultants. The fair value of such shares of approximately $5.9 million is recorded principally as a Transactional and Financial Advisory Fee in the accompanying Consolidated Statements of Operations and Comprehensive Loss for the year ended December 31, 2025.

In August 2025, VTI issued warrants to certain preferred shareholders, who agreed to participate in the Concurrent Financing, to purchase 6,008,589 shares of VTI common stock at $0.001 per share. The warrants were immediately exercised, and VTI received $6,009 in proceeds from such exercise. The fair value of the warrants, or $2,457,513, is considered a shareholder transaction and recorded analogous to a "deemed dividend" in the Consolidated Statement of Stockholders' Equity.

In August 2025, all of the preferred stock outstanding was converted into 1,241,680 shares of VTI common stock.

As discussed in Note 8, all of the outstanding VTI's Promissory Notes and Bridge Notes and related accrued interest were converted into 534,850 shares of VTI common stock.

VTI Preferred stock

In August 2025, several preferred shareholders were issued shares of a new series of preferred stock in exchange for their current holdings in earlier issued series of preferred stock as follows:

a. 11 shares of Series D preferred stock exchanged into 23,658 shares of Series D1 preferred stock

b. 96 shares of Series D preferred stock exchanged into 315,256 shares of Series D2 preferred stock

c. 203 shares of Series D preferred stock exchanged into 900,000 shares of Seed Series-1 preferred stock

Such shareholders received an aggregate of 1,238,604 additional shares of preferred stock. The estimated fair value of such additional preferred shares was $19,421,311 and is considered a shareholder transaction and recorded analogous to a "deemed dividend" in the Condensed Consolidated Statement of Stockholders' Equity. As a result of the Merger transaction, all shares of preferred stock were converted into common stock.

VHI Stock transactions

At the Merger date, there were 8,161,761 common shares of VTI outstanding, of which 6,843,451 of such VTI common shares were exchanged into 4,272,773 shares of VHI common stock as merger consideration pursuant to the Exchange Ratio specified in the Merger Agreement. The remaining VTI 1,318,310 common shares remain outstanding, against which certain VHI common shares are entitled as merger consideration ("Entitlement Shares").

At the Merger date, there were 691,970 shares of VHI common stock outstanding, which were held by the former Reshape shareholders, and continue to be outstanding at December 31, 2025. The net liabilities of Reshape assumed as of December 31, 2025, were approximately $244,000, as adjusted for a favorable negotiated settlement of a liability of $20,835 in the first quarter of 2026.

Private Placement offering in the Company and Share Subscription in VTL at Merger transactions (see Note 8) closed shortly after the Merger, and resulted in VTL receiving gross proceeds of $940,009 from the sale of 999 shares of VTL and the Company receiving $5,735,052 from the sale of 520,514 shares of VHI common stock, inclusive of the amounts received in advance in the form of bridge notes (see Note 7). Net of expenses of $100,000, the Company received an aggregate of $6,575,061. The amount recorded with the consolidated statement of stockholder's equity of $6,463,646 includes the offset of the deferred offering cost of $111,415.

The Company issued 19,960 shares of common stock to a marketing vendor in December 2025, and recorded an expense of $100,000 recorded in selling, general and administrative expenses.

The Company issued 9,646 shares of common stock to a marketing vendor in February 2026, and recorded an expense of $30,000 recorded in selling, general and administrative expenses.

At The Market Offering

On August 20, 2025, The Company entered into Amendment No. 1 to the Equity Distribution Agreement dated May 30, 2025 (the "Sales Agreement" or "ATM") with Maxim Group LLC ("Maxim") to act as the Company's exclusive sales agent with respect to the issuance and sale of up to $12,000,000 of the Company's shares of common stock from time to time, in an at-the-market public offering (the "ATM Offering"), less a 3% discount. The Company has targeted a certain floor price and maximum daily sales as a percentage of daily trading volume at which it will sell shares under the Sales Agreement. In February 2026, the Company sold 1,089,545 shares of common stock at prices between $3.090 and $4.86 per share under the Equity Distribution Agreement, resulting in net proceeds of $5,291,868.

Entitlement shares

In connection with the Merger, three put/call option agreements were put in place.

a. The first put/call option agreement is between the Company and certain investors in VTI. Through this agreement, 1,318,310 shares of common stock held by Indian stockholders of VTI be exchanged for 825,307 entitled shares of VHI common stock pursuant to the put/call exercise in the future as per the terms of the agreements.

b. The second put/call option agreement is between VTL, VHI, and investors in the bridge investments that came in the form of Compulsory Convertible Debentures that were converted to 86 shares in the Indian subsidiary at the Merger closing. Those shares are to be exchanged for 800,361 entitled shares of common stock of VHI pursuant to the put/call exercise in the future as per the terms of the agreements.

c. The third put/call option agreement is between VTL, VHI, and investors for the concurrent (concurrent to Merger closing) financing for subscription of 999 shares in the Indian subsidiary. Those shares are to be exchanged for 89,671 entitled shares of common stock of VHI pursuant to the put/call exercise in the future as per the terms of this agreement

VHI may exercise its call options for the specified shares of VTI or VTL in the above three option agreements upon certain defined liquidation events. The investors may exercise their put options for the purchase of their entitled shares of the Company upon certain defined financing and/or liquidation events, in all cases subject to approval by the Board of Directors of the Company and VTI. The consideration to be paid for such put/call options is based upon pro rata "liquidation event" proceeds or certain specified amounts, and in certain investor cases, for the exchange of common stock of VHI. These put/call options are equity classified since all actions under the agreements are subject to the Company's control. Upon exercise, the Company will recognize a "deemed dividend" for the excess of the fair value of the stock received at such date, less its historical cost.

Between the Merger date and December 31, 2025, 233,695 of entitlement shares held by VTL shareholders and 46 entitlement shares held by VTI shareholders were exchanged for 233,741 shares of VHI common stock.

Since the shares discussed above are outstanding shares issued by subsidiaries of the Company, they are classified as non-controlling interests. As of December 31, 2025, approximately 10% of VTL and 16% of VTI are owned directly by shareholders other than VHI in VTI and by VTI in VTL.

The non-controlling interest is summarized as of December 31, 2025, as follows:

	Entitled shares	Historical Cost Amount
VTI Shareholders	825,261	$ 540,488
VTL note holders	566,666	55,167
Investors in VTL common stock through the Concurrent Financing	89,671	940,009
	1,481,598	1,535,664
Loss attributable to non-controlling interest for the year ended December 31, 2025		(215,706)
Non-controlling interest at December 31, 2025	1,481,598	$ 1,319,958
Loss attributable to non-controlling interest for the period ended March 31, 2026		(22,611)
Non-controlling interest at March 31, 2026	1,481,598	$ 1,297,347

11. Stock-Based Compensation

VTI has two stock option plans. There is also a legacy Reshape plan that was still in effect at the time of the Merger. The Company converted these plans into a comprehensive VHI plan in the first quarter of 2026. All share amounts have been adjusted to reflect the stock split discussed above.

2025 VHI PLAN

On October 27, 2025, the stockholders of the Company approved the adoption of the 2025 Equity Incentive Plan (the "VHI Plan"), which was adopted by the Board of Directors on October 2, 2025 and replaced the prior Equity Incentive Plan. Under the 2025 Equity Incentive Plan, 2,000,000 shares of our common stock are available for issuance pursuant to future grants or awards.

In February 2026, VHI issued stock options to employees, board members and consultants to purchase 1,725,211 shares of common stock at $0.66 per share and 75,400 shares of common stock at $4.97 per share. The majority of such shares vest immediately, with the remaining vesting over various periods up to 4 years. These options have a 10-year life. Shares previously outstanding from the VTI 2025 and 2018 plans were cancelled, and were replaced by the 1,725,211 shares granted in the three months ended March 31, 2026 which were adjusted to reflect the impact of the share exchange ratio to provide the same economic value as the optionholders previously held. The Company considered the share exchange a "modification" of the stock option under ASC 718, however the incremental value of the newly issued options was immaterial.

The Company has estimated the fair value of the 2026 stock option awards as of the date of grant by applying the Black-Scholes option-pricing model using the following assumptions:

Risk- free interest rate	4.26%
Expected term	5 years
Expected volatility	74%
Expected dividends	0
Grant date fair value of common stock	$ 0.43

The summary of stock option activity of the VHI Plan for the three months ended March 31, 2026 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Time to Expiry
Outstanding as of December 31, 2025	0	$ -	-
Granted during the three months ended March 31, 2026	1,800,611	$ 0.84	10.0 years
Expired during the three months ended March 31, 2026	-	-	
Exercised during the three months ended March 31, 2026	-		
			-
Outstanding as of March 31, 2026	1,800,611	$ 0.84	9.6 years
Exercisable as of March 31, 2026	1,726,399	$ 0.84	9.6 years

2018 VTI ESOP PLAN

On December 14, 2018, VTI authorized an Employee Stock Option Plan 2018 (the "ESOP Plan") under which 1,719,720 shares of common stock were reserved for issuance to directors, consultants, and employees of the Company. The ESOP plan entitles directors, consultants, and employees of the Company to purchase common stock for each option of the Company at a stipulated price, subject to compliance with vesting conditions, including employees remaining in employment during the vesting period, and directors and consultants continuing to render services during the vesting period. The options of directors and consultants vest as per the schedule prescribed in the grant letter. These can be exercised any time after the vesting period and during the optionee's tenure with the VTI. However, the exercise period lapses ninety (90) days after the employee, director, or consultant leaves the Company.

The last issuance of an option under the ESOP Plan was in 2024.

The summary of stock options activity for the three months ended March 31, 2026 and the year ended December 31, 2025, is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Time to Expiry
Outstanding as of December 31, 2024	280	$ 3,451.03	6.0 years
Granted during year ended December 31, 2025	—	—	—
Expired during year ended December 31, 2025	(1)	2,400.00	-
Exercised during year ended December 31, 2025			
	—	-	-
Outstanding as of December 31, 2025	279	$ 3,453.05	5.8 years
Cancelled during the quarter ended March 31, 2026	(279)	3,453.05	5.8 years
Outstanding March 31, 2026	0	-	-
Exercisable as of December 31, 2025	279	$ 3,453.05	5.6 years
Exercisable as of March 31, 2026	0	-	-

The following outlines the outstanding and vested stock options by exercise price as of March 31, 2026 and December 31, 2025.

Exercise Price	Number of Options Outstanding and fully vested – March 31, 2026	Number of Options Outstanding and fully vested – Decembe 31, 2025
$ 2,400.00	-	140
$ 4,500.00	-	131
$ 5,000.00	-	8
Total	-	**279**

2025 VTI Stock Option Plan

In August 2025, VTI authorized an Employee Stock Option Plan 2025 (the "2025 Plan") under which 2,800,000 shares of common stock were reserved for issuance to directors, consultants, and employees of the Company. The 2025 Plan entitles directors, consultants, and employees of the Company to purchase common stock of VTI at a stipulated price, subject to compliance with vesting conditions including employees remaining in employment during the vesting period and directors and consultants continuing to render services during the vesting period. The options of directors and consultants vest as per the schedule prescribed in the grant letter. These can be exercised any time after the vesting period and during their tenure with the Company. However, the exercise period lapses ninety (90) days after the employee, director or consultant leaves the Company.

In August 2025, VTI issued stock options to employees, consultants, board members, and others to purchase 2,705,779 shares of VTI common stock at an exercise price of $0.41 per share, which vest immediately and 57,122 shares of VTI common stock at an exercise price of $0.41 per share, which vest over a one-year period from the date of grant to employees.

The Company has estimated the fair value of the 2025 stock option awards as of the date of grant by applying the Black-Scholes option-pricing model using the following assumptions:

Risk- free interest rate	4.41%
Expected term	5 years
Expected volatility	54%
Expected dividends	0
Grant date fair value of common stock	$ 0.41

The summary of stock option activity of the 2025 Plan for three months ended March 31, 2026 and the year ended December 31, 2025 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Time to Expiry
Outstanding as of December 31, 2024	0	$ -	-
Granted during year ended December 31, 2025	2,762,901	$ 0.41	6.0 years
Expired during year ended December 31, 2025	-	-	
Exercised during year ended December 31, 2025	-		
			-
Outstanding as of December 31, 2025	2,762,901	$ 0.41	5.6 years
Cancelled during the quarter ended March 31, 2026	(2,762,901)	$ 0.41	
Outstanding March 31, 2026	0	-	-
Exercisable as of March 31, 2026	0	-	-
Exercisable as of December 31, 2025	2,729,580	$ 0.41	5.6 years

The Company recognized $5,696 and $0 of stock-based compensation expense from all three stock option plans which is included in Research and Development and Selling, General and Administrative Expenses based on allocation in the Company's Consolidated Statements of Operations and Comprehensive Loss for the three months ended March 31, 2026 and 2025, respectively. As of March 31, 2026, there is a future compensation cost of $130,000 to be recognized related to stock options granted under the VHI Plan over the next 10 months. The intrinsic value of vested and outstanding stock options was approximately $2.3 million at March 31, 2026.

Legacy Reshape Plans

At the time of the Merger, the following fully vested options and warrants were outstanding.

- Stock options to purchase 1 share of common stock, which expired prior to December 31, 2025.
- Warrants to purchase 817 shares of common stock at exercise prices ranging from $0.92 to $46,400.00 per share. The warrants will expire at various times from June 2026 to December 2029.

12. Income taxes

The Company generated a current taxable loss for the three months ended March 31, 2026 and December 31, 2025, and therefore, the only current income taxes payable were certain minimum taxes. The effective tax rate for the years ended December 31, 2025, and 2024 was zero and differs from the federal statutory income tax rate of 21% principally due to the full valuation allowance recognized against deferred income tax assets, and to a lesser extent due to different tax rates in the jurisdiction of VTL and certain non-deductible expenses for income tax purposes.

A valuation allowance is established attributable to deferred tax assets recognized on carry forward tax losses by the Company where, based on available evidence, it is more likely than not that they will not be realized. The Company recorded full valuation allowance against its net deferred tax assets on March 31, 2026 and December 31, 2025. Significant management judgment is required in determining provision for income taxes, deferred tax assets and liabilities and any valuation allowance recorded against deferred tax assets. The valuation allowance is based on the Company's estimates of taxable income by jurisdiction in which the Company operates and the period over which deferred tax assets will be recoverable.

As of December 31, 2025, VTI has net operating loss carry-forwards of approximately $28,000,000 in the United States, which will expire as follows: $16.1 million has no expiration date, $10.2 million expires in 2039, and $1.7 million expires in 2038. Due to the change in ownership provisions of the Internal Revenue Code, the availability of the Company's net operating loss carry-forwards may be subject to annual limitations against taxable income in future periods, which could substantially limit the eventual utilization of such carry-forwards. The Company has not analyzed the historical or potential impact of its equity financings on beneficial ownership and therefore no determination has been made whether the net operating loss carry-forward is subject to any Internal Revenue Code Section 382 limitation. To the extent there is a limitation, there would be a reduction in the deferred tax asset with an offsetting reduction in the valuation allowance.

At the date of the Merger, Reshape had approximately $230 million of net operating loss carryforwards, the majority of which has no expiration. However, utilization of such net operating losses will be limited by the Internal Revenue Code Section 382 limitation to approximately $400,000 per year based upon a preliminary analysis.

As of December 31, 2025, VTL has approximately $2.3 million USD equivalent of net operating loss carry-forwards.

The Company is subject to income taxes and tax audits in many jurisdictions. A certain degree of estimation is thus required in recording the assets and liabilities related to income taxes. Tax audits and examinations can involve complex issues, interpretations, and judgments and the resolution of matters that may span multiple years, particularly if subject to litigation or negotiation. The Corporation's federal and provincial income tax returns filed for all years remain subject to examination by the taxation authorities.

The Company's investments in its foreign subsidiaries are considered to be permanently invested and no provision for income taxes on the related foreign exchange translation adjustments or income/(loss) of those subsidiaries has been recorded.

13. Leases

The Company leases offices and laboratory space in India, which were automatically extended for two one-year periods ending December 2026, with payments ranging from $2,500 to $2,900 per month. The Company intends to renew the leases through December 2026 as allowed under the lease agreement. In the U.S., the Company has month-to-month shared space arrangements, and therefore, there is no requirement to record a right of use asset and related liability.

Operating leases are presented in the Company's Condensed Consolidated Balance Sheets as right-of-use assets, net, and operating lease liability– current portion. The assets and liabilities from our leases are recognized at the lease commencement date based on the present value of remaining lease payments over the lease term using the Company's incremental borrowing rates. Short-term leases, which have an initial term of 12 months or less, are not recorded on the balance sheet. As the Company's operating leases do not provide implicit rates, the Company has utilized its incremental borrowing rate, determined based on the long-term borrowing costs of companies with similar credit profiles, to record its lease obligations. For operating leases, the Company recognizes the minimum rental expense on a straight-line basis based on the fixed components of a lease arrangement. The Company will amortize this expense over the term of the lease beginning with the lease commencement date.

If the Company renews the lease for the entire three-year period, as expected, the annual lease payments will be approximately $33,000 in the year ending December 31, 2026. The following table presents information about the amount and timing of liabilities arising from the Company's operating leases as of March 31, 2026:

Lease payments – 2026	$ 23,152
Total undiscounted operating lease payments	23,152
Less: Imputed interest	(604)
Present value of operating lease liabilities – all current	**$ 22,548**

	As of March 31, 2026	**As of December 31, 2025**
Weighted average remaining lease term in years	1.0	2.0
Weighted average discount rate	8.0%	8.0%

The Right of Use Asset on March 31, 2026 of $21,241 will be amortized over the 1 year remaining under the lease term. The Right of Use Asset balance on December 31, 2025 was $29,428. Rent expense was approximately $14,531 and $10,783 for the three months ended March 31, 2026 and the year ended December 31, 2025, respectively.

14. Commitments and contingencies

a) Employee Benefits – Gratuity

The Company has a defined benefit gratuity scheme for its employees in India. This gratuity scheme provides for lump sum payment in accordance with the provisions of the Payment of Gratuity Act, 1972 to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service or part thereof in excess of six months subject to a limit of INR 2,000,000 (equivalent to approximately $24,000). Vesting occurs upon completion of 5 years of continuous service. A roll forward of the liability balance for the three months ended March 31, 2026 and 2025 are as follows:

	Three months ending March 31, 2026	Three months ending March 31, 2025
Obligation recognized in balance sheet:		
Beginning of period	$ 82,357	$ 73,108
Benefits paid	(39,513)	
Expenses charged to profit or loss	(15)	12,911
Currency translation differences	(2,957)	
Total	$ 39,872	$ 86,019

b) Employee Benefits – Leave Encashment

Accumulated Compensated absences or paid leave encashment, which are expected to be encashed within 12 months from the end of the year and are treated as short-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement at the end of the year. Actuarial gains or losses are recognized in the Condensed Consolidated Statement of Operations and Comprehensive Loss in the year in which they arise. A roll forward of the liability balance for the periods ended March 31, 2026 and 2025 are as follows:

	Three months ending March 31, 2026	Three months ending March 31, 2025
Obligation recognized in balance sheet:		
Beginning of period	$ 77,298	$ 72,768
Benefits paid	(33,811)	
Expenses charged to profit or loss	(104)	8,327
Currency translation differences	(2854)	
End of the Year	$ 40,530	$ 81,140

c) Employee Benefits – Provident Fund

In accordance with Indian law, all employees in India are entitled to receive benefits under the 'Provident Fund', which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently at 12%) of the employee's basic salary. These contributions are made to the fund which is administered and managed by the Government of India. The Company's monthly contributions to the above-mentioned plans are charged to consolidated statements of operations and comprehensive loss in the year they are incurred and there are no further obligations under the plan beyond those monthly contributions. The Company's contribution towards the Provident Fund during the three months ended March 31, 2026 and 2025 was approximately $428 and $395, respectively.

d) GST matter

On March 27, 2026, the Company received an order from the GST authorities in India relating to the refund of Integrated Goods and Services Tax (IGST) of approximately ₹3.57 crore (approximately $400K) previously claimed on certain R&D services provided to its U.S. affiliate. The matter pertains to the determination of the place of supply under the IGST Act, 2017, for services rendered before October 1, 2019. The GST authorities have taken the position that such services do not qualify as "export of services" and have proposed recovery of the refund along with applicable interest and penalties under relevant provisions of the Central Goods & Services Tax Act. The total amount of the demand order by IGST with respect to this matter, including interest and penalty is approximately $750,000 as of March 31, 2026.

The Company believes that its position is supported by applicable law, judicial precedents, and clarificatory guidance, including the nature of services being provided on a principal-to-principal basis and not constituting services in respect of goods physically made available. Accordingly, the Company intends to contest the order through appropriate legal remedies. Based on its assessment and advice from legal and tax counsel, management believes that it has a strong case on the merits and does not expect a material adverse impact on its financial position; accordingly, no provision has been recorded as of March 31, 2026.

e) Litigation

From time to time, the Company is involved in various disputes, claims, liens, and litigation matters arising out of the normal course of business, which could result in a material adverse effect on the Company's combined financial position, results of operations, or cash flows. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated. As of March 31, 2026, and December 31, 2025, the Company had no outstanding claims or litigation and had no liabilities recorded for loss contingencies.

15. Segments

The Company operates in two segments – the sale of products and licensing/service income in India ("Pharmaceutical Segment") and the development of biotechnology products ("Biotechnology Segment"), with substantially all of the resources of the Company focused on its biotechnology activities. The Company purchases substantially all of the products for the Pharmaceutical Segment from a third-party manufacturer. Other income items relate to corporate financing activities outside of these two segments.

Reporting by segment is summarized as follows for the three months ended March 31, 2026 and 2025:

Amount in USD	**For the three months ended March 31, 2026**			**For the three months ended March 31, 2025**		
	Biotechnology	**Pharmaceutical**	**Total**	**Biotechnology**	**Pharmaceutical**	**Total**
Revenues	$ -	31,591	$ 31,591	-	198,581	198,581
Gross margin	-	16,645	16,645	-	154,419	154,419
Operating expenses						
Depreciation and amortization	2,605		2,605	3,523		3,523
Selling, general and administrative	458,936	18,639	477,575	236,537	23,089	259,626
Transactional fees	-		-	-		-
Research and development	636,769	29,636	666,405	75,437	14,831	90,268
Total Operating expenses	**1,098,311**	**48,274**	**1,146,585**	**315,497**	**37,920**	**353,417**
Other expenses						
Interest expense	(2,845)		(2,845)	(54,954)		(54,954)
Fair value adjustment				(36,008)		(36,008)
Other income (loss), net	147,264		147,264	(4,014)		(4,014)
Other expenses	**144,419**	**-**	**144,419**	**(94,976)**	**-**	**(94,976)**
Net income	**$ (953,892)**	**$ (31,629)**	**$ (985,521)**	**$ (410,473)**	**$ 116,499**	**$ (293,974)**
Assets of segment	$ 10,185,137	$ 309	$ 10,185,446	$ 1,293,784	$ 149,299	$ 1,443,083

The Company derives revenues from the sale of products, including royalties related to sales of such products and from the license of technology. Substantially all revenues for the three months ended March 31, 2026 and 2025 are derived from Sun Pharma, a significant pharmaceutical company based in India ("Major Customer"). Revenues for the three months ended March 31, 2026, and 2025 are summarized as follows:

	Three months ending March 31, 2026	**Three months ending March 31, 2025**
Licensing and milestone fees – Luliconazole	-	116,900
Sale of products	25,465	76,727
Royalty income related to above product sales	6,126	4,954
Total	$ 31,591	$ 198,581

In December 2020, the Company entered into a licensing contract for a product with such a Major Customer, whereby the Company would be entitled to development and sales-based milestones and royalties on future sales of the product by the Major Customer. No development milestones, sales-based milestones, or royalties have been received under this license during the three months ended March 31, 2026, and $116,900 was earned during the three months ended March 31, 2025.

16. Due to affiliates

The Company incurred consultancy charges to certain members of the Board of Directors of the Company ("Directors") recognized as selling, general and administrative expenses in the Consolidated Statements of Operations and Comprehensive Loss amounting to approximately $25,000 for each of the three months ended March 31, 2026 and March 31, 2025. The amount outstanding to such Directors as of March 31, 2026 and December 31, 2025 is approximately $175,000 and $200,000, respectively, which is included in Due To Affiliates in the Condensed Consolidated Balance Sheet.

The Company incurred compensation expenses to the Chief Executive Officer of the Company ("CEO") recognized as Selling, General and Administrative expenses in the Consolidated Statements of Operations and Comprehensive Loss amounting to approximately $65,000 for each of the three months ended March 31, 2026 and 2025. The amount outstanding as of both March 31, 2026 and December 31, 2025 to the CEO is $323,066, which is included in Salary and Employment Benefits Payable in the Condensed Consolidated Balance Sheets. See also Note 7 for the settlement of a portion of the salary payable.

Certain Directors have provided short-term advances to the Company from time to time, amounting to approximately $4,346 and $4,562 at March 31, 2026 and December 31, 2025, respectively. This is included Due To Affiliates in the accompanying Condensed Consolidated Balance Sheets and is yet to be repaid as of the date of these financial statements.

17. Subsequent events

For the consolidated financial statements as at and for the three month ended March 31, 2026, we have evaluated subsequent events through the date the consolidated financial statements were available to be issued and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements, except as described below.

The Company received a civil court notice with respect to deferred unpaid salary of approximately $95,000, not paid to a past employee. This has been recognized as a liability at both March 31, 2026 and December 31, 2025, therefore there is no further impact on working capital expected related to this matter.

On April 24, 2026, VHI amended the Articles of Incorporation of the Company to effectuate a decrease in the number of shares of the common stock authorized for issuance from 300,000,000 to 50,000,000 shares.

On May 8, 2026 the Company entered into an in-licensing agreement with Impetis Biosciences Limited (A TATA Enterprise) relating to certain preclinical JAK inhibitor assets, pursuant to which the Company has no upfront payment obligations, development funding commitments, or milestone payment obligations, and consideration is limited to a 1.5% royalty on future net sales, if any, upon commercialization.

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

The following discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q. Except for the historical information contained herein, the matters discussed in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are forward-looking statements that involve risks and uncertainties. In some cases, these statements may be identified by terminology such as "may," "will," "should," "expects," "could," "intends," "might," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of such terms and other comparable terminology. These statements involve known and unknown risks and uncertainties that may cause our results, level of activity, performance, or achievements to be materially different from those expressed or implied by the forward-looking statements. Factors that may cause or contribute to such differences include, among others, those discussed in the "Risk Factors" section included in Item 1A of our most recent Annual Report on Form 10-K. Except as may be required *by law, we undertake no obligation to update any forward-looking statement to reflect events after the date of this report.*

Overview

On August 15, 2025, ReShape Lifesciences Inc. (now known as Vyome Holdings, Inc.) (the "Company") completed the merger pursuant to the Agreement and Plan of Merger, dated as of July 8, 2024, as amended (the "Merger Agreement"), by and among the Company, Raider Lifesciences Inc., a wholly owned subsidiary of the Company ("Merger Sub"), and Vyome Therapeutics, Inc. ("Vyome"). Pursuant to the Merger Agreement, Merger Sub merged with and into Vyome, with Vyome surviving the merger as a subsidiary of the Company (the "Merger"). As a result of the Merger, the Company was renamed "Vyome Holdings, Inc." and Vyome continued under its name as Vyome Therapeutics, Inc., in each case effective before the open of trading on August 15, 2025.

The Company is a Cambridge, MA/Princeton, NJ/ New Delhi, India-based clinical-stage specialty pharmaceutical company working to treat immune-inflammatory and rare diseases of unmet need with next-generation therapeutic solutions, with a business advantage of the US-India innovation corridor. The lead program, VT-1953, is a topical gel that is being developed to treat signs and symptoms of malignant fungating wounds, a potentially orphan drug designation program. The Company is planning to have discussions with the Food & Drug Administration (FDA) on a pivotal trial protocol in the first half of 2026. The Company also has a Pre-Investigational New Drug application stage ophthalmic drops program, a potentially orphan drug program, VT-1908, a repurposed immune modulator to treat steroid-sparing anterior uveitis. Another late clinical-stage program, VB-1953, for moderate to severe acne, has completed its Phase II clinical trial, and this program is Phase 3-ready.

The Company may experience delays in the conduct of clinical trials of its candidates. Clinical trials can be delayed for a variety of reasons, including delays in obtaining regulatory approval to commence a clinical trial, in securing clinical trial agreements with prospective sites with acceptable terms, in obtaining institutional review board approval to conduct a clinical trial at a prospective site, in recruiting patients to participate in a clinical trial or in obtaining sufficient supplies of clinical trial materials. Any delays in completing the Company's clinical trials will increase its costs, slow down its product development, timeliness, and approval process, and delay its ability to generate revenue.

The Company has commercialized a novel reformulated topical anti-fungal shampoo based on the technology platform of Molecular Replacement Therapeutics ("MRT") in India. The Company has entered into a licensing and marketing agreement with Sun Pharma to sell such topical anti-fungal product in India, whereby the Company will receive a net service fee payment for sales of such products made by Sun Pharma. This agreement terminated in 2024. The Company had also entered into an agreement with Sun Pharma for the development and licensing of MRT technology-based Luliconazole topical cream for skin fungal diseases for the Indian market. This product was commercialized by Sun Pharma in 2023.

The Company operates in two segments, biotechnology and pharmaceutical products. Our biotechnology segment comprises our operations around our VT-1953, VT-1908, and VB-1953 programs that are in development, and our pharmaceutical segment comprises our antifungal products.

Since inception, our operations have focused on organizing and staffing our biotechnology segment, business planning, raising capital, acquiring and developing our technology, establishing our intellectual property portfolio, identifying potential product candidates, undertaking preclinical and clinical studies, and manufacturing. We do not have any products approved for sale and have not generated any revenue from product sales from the biotechnology segment. Our pharmaceutical segment represents the operations of a legacy business and various licensing agreements with Sun Pharma.

Recent Developments

Closing of the Merger

On August 15, 2025, the Company completed the merger pursuant to the Agreement and Plan of Merger, dated as of July 8, 2024, as amended (the "Merger Agreement"), by and among the Company, Raider Lifesciences Inc., a wholly owned subsidiary of the Company ("Merger Sub"), and Vyome Therapeutics, Inc. ("Vyome"). Pursuant to the Merger Agreement, Merger Sub merged with and into Vyome, with Vyome surviving the merger as a subsidiary of the Company (the "Merger"). As a result of the Merger, the Company was renamed "Vyome Holdings, Inc." and Vyome continued under its name as Vyome Therapeutics, Inc., in each case effective before the open of trading on August 15, 2025.

At the effective time of the Merger (the "Effective Time"), each share of common stock, par value $0.001 per share, of Vyome, and each share of preferred stock, par value $0.001 per share, of Vyome issued and outstanding immediately prior to the Effective Time (other than the shares that were owned by the Company, Vyome, or Merger Sub and shares that will be subject to put-call option agreements with certain stockholders of Vyome and Vyome's subsidiary Vyome Therapeutics Limited ("Vyome Limited") who are located in India) were converted into the right to receive a number of fully-paid and non-assessable shares of common stock of the Company, $0.001 par value per share according to a predetermined ratio; provided that the shares to be received by certain stockholders of Vyome and Vyome Limited located in India shall be subject to the put-call option agreements with the Company which entitles such holders to receive shares of Common Stock of the Company upon certain occurrences. In addition, each outstanding warrant, stock option, restricted stock award, stock grant or other equity award to purchase capital stock of Vyome were converted into right, warrants or equity awards to purchase a number of the Company's shares of common stock equal to the number of shares of Vyome common stock issuable upon exercise of such Vyome right, warrant or equity award multiplied by the predetermined ratio, with an exercise price, in the case of warrants and stock options, equal to the exercise price of such Vyome warrant or option divided by the predetermined ratio.

Immediately prior to the consummation of the Merger, the Company filed an Amended and Restated Certificate of Designation to Series C Convertible Preferred Stock (the "Series C Amendment").

The issuance of Common Stock in connection with the Merger was registered under the Securities Act of 1933, as amended, pursuant to the Company's registration statement on Form S-4 (File No. 333-282459) filed with the United States Securities and Exchange Commission (the "SEC") on October 1, 2024, as amended on December 6, 2024, January 15, 2025, April 29, 2025, May 9, 2025 and May 14, 2025 and declared effective on May 14, 2025.

As set forth in the Merger Agreement, it was a condition to the closing of the Merger that The Nasdaq Stock Market ("Nasdaq") approve the initial listing application of the combined company so that the listing on The Nasdaq Capital Market will continue after the Merger. Nasdaq approved the initial listing application on August 6, 2025.

Prior to the Effective Time of the Merger, VTI had the following activities as discussed in more detail in the financial statements:

- Authorized a 1 for 5,000 reverse stock split of issued and outstanding shares of common and preferred stock
- Amended the Certificate of Incorporation of the Company to authorize three new classes of preferred stock, with similar rights as the previous shares of preferred stock:
    - Series D-1 – 23,658 shares authorized with an "original issuance price" of $8.874 per share
    - Series D-2 – 315,256 shares authorized with an "original issuance price" of $5.886 per share
    - Series Seed-1 – 900,000 shares authorized with an "original issuance price" of $0.936 per share
- Adopted the 2025 Equity Incentive Plan providing for the issuance of up to 2,800,000 shares of common stock to employees, officers, directors, and non-employees in the form of non-qualified and incentive stock options, restricted stock awards, and other stock-based awards.
- Issued, under the 2025 Plan, stock options to employees, consultants, board members and others to purchase 2,705,779 shares of common stock at an exercise price of $0.41 per share which vest immediately and 57,122 shares of common stock at an exercise price of $0.41 per share which vest over a one-year period from the date of grant to employees.

- Reclassified certain shares held by shareholders as follows:
    - 11 shares of Series D preferred stock into 23,658 shares of Series D1 preferred stock
    - 96 shares of Series D preferred stock into 315,256 shares of Series D2 preferred stock
    - 203 shares of Series D preferred stock into 900,000 shares of Seed Series-1 preferred stock
- Terminated the Amended and Restated Investors' Rights Agreement, the Amended and Restate Right of First Refusal and Co-Sale Agreement), and the Amended and Restated Voting Agreement, as amended September 5, 2019, between the Company and its shareholders
- All convertible notes plus accrued interest outstanding at the Merger date were converted into 534,850 shares of common stock
- Warrants to purchase 6,008,589 shares of common stock at $0.01 per share were issued to investors. The Company received $6,009 from the exercise of such warrants at the Merger date.
- Issued 376,256 common shares to consultants, advisors and for terminating a share subscription agreement.

Changes in Officers and Directors

On August 13, 2025, in connection with the consummation of the Merger and, as required pursuant to the Merger Agreement, Paul Hickey, Dan W. Gladney, Arda M. Minocherhomjee and Lori C. McDougal and Gary D. Blackford resigned from and ceased serving on the Board and any and all committees thereof, which resignations were effective upon the consummation of the Merger. In addition, effective upon the consummation of the Merger, Paul Hickey resigned as the President and Chief Executive Officer of the Company, and Tom Stankovich resigned as the Chief Financial Officer of the Company.

In connection with the consummation of the Merger and pursuant to the Merger Agreement, on August 15, 2025, the Board elected and designated Krishna Gupta, Stash Pomichter, Shiladitya Sengupta, Venkateswarlu Nelabhotla, John Tincoff, and Mohanjit Jolly, to serve on the Board effective immediately after the consummation of the Merger. Pursuant to the Merger Agreement and as previously disclosed, Krishna Gupta has been serving as the Board's Chairperson of the Combined Company effective as of the consummation of the Merger.

Also on August 15, 2025, in connection with the consummation of the Merger, Venkateswarlu Nelabhotla was appointed as Chief Executive Officer of the Company and Robert Dickey was appointed as Interim Chief Financial Officer of the Company.

The Company entered into an agreement with Foresite Advisors, LLC (the "CFO Agreement") governing the terms of Mr. Dickey's employment with the Company as its Interim Full-time Chief Financial Officer. The CFO Agreement provides for a one-year term, which may be extended by mutual written consent. The CFO Agreement may be terminated by either party with Cause, as defined in the agreement, upon 15 days' notice or without cause, upon 30 days' prior written notice to the other party. The CFO Agreement provides for compensation of $15,000 per calendar month.

Closing of the Reshape Asset Sale

On July 8, 2025, the Company completed the transactions contemplated under the Asset Purchase Agreement dated July 8, 2024, which was amended on April 25, 2025 (the "Asset Purchase Agreement"), with Ninjour Health International Limited, a company incorporated under the laws of the United Kingdom, which is an affiliate of Biorad Medisys Pvt. Ltd. (together, "Biorad"). Pursuant to the Asset Purchase Agreement, the Company sold its assets (excluding cash) to Biorad, and Biorad assumed substantially all of the Company's liabilities, for an agreed upon purchase price of $2.25 million in cash, subject to adjustment based on the Company's actual accounts receivable and accounts payable at the closing, compared to such amounts as of March 31, 2026.

Private Placement

Immediately after the Effective Time, the Company closed on the sale of an aggregate of 520,514 shares of the Company's Common Stock (the "Offered Shares") at a price of $11.02 per share for gross proceeds of approximately $5,735,000 pursuant to those certain subscription agreements entered into among the Company, Vyome, and the investors signatory thereto. Vyome, through its subsidiary Vyome Therapeutics Limited, also closed on the sale of 999 shares of Vyome Therapeutics Limited at a price per share of $937.14 for gross proceeds of approximately $936,000, which shares are subject to a put-call option agreement with the Company. Simultaneously with entry into the subscription agreements, the Company, Vyome and the investors entered into registration rights agreements, which provide for certain registration rights to the investors, including the filing of a registration statement that includes the shares of common stock purchased by the investors, within 45 days of the closing of the Merger. Simultaneously with the execution of the subscription agreements, Vyome entered into a securities purchase agreement with each investor pursuant to which Vyome issued to each investor a convertible promissory note in the principal amount equal to 5% or more of such investor's total agreed upon investment amount, which convertible notes provided for interest at 8% per annum and conversion immediately before completion of the Merger into a number of shares of common stock of Vyome equal to 100% of the outstanding principal and interest of the convertible promissory notes divided by $11.02, the price per share of common stock sold in the private placement offering.

Reverse Stock Split

On August 15, 2025, the Company effected a 1-for-4 reverse stock split of its Common Stock (the "Reverse Stock Split"). On July 24, 2025, the stockholders of the Company approved the proposal to authorize the Board of Directors of the Company (the "Board"), in its discretion, to amend the Company's Certificate of Incorporation, as amended, to effect a reverse stock split of the Company's Common Stock, at a ratio in the range of 1-for-2 to 1-for-5, such ratio to be determined by the Board and included in a public announcement. The Board subsequently approved the Reverse Stock Split at a ratio of 1-for-4, and on August 15, 2025, the Company filed a Certificate of Eighth Amendment (the "Certificate of Eighth Amendment") with the Secretary of State of the State of Delaware to amend the Company's Restated Certificate of Incorporation, as amended, and effected the Reverse Stock Split on August 15, 2025.

As a result of the Reverse Stock Split, every four shares of Common Stock issued or outstanding or held by the Company as treasury stock were automatically reclassified into one new share of Common Stock without any action on the part of the holders. Any fractional shares of Common Stock resulting from the Reverse Stock Split were rounded up to the nearest whole share, and no stockholders received cash in lieu of fractional shares.

The Reverse Stock Split was primarily intended to bring the Company into compliance with the minimum bid price requirements for maintaining its listing on The Nasdaq Capital Market in connection with the Merger. Trading of the Company's Common Stock on The Nasdaq Capital Market continued on a split-adjusted basis when the markets opened on August 15, 2025, under the name Vyome Holdings, Inc. and trading symbol "HIND."

Amendments to Articles of Incorporation

On August 15, 2025, the Company filed (a) the Certificate of Eighth Amendment with the Secretary of State of the State of Delaware to effect the Reverse Stock Split after the close of trading on August 14, 2025, (b) Series C Amendment, and (c) a Certificate of Ninth Amendment (the "Certificate of Ninth Amendment") with the Secretary of State of the State of Delaware to amend the Company's Restated Certificate of Incorporation, as amended, to change its corporate name to Vyome Holdings, Inc.

On April 24, 2026, the Company filed the Certificate of Tenth Amendment with the Secretary of State of the State of Delaware to effectuate a decrease in the number of shares of the Company's common stock authorized for issuance from 300,000,000 to 50,000,000 shares. The stockholders of the Company approved the amendment on April 24, 2026, at the 2026 Annual Meeting of Stockholders.

ATM Offering

On August 20, 2025, the Company entered into Amendment No. 1 (the "Amendment") to that certain Equity Distribution Agreement dated May 30, 2025 with Maxim Group LLC to act as the Company's exclusive sales agent with respect to the issuance and sale of up to $12,000,000 of the Company's shares of common stock, par value $0.001 per share, from time to time, in an at-the-market public offering (the "ATM Offering"). The Amendment increased the amount that may be offered and sold in the Offering from $3,420,926 to $12,000,000. In February 2026, the Company sold 1,089,545 shares of common stock at prices between $3.09 and $4.86 per share under the Equity Distribution Agreement, resulting in net proceeds of $5,291,868.

Components of Results of Operations

Although we operate in two segments, all of our revenue relates to the pharmaceutical segment, and substantially all of our costs relate to the biotechnology segment. See the "Segments" footnote in our Financial Statements.

Revenue

We have a development and licensing agreement for MRT technology-based Luliconazole topical cream product for skin fungal diseases, from where we get revenues from milestone payments, royalties and the sale of a proprietary ingredient. These payments are recorded as service fee revenue in the period earned. We have occasionally received payments for milestones specified under the license of our products to Sun Pharma, but do not expect to receive any significant further milestone payments. We expect to continue to receive a minor amount of royalties under such licenses. Such revenues are part of our pharmaceutical segment.

Operating Expenses

Our operating expenses consist of (i) research and development expenses, (ii) cost of goods sold, and (iii) general and administrative expenses.

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research and development activities, including our product candidate discovery efforts and preclinical and clinical studies under our research programs, which include:

- employee-related expenses, including salaries, benefits, and stock-based compensation expense for our research and development personnel;
- costs of funding research performed by third parties that conduct research and development and preclinical and clinical activities on our behalf;
- costs of manufacturing drug product and drug supply related to our current or future product candidates;
- costs of conducting preclinical studies and clinical trials of our product candidates;
- consulting and professional fees related to research and development activities, including equity- based compensation to non-employees;
- costs of maintaining our laboratory, including purchasing laboratory supplies and non-capital equipment used in our preclinical studies;
- costs related to compliance with clinical regulatory requirements; and
- facility costs and other allocated expenses, which include expenses for rent and maintenance of facilities, insurance, depreciation and other supplies.

Research and development costs are expensed as incurred. Costs for certain activities are recognized based on an evaluation of the progress to completion of specific tasks using data such as information provided to us by our vendors and analyzing the progress of our preclinical and clinical studies or other services performed.

The successful development of our product candidates is highly uncertain. We cannot reasonably estimate or know the nature, timing, and estimated costs of the efforts that will be necessary to complete development of our current or future product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from the sale of our product candidates, if they are approved. This is due to the numerous risks and uncertainties associated with developing product candidates, including the uncertainty of:

- the scope, rate of progress, and expenses of our ongoing research activities as well as any preclinical studies and clinical trials and other research and development activities;
- establishing an appropriate safety profile;
- successful enrollment in and completion of clinical trials;
- whether our product candidates show safety and efficacy in our clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- commercializing product candidates, if and when approved, whether alone or in collaboration with others; and
- continued acceptable safety profile of the products following any regulatory approval.

A change in the outcome of any of these variables with respect to the development of our current and future product candidates would significantly change the costs and timing associated with the development of those product candidates.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect research and development costs to increase significantly for the foreseeable future as we commence clinical trials and continue the development of our current and future product candidates. However, we do not believe that it is possible, at this time, to accurately project expenses through commercialization. There are numerous factors associated with the successful commercialization of any of our product candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. Additionally, future commercial and regulatory factors beyond our control will impact our clinical development programs and plans.

Cost of Goods Sold

Cost of goods sold represents the costs to obtain products from the third-party manufacturer of our pharmaceutical products and proprietary ingredients sold to Sun Pharma.

General and Administrative Expenses

General and administrative expenses include salaries and other compensation-related costs, including stock-based compensation, for personnel in executive, finance and accounting, business development, operations and administrative roles. Other significant costs include insurance costs, professional fees, travel costs, facility and office-related costs, not included in research and development expenses.

We anticipate that our general and administrative expenses will increase in the future as our business expands to support expected growth in research and development activities, including our future clinical programs. These increases will likely include increased costs related to the hiring of additional personnel and fees to outside service providers, among other expenses. In addition, if we obtain regulatory approval for any of our product candidates and do not enter into a third-party commercialization collaboration, we expect to incur significant expenses related to building a sales and marketing team to support product sales, marketing and distribution activities.

We also anticipate increased expenses associated with being a public company including costs for audit, legal, regulatory and tax-related services related to compliance with the rules and regulations of the SEC, and listing standards applicable to companies listed on a national securities exchange, director and officer insurance premiums, and investor relations costs.

Interest Expense

Interest expense results from the stated interest rates under our convertible notes. Borrowings under the notes carried an 8% coupon interest rate. All of the notes were converted into equity instruments in connection with the Merger.

Fair value adjustment

We record our convertible notes at fair value. Changes in the fair value of the convertible notes are recognized as a component of other income. All of the notes were converted into equity instruments in connection with the Merger.

Comparison of the three months ended March 31, 2026 and 2025

Results of Operations

The following table summarizes our results of operations for the periods presented:

For the three months ended March 31,

	2026	2025	Change
Revenues			
Revenue	$ 31,591	$ 198,581	$ (166,990)
Cost of goods sold	(14,946)	(44,162)	29,216
Gross profit	16,645	154,419	(137,774)
Operating expenses:			-
Research and development	666,405	90,268	576,137
Depreciation and amortization	2,605	3,523	(918)
Selling, general and administrative	477,575	259,626	217,949
Total operating expenses	1,146,585	353,417	793,168
Loss from operations	(1,129,940)	(198,998)	(930,942)
Other income (expense):			-
Fair value adjustment	-	(36,008)	36,008
Interest income and other	147,264	(4,014)	151,278
Interest expense	(2,845)	(54,954)	52,109
Net loss	$ (985,521)	$ (293,974)	$ (691,547)

Revenues

The Company derives revenues from the sale of products, including royalties related to sales of such products, and from the license of our technology. Substantially all revenues for the three months ended March 31, 2026, and 2025 were derived from one customer, Sun Pharma, based in India. During 2023, the Company amended its arrangement with Sun Pharma such that the Company will no longer be responsible for purchasing and selling inventory of the dandruff lotion and shampoo but instead will receive a net service fee payment for sales of such products made by Sun Pharma. This arrangement was terminated in 2024. We have a development and licensing agreement for MRT technology-based Luliconazole topical cream product for skin fungal diseases, from which we get revenues from milestone payments, royalties, and the sale of a proprietary ingredient.

Revenues for the three months ended March 31, 2026 and 2025 are summarized as follows:

	2026	2025
Licensing & milestone fees – Luliconazole	-	116,900
Royalty income related to above product sales	6,126	4,954
Sale of products	25,465	76,727
	$ 31,591	$ 198,581

Research and Development Expenses

Research and development expenses were $666,405 and $90,268 for the three months ended March 31, 2026 and 2025, respectively. The increase in research and development costs was primarily due to the focusing of the Company's resources on scaling up the regulatory consulting and CMC preparation work of the VT-1953 project.

General and Administrative Expenses

General and administrative expenses were $477,575 and $259,626 for the three months ended March 31, 2026 and 2025, respectively. The increase was primarily due to an increase in legal, accounting, auditing, and related professional fees associated with preparing for the Merger, and the stock-based compensation for stock options of $5,696 in the three months ended March 31, 2026.

Interest income

Interest income and other were $147,264 and ($4,014) for the three months ended March 31, 2026, and 2025, respectively. The increase was driven by funds held in our bank accounts after merger-related proceeds and draws on the ATM.

Fair value adjustment

The fair value adjustment related to the fair value of the Company's outstanding convertible notes was favorable/(unfavorable) Nil and ($36,008) for the three months ended March 31, 2026, and 2025, respectively, reflecting the probability and timing of the Merger completion and resultant valuation considerations.

Cash Flows

The following table summarizes our cash flows for the three months ended March 31, 2026, and 2025 indicated:

For the three months ended March 31,

Net cash provided by (used in):	2026	2025	Change
Operating activities	$ (1,435,966)	$ (203,535)	$ (1,232,429)
Investing activities	-	-	-
Financing activities	5,288,868	160,000	5,128,868
Other	(39,454)	1	(39,455)
Net (decrease) increase in cash	$ 3,813,448	$ (43,534)	$ 3,856,983

During the three months ended March 31, 2026, net cash used in operating activities was $1,435,966, consisting primarily of net losses of $985,521 less stock compensation expenses of $5,696, a decrease of $278,628 of post-employment benefits and a decrease of accounts payable and accrued expenses of $184,697 partially offset by a decrease in prepaid expenses of $89,189. The Company continues to operate under cost-efficient operations for capital efficiency.

During the three months ended March 31, 2025, net cash used in operating activities was $203,535, consisting primarily of net losses of $293,974 less the non-cash charge for interest expense of $50,939 and an increase in accrued compensation and post-employment benefits of $68,021, offset by the loss on fair value adjustment of convertible debt of $36,008 and a decrease in accounts payable and accrued expenses of $73,168.

During 2025 prior to the Merger, we have primarily used the proceeds of the sale of our convertible notes to incrementally develop our biotechnology products and prepare the Company for an offering of its securities and activities related thereto. We had been operated under an austerity program for several years, delaying projects and payments until sufficient funds could be raised. As a result of the Merger, we were able to close on the funding from the Concurrent Financing (approximately $6.6 million) and subsequently from the ATM facility (approximately $6,500,000). The Company had $8,795,783 of cash at March 31, 2026.

Financing Activities

During the three months ended March 31, 2026, cash provided by financing activities was $5,288,868, principally from the net proceeds from the sale of common stock pursuant to the ATM. During the three months ended March 31, 2025, cash provided by financing was $160,000, consisting primarily of $160,000 from the sale of convertible notes.

Liquidity and Capital Resources

Since inception, we have incurred significant operating losses. As of March 31, 2026, we had a cash balance of $8,795,783 and have operated under an austerity plan for several years. We expect to continue to incur significant and increasing expenses and operating losses for the foreseeable future, as we advance our current and future product candidates through preclinical and clinical development, manufacturing of our drug product and drug supply, regulatory approval for our current and future product candidates, maintenance and expansion of our intellectual property portfolio, hiring of additional research, development and business personnel and operations as a public company. In addition, if we obtain marketing approval for any of our current or future product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution, which costs we may seek to offset through entry into collaboration agreements with third parties.

We will not generate revenue from product sales for our biotechnology segment unless and until we successfully complete clinical development and obtain regulatory approval for our product candidates. In addition, if we obtain regulatory approval for our product candidates and do not enter a third-party commercialization partnership, we expect to incur significant expenses related to developing our commercialization capability to support product sales, marketing, manufacturing, and distribution activities.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity offerings and debt financings or other sources, such as potential collaboration agreements, strategic alliances, and licensing arrangements. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on acceptable terms, or at all.

On March 27, 2026, the Company received an order from the GST authorities in India relating to the refund of Integrated Goods and Services Tax (IGST) of approximately ₹3.57 crore (~$400K) previously claimed on certain R&D services provided to its U.S. affiliate. The matter pertains to the determination of the place of supply under the IGST Act, 2017, for services rendered before October 1, 2019. The GST authorities have taken the position that such services do not qualify as "export of services" and have proposed recovery of the refund along with applicable interest and penalties under relevant provisions of the Central Goods & Services Tax Act. The Company believes that its position is supported by applicable law, judicial precedents, and clarificatory guidance, including the nature of services being provided on a principal-to-principal basis and not constituting services in respect of goods physically made available. Accordingly, the Company intends to contest the order through appropriate legal remedies. Based on its assessment and advice from legal and tax counsel, management believes that it has a strong case on the merits and does not expect a material adverse impact on its financial position; accordingly, no provision has been recorded as of March 31, 2026.

The Company received a civil court notice with respect to deferred unpaid salary of approximately $95,000 to a past employee. Thies liability is already accrued in the balance sheet.

We believe that our existing cash, together with the proceeds from the private placement offering, and proceeds from our ATM facility to date, will enable us to fund our operating expenses and capital expenditure requirements for at least 15 months, including the initiation of the pivotal trial of our lead candidate, VT-1953, but will not be sufficient to complete the trial and or work on the other indications or the development of any other product candidate. We have based this estimate on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Our failure to raise capital or enter into such agreements as, and when needed, could have a material adverse effect on our business, results of operations, and financial condition.

Our future capital requirements will depend on a number of factors, including:

- the costs of conducting preclinical studies and clinical trials;
- the costs of manufacturing;
- the scope, progress, results and costs of discovery, preclinical development, laboratory testing, and clinical trials for product candidates we may develop, if any;
- the costs, timing, and outcome of regulatory review of our product candidates;
- our ability to establish and maintain collaborations on favorable terms, if at all;
- the achievement of milestones or occurrence of other developments that trigger payments under any license or collaboration agreements we might have at such time;
- the costs and timing of future commercialization activities, including product sales, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval;
- the amount of revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval;
- the costs of preparing, filing and prosecuting patent applications, obtaining, maintaining and enforcing our intellectual property rights, and defending intellectual property-related claims;
- our headcount growth and associated costs as we expand our business operations and research and development activities; and
- the costs of operating as a public company.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through equity offerings and debt financings or other sources, such as potential collaboration agreements, strategic alliances, and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the interests of our stakeholders may be diluted, and the terms of these securities may include liquidation or other preferences that could adversely affect the rights of our stockholders. Additional debt financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends, that could adversely impact our ability to conduct our business.

If we raise funds through potential collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs, or product candidates, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations and Commitments

We enter into agreements in the normal course of business for sponsored research, preclinical studies, contract manufacturing, and other services and products for operating purposes, which are generally cancellable upon written notice.

Licenses, employment agreements, or other commitments

The Company leases offices and laboratory space in India, which were extended for a one-year period ending December 2026, with an automatic renewal for two years with monthly payments ranging from $2,500 to $2,900 per month. The Company has an intention to renew the leases for the two additional years allowed under the lease agreement. We also have offices in Princeton, NJ, and Cambridge, MA, under short-term rentals.

We may enter into contracts in the normal course of business with clinical research organizations for clinical trials and clinical supply manufacturing and with vendors for pre-clinical research studies, research supplies, and other services and products for operating purposes. These contracts generally provide for termination on notice, and therefore, we believe that our non-cancelable obligations under these agreements will not be material.

We also have employment agreements with certain employees and consulting agreements that require the funding of a specific level of payments if certain events, such as a change in control, termination without cause, or retirement, occur. We also have an agreement on Resignation and Separation Letter dated January 11, 2021, Craig Tooman, a past employee, to pay a certain amount on change of control.

Critical Accounting Policies and Significant Judgments and Estimates

The following summarizes the most significant estimates impacting the financial statements. Refer to Note 2 for further information**.**

Stock options

Our company accounted for the issuance of stock options in accordance with ASC 718, *Compensation-Stock Compensation*. We estimate the fair value of stock option awards granted using the Black-Scholes option-pricing model, which uses as inputs the fair value of our common stock and subjective assumptions we make, including expected stock price volatility, the expected term of the award, the risk-free interest rate, and expected dividends.

Inflation

Inflation generally affects us by increasing the cost of labor. We do not believe that inflation had a material effect on our business, financial condition or results of operations during the three months ended March 31, 2026 or 2025.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide disclosure pursuant to this item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Our disclosure controls and procedures have been designed to provide reasonable assurance of achieving their objectives.

Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2026.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during the quarter ended March 31, 2026, that materially affected, or were reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is not aware of any pending or threatened litigation against it that could have a material adverse effect on the Company's business, operating results or financial condition. The industry in which the Company operates is characterized by frequent claims and litigation, including claims regarding patent and other intellectual property rights as well as improper hiring practices. As a result, the Company may be involved in various legal proceedings from time to time.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors set forth in Item 1A. "Risk Factors" of our 2025 Annual Report on Form 10-K filed on March 18, 2026.

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

None.

Uses of Proceeds from Sale of Registered Securities

None.

Purchases of Equity Securities

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Impetis License Agreement

On May 8, 2026, the Company entered into an Exclusive License Agreement (the "Impetis License Agreement"), dated May 8, 2026, with Impetis Biosciences Limited (A TATA Enterprise, or "Impetis"), pursuant to which the Company was granted an exclusive license to manufacture, commercialize and distribute certain preclinical JAK inhibitor assets (the "Impetis Assets") worldwide. The Impetis License Agreement provides for consideration of a 1.5% royalty on future net sales, if any, upon commercialization of the Impetis Assets, and no upfront payment obligations, development funding commitments, or milestone payment obligations.

The foregoing description of the Impetis License Agreement is qualified in its entirety by reference to the full text of the Impetis License Agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein in its entirety by reference.

Rule 10b5-1 Plan and Non-Rule 10b5-1 Trading Arrangement Adoptions, Terminations, and Modifications

During the three months ended March 31, 2026, none of our directors or "officers" (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) and Item 408(c) of SEC Regulation S-K, respectively.

ITEM 6. EXHIBITS

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of July 8, 2024, by and among ReShape Lifesciences Inc., Vyome Therapeutics, Inc., and Raider Lifesciences Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 9, 2024).
2.2	Asset Purchase Agreement, dated as of July 8, 2024, by and between ReShape Lifesciences Inc. and Ninjour Health International Limited (incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 9, 2024).
2.3	Amendment to Asset Purchase Agreement, dated April 25, 2025, between ReShape Lifesciences Inc. and Ninjour Health International Limited (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 28, 2025).
3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to Obalon's Registration Statement on Form S-1, filed with the Securities and Exchange Commission on September 26, 2016).
3.2	Certificate of Amendment to the Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Obalon's Current Report on Form 8-K, filed with the Securities and Exchange Commission on June 14, 2018).
3.3	Certificate of Second Amendment to the Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to Obalon's Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 24, 2019).
3.4	Third Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 15, 2021).
3.5	Fourth Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 15, 2021).
3.6	Fifth Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 28, 2022).
3.7	Sixth Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 24, 2024).
3.8	Seventh Amendment to Restated Certificate of Incorporation, as amended, of the Company (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on May 9, 2025).
3.9	Eighth Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 19, 2025).
3.10	Ninth Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 19, 2025).
3.11	Tenth Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 29, 2026).
3.12	Amended and Restated Bylaws, effective as of January 16, 2024 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 18, 2024).

3.13	Amended and Restated Certificate of Designation to Series C Convertible Preferred Stock (incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 19, 2025).
3.14	Certificate of Merger merging Raider Lifesciences into Vyome Therapeutics, Inc. (incorporated by reference to Exhibit 3.4 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 19, 2025).
10.1**	Exclusive License Agreement, dated May 8, 2026, by and between the Company and Impetis Biosciences Limited.
31.1**	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2**	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101**	Financial statements from the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2026, formatted in Inline XBRL: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Stockholders' Equity, (iv) the Condensed Consolidated Statements of Cash Flows and (v) the Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* The schedules and exhibits to this exhibit have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.

** Filed herewith.

SIGNATURES

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

VYOME HOLDINGS, INC.

BY: */s/ Venkat Nelabhotla*

Venkat Nelabhotla
Chief Executive Officer
(principal executive officer)

BY: */s/ Robert Dickey IV*

Robert Dickey IV
Interim Chief Financial Officer
(principal financial and accounting officer)

Dated: March 12, 2026

Exhibit 10.1

EXCLUSIVE LICENSE AGREEMENT

This Exclusive License Agreement (this "Agreement") is effective as of March 15, 2026 (the "Effective Date") and made and entered into on May 8, 2026 (the "Execution Date"), by and between **Impetis Biosciences Limited**, a company incorporated in India, having a place of business at address of 6th Floor, Wing E, Times Square, Marol, Andheri-Kurla Road, Gamdevi, Andheri-East, Mumbai, 400059, Maharashtra, India ("Licensor"), and **Vyome Holdings, Inc.**, a Delaware corporation having its principal office at Harvard Square One Mifflin Place, Suite 400, Cambridge, MA 02138 (the "Licensee" and together, with the Licensor, the "Parties" and each a "Party").

Recitals

WHEREAS, Licensor is in the business of progressing its high-value assets through collaborations and partnerships in order to transform the lives of patients suffering from diseases that have no or limited therapeutic choices;

WHEREAS, Licensor developed certain proprietary compounds for the treatment of various immuno-inflammatory and other conditions, disclosed or included in, or covered by any of the Licensed Patents (as defined below);

WHEREAS, Licensee is a clinical stage drug development company focused on developing and commercializing of drugs for immune-inflammatory conditions and rare diseases; and

WHEREAS, Licensor desires to grant to Licensee, and Licensee desires to obtain from Licensor, an exclusive license to the Licensed Compound(s) (as defined below) under Licensor Intellectual Property, all on the terms and conditions set out below.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties hereby agree as follows:

Agreement

1. DEFINITIONS

The following terms have the meanings ascribed below:

1.1. "Agreement" means this Agreement, and any exhibit, schedule, addendum, or amendment hereto. In the event of a conflict between this Agreement and any exhibit, schedule, or addendum, the body of this Agreement shall control, unless expressly stated to the contrary in such additional document, and executed by the Party against whom enforcement is sought.

1.2. "Affiliate" means, with respect to a Party, any Person which, directly or indirectly through one (1) or more intermediaries, controls, is controlled by, or is under common control with such Party. For purposes of this definition, the term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as used with respect to a Person means (a) direct or indirect ownership of more than fifty percent (50%) of the voting securities or other voting interest of such Person (including attribution from related parties); or (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract, as a general partner, as a manager, or otherwise.

1.3. "Applicable Laws" means (i) all laws, statutes, constitutions, treaties, rules, regulations, ordinances, codes, guidance and common law and (ii) all judicial, executive, legislative, administrative or military orders, directives, decrees, injunctions, judgments, permits, agreements and other legal requirements of, with or adopted or imposed by any governmental authority, now or hereafter in effect and, in each case, as amended from time to time and as applicable to the activities contemplated by this Agreement.

1.4. "Background IP" means the Intellectual Property owned or controlled by either Party prior to the Effective Date of this Agreement.

1.5. "Confidential Information" of a Disclosing Party means all confidential or proprietary information provided, disclosed or otherwise made available by or on behalf of the Disclosing Party to the Receiving Party, whether orally, in writing, electronically, or other form, either in connection with the discussions and negotiations pertaining to this Agreement or in the course of performing obligations or exercising rights under this Agreement, which may include data, knowledge, ideas, discoveries, inventions (whether or not patented or patentable), improvements, know-how, technology, research results, processes, practices, techniques, methods, biological and other materials, formulations, scientific information, product development information, manufacturing information, business information, financial information, sales information, marketing information, supplier and vendor information, customer information, employee information, and Third Party information, whether or not such information is identified as confidential at the time of disclosure. Notwithstanding the foregoing, Confidential Information does not include any information that: (i) was lawfully known by the Receiving Party (other than under an obligation of confidentiality to the Disclosing Party) at the time of disclosure to the Receiving Party; (ii) was generally available to the public or otherwise part of the public domain at the time of disclosure to the Receiving Party; (iii) became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party, other than through any act or omission of the Receiving Party in breach of its obligations under this Agreement; (iv) was lawfully disclosed to the Receiving Party, other than under an obligation of confidentiality, by a Third Party who had no obligation to the Disclosing Party not to disclose such information to the Receiving Party; or (v) was independently discovered or developed by or on behalf of the Receiving Party without the benefit or use of, or reliance upon, any Confidential Information of the Disclosing Party as demonstrated by competent documentation; *provided*, that in connection with the foregoing exclusions, specific Confidential Information shall not be deemed to be known, generally available, or in the public domain (individually and collectively "Available") merely because broader or related information is Available, nor shall combinations of elements or principles be considered to be Available merely because individual elements thereof are Available. The existence and terms of this Agreement are deemed Confidential Information of both Parties.

1.6. "Copyrights" means any copyrights in copyrightable works, including all rights of authorship, use, publication, reproduction, distribution, performance, transformation, moral rights and rights of ownership of copyrightable works, all registrations, applications for registration and renewals of any of the foregoing anywhere in the world, and all rights to register and obtain renewals and extensions of registrations, together with all other interests accruing by reason of copyright law anywhere in the world.

1.7. "Derivative" means a compound that is derived from the scaffold of the Licensed Compound using chemical reactions on the Licensed Compound or using de novo whole or partial molecule chemical synthesis.

1.8. "Field" shall mean any and all fields of use.

1.9. "Governmental Authority" means any: (a) federal, state, local, municipal, foreign or other government; (b) governmental or quasi-governmental authority of any nature, including any regulatory authority, governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or entity and any court or other tribunal; (c) multinational governmental organization or body; or (d) entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

1.10. "Improvement" means any and all technical information, patentable or non-patentable, which cover any improvement, invention or discovery concerning the Licensed Compound or the Licensed Product licensed hereunder.

1.11. "Intellectual Property" means any and all of the following in any jurisdiction throughout the world and all rights associated therewith: (i) Patents and other indicia of ownership of an invention recognized or issued by or filed with any governmental authority; (ii) Trademarks; (iii) internet domain names; (iv) Copyrights; (v) Know-How; (vi) software (including source code, executable code, systems, network tools, data, databases, applications, firmware and all related documentation); and (vii) all other intellectual property and proprietary rights.

1.12. "Know-How" means all commercial, technical, scientific and other data, results, know-how and information, trade secrets, technology, methods, processes, practices, formulae, instructions, skills, techniques, procedures, knowledge, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, specifications and confidential and proprietary information (including biological, chemical, pharmacological, toxicological, clinical, safety, assay, study designs and protocol and related know-how and trade secrets, and manufacturing data, pre-clinical and clinical data, specifications of ingredients, manufacturing processes, formulation, specifications, sourcing information, quality control and testing procedures and related know-how and trade secrets), in all cases, whether or not confidential, proprietary, patented or patentable, in written, electronic or any other form now known or hereafter developed.

1.13. "Licensed Compound" means all Jak inhibitors including PNQ-401 and PNQ-701 and (a) any derivatives, homologs, analogs, metabolites, prodrugs, conjugates, complexes, salts, free acids, bases, solvates, enantiomers, isomers, hydrates, esters, racemates or polymorphs of either or both PNQ-401 and PNQ-701 and/or any formulations thereof, in each case, existing as of the Effective Date; as listed in Exhibit B.

1.14. "Licensed Product" means any and all pharmaceutical compositions or preparations (in any and all doses forms) in a final form containing a Licensed Compound as the sole active ingredient or in combination with one or more other active ingredients.

1.15. "Licensed Patents" means Patents related to the Licensed Compound that are owned or controlled by Licensor or its Affiliates as of the Effective Date and that are listed on Exhibit A.

1.16. "Licensor Intellectual Property" means all Intellectual Property, other than items described in Section 1.11(i), owned or controlled by Licensor that relate to the Licensed Compound existing as of the Effective Date, as listed in Exhibit B.

1.17. "Net Sales" means, with respect to each Licensed Product, the total gross amounts invoiced for a Licensed Product by Licensee for sales or other commercial disposition of such Licensed Product to a purchaser, less the following:

(a) customary discounts, trade, quantity and cash discounts, allowed with respect to such sales;

(b) rejected goods, damaged or defective goods, recalls, returns, rebates, field destroys, reimbursements, chargebacks and other credits and allowances allowed with respect to such sales;

(c) retroactive price reductions that are actually allowed or granted in relation to sales or other commercial disposition of the Licensed Product made in the preceding twelve (12) months, provided that such reductions shall not, in aggregate, exceed twenty five percent (25%) of the originally agreed price for those sales or other commercial dispositions;

(d) deductions to the gross invoice price of each Licensed Product imposed by Governmental Authorities;

(e) costs of packaging, transportation, and insurance, in each case as incurred and included as a specific line item on a bill or invoice to the applicable purchaser;

(f) sales taxes, use taxes, value added, import/export duties or other government charges, and tariffs actually due and incurred;

(g) Licensed Product rebates and Licensed Product chargebacks, provided that such chargebacks shall not in aggregate exceed forty percent (40%) of the originally invoiced price, or similar payments or credits consistent with industry standards granted to managed health care organizations, wholesalers, distributors, buying groups, retailers, health care insurance carriers, pharmacy benefit management companies, health maintenance organizations or other institutions or health care organizations or to federal, state/provincial, local and other Government Authorities, their agencies and purchasers and reimbursers; and

(h) write-offs or allowances for bad debts, provided that:

(i) only amounts that have remained unpaid for at least 120 days from the original invoice date may be treated as 'bad debt';

(ii) the aggregate deduction for bad debts in respect of Licensed Products for any calendar quarter shall not exceed three percent (10%) of the total gross amounts invoiced for Licensed Products in such calendar quarter;

(iii) Licensee shall use commercially reasonable efforts to collect all outstanding amounts, including pursuing customary collection procedures; and

(iv) any amounts previously written off that are subsequently collected shall be included in Net Sales for the calendar quarter in which collected.

Any Licensed Product for which no monetary consideration is received that is used for promotional or advertising purposes, used for free samples, or otherwise distributed to patients unable to purchase the same (including patients in clinical trials or compassionate use programs) shall not be included in Net Sales. Donations for bona fide charitable purposes to unaffiliated third-party organizations (for which no monetary or non-monetary consideration is received directly or indirectly) shall not be included, provided such donations do not exceed 1% of total units sold annually.

1.18. If any Licensed Product is sold as part of a Combination Product (as defined below), the Net Sales for such Licensed Product shall be determined by multiplying the applicable Net Sales of the Licensed Product (as determined without the application of this paragraph) by the fraction, A/(A+B), where A is the average per unit sale price of the Licensed Product component of the Combination Product when sold separately as a stand-alone product in finished form in the country in which the Combination Product is sold and B is the average per unit sale of the other active ingredients contained in the Combination Product when sold separately as stand-alone products in finished form in the country in which the Combination Product is sold, in each case during the applicable royalty reporting period or, if sales of such stand-alone products did not occur in such country in the applicable period, then in the most recent royalty reporting period in which such sales of such stand-alone products occurred in such country. If such average sale prices cannot be determined, Net Sales shall be mutually agreed upon by the parties based on the relative fair market value of each component, if such an agreement cannot be reached, the parties shall select an independent expert in the life sciences field to resolve such matter. As used herein, "Combination Product" means any pharmaceutical product that consists of a Licensed Product as well as one or more other active therapeutic ingredients. In the event that Licensed Product(s) are sold by the Licensee to any of its Affiliates and such Affiliates subsequently resell the Licensed Product(s) to a Third Party, Net Sales shall be calculated based on the resale price charged by the Affiliate to the Third Party. In cases where the Affiliate does not resell the Licensed Product(s) to a Third Party, Net Sales shall be determined based on the fair market value of such Licensed Product(s), as reasonably established by reference to the average sales price charged to independent Third Parties for comparable quantities and under comparable terms. In no event shall the allocation of Net Sales attributable to Licensor's Licensed Product(s) in any Combination Product be less than thirty percent (30%). For the purposes of the calculation, reporting and auditing of Net Sales and royalties under this Agreement, any consideration and proceeds arising from the sale, distribution or any other commercial disposition of the Licensed Product(s) by or through any sublicensee engaged, appointed or authorized by the Licensee to market, distribute or sell the Licensed Product(s) shall be included in 'Net Sales', whether or not such sublicensee is an Affiliate.

1.19. "Patents" means (i) all patents and patent applications (including provisional and non-provisional patent applications), anywhere in the world, including PCT applications, (ii) all divisionals, continuations, continuations in-part thereof, or any other patent application claiming priority, or entitled to claim priority, directly or indirectly to (A) any such patents or patent applications or (B) any patent or patent application from which such patents or patent applications claim, or is entitled to claim, direct or indirect priority, and (iii) all patents issuing on any of the foregoing anywhere in the world (including from PCT applications), together with all registrations, reissues, re-examinations, patents of addition, utility models or designs, renewals, supplemental protection certificates, or extensions of any of the foregoing and counterparts thereof anywhere in the world.

1.20. "Person" means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, or other entity.

1.21. "Regulatory Authority" means any multinational, federal, national, state, provincial or local regulatory agency, department, bureau or other governmental entity with authority over the development, marketing, sale, pricing or reimbursement of a pharmaceutical or diagnostic product in a country or region, including the U.S. Food and Drug Administration (FDA) in the United States, the European Medicines Agency in the European Economic Area, and the Central Drugs Standard Control Organisation (CDSCO) in India.

1.22. "Representative" means any employee, agent, affiliate, subcontractor, or independent contractor given the authority to act on behalf of a given Party.

1.23. "Royalty Term" means, on a country-by-country basis, the period beginning on the date of first commercial sale and continuing for a period of 20 (twenty) years.

1.24. "Territory" means worldwide.

1.25. "Third Party" means an entity other than (a) Licensor and its Affiliates and (b) Licensee and its Affiliates.

1.26. "Trademarks" means trademarks, service marks, trade dress, trade names, logos, slogans, corporate names, doing business designations, and all other indicia of origin, and all registrations, applications for registration and renewals of the foregoing anywhere in the world, and all goodwill associated with the foregoing.

2. LICENSE GRANT

2.1. Grant. Licensor hereby grants to Licensee and its Affiliates an exclusive, worldwide, transferrable, sublicensable (through multiple tiers), royalty-bearing license under Licensed Patents and Licensor Intellectual Property to research, discover, develop, make, have made, use, sell, have sold, offer for sale, import, export, register, commercialize and otherwise exploit Licensed Compound(s) and Licensed Product(s) in the Field in the Territory. Parties expressly acknowledge and agree that the expiry of the Licensor Patents shall not affect or reduce the consideration payable by the Licensee to the Licensor under this Agreement. Upon and after such expiry of the Licensed Patents, the Licensee shall remain obligated to pay 1.5% of its Net Sales to the Licensor in consideration of the Licensee's continued exclusive license to, and use of the Licensor Know How and related non-public information. This license shall be revocable by the Licensor in the event of material breach by the Licensee, provided that Licensor has first given Licensee written notice of such material breach and Licensee has failed to cure such material breach within (90) ninety days of receipt of such notice and such breach is confirmed through a legal process provided, however, upon the lapse of ninety (90) days stated above, the Licensor may, upon written notice to Licensee, suspend the license granted under this Section 2.1, pending final resolution of such legal process, to the extent in the opinion of the Licensor, such suspension is necessary to prevent or mitigate irreparable harm arising from any breach by the Licensee, including (i) Confidential Information or Know-How; (ii) non-payment of any amounts due to the Licensor when due under this Agreement; or (iii) any use or commercialization outside the scope of the licenses granted by the Licensor.

2.2. Sublicenses. Any sublicense granted by Licensee to any of its Affiliates or a Third Party shall be subject to the material terms and conditions of this Agreement applicable to such sublicense, including with respect to the confidentiality provisions of this Agreement. Licensee shall have sole discretion in determining the specific terms of any sublicense agreement, including financial terms. Licensee shall not be required to obtain Licensor's consent for any sublicense or to provide copies of sublicense agreements to Licensor, provided that Licensee remains liable for its obligations. Licensee may grant sublicenses to Affiliates or Third Parties, provided that Licensee shall notify Licensor in writing within thirty (30) days of executing any sublicense. Upon request, Licensee shall provide Licensor with a summary of key terms of such sublicense. Licensee shall remain fully liable for the acts and omissions of its sublicensees.

2.3. Information Transfer. Within thirty (30) days following the Execution Date, Licensor shall transfer and disclose to Licensee all data, information, documentation, Know-How, and other materials in Licensor's possession or control relating to the Licensed Compound, including without limitation: (i) all pre-clinical and clinical data; (ii) regulatory filings and correspondence; (iii) manufacturing information and specifications; (iv) safety and toxicology data; (v) analytical methods and specifications; and (vi) all other technical, scientific, and regulatory information relating to the Licensed Compounds (collectively, the "Transferred Information", as listed in Exhibit B) for the development, manufacture, to the extent it exists and is in Licensor's possession and control**.**

2.4. As-Is Transfer. The Licensed Compound and all associated Transferred Information are provided by Licensor to Licensee on an "as-is" basis. Licensor makes no representations or warranties, express or implied, including without limitation any warranties of merchantability, fitness for a particular purpose, non-infringement, or accuracy of the Transferred Information, except as expressly set forth in this Agreement. Licensee is aware of the nature and extent of information available with Licensor.

2.5. Cooperation. Following the initial transfer, in case the Licensee requires any information from the Licensor which requires a third-party consultant, the cost of engaging such consultant shall be borne by the Licensee. Such consultant shall be engaged directly by the Licensee, and the Licensor shall have no involvement in such engagement.

3. DEVELOPMENT AND COMMERCIALIZATION

3.1. Licensee Development Responsibilities. Subject to the exclusive license granted under Section 2.1, Licensee shall be solely responsible for and have complete discretion, in terms of timing and activities, over:

(a) Development Activities: Licensee (itself and/or with or through its Affiliates or sublicensee) shall be solely responsible, at its own risk and expense, for, and shall control all aspects of, worldwide research, development, manufacture, non-clinical studies, clinical trials, registration, commercialization, and other development activities for each Licensed Product, including but not limited to study design, protocol development, pre-clinical development, clinical development, site selection, patient enrollment, data collection and analysis, marketing, promoting, selling, distributing, determining pricing for each Licensed Product, and all decisions regarding development strategy and timelines;

(b) Regulatory Management: All regulatory interactions, communications, filings, submissions, and approvals with any Regulatory Authority worldwide, including but not limited to investigational new drug applications (INDs), new drug applications (NDAs), biologics license applications (BLAs), marketing authorization applications (MAAs), and all post-marketing regulatory obligations. Licensor shall not be responsible for any regulatory compliance or outcomes;

(c) Asset Management: All other aspects of asset management related to each Licensed Product, including but not limited to manufacturing strategy, supply chain management, commercialization planning, market access strategies, pricing decisions, distribution arrangements, and marketing activities;

(d) Third Party Arrangements: Negotiation and execution of any agreements with Third Parties necessary for the development, manufacturing, or commercialization of a Licensed Product, including but not limited to contract research organizations (CROs), contract manufacturing organizations (CMOs), distributors, and sublicensees. Licensor shall not be a party to, nor bear any responsibility for, such Third Party arrangements; and

(e) No Assumption of Liability. Licensor shall have no responsibility or liability for any obligations, actions or omissions of Licensee, its Affiliates or sublicensees under this Section 3, including but not limited to in connection with the research, development, manufacture, regulatory interactions, regulatory compliance, commercialization, marketing, sale, distribution, pricing, quality, recall, product liability and medical affairs of any Licensed Product, or any Third Party arrangements entered into by the Licensee, its Affiliates or sublicensees.

Licensee shall perform all such activities in compliance with applicable laws, regulations, and third-party rights, and shall indemnify, defend, and hold harmless Licensor from and against any and all claims, liabilities, damages, losses, and expenses arising from or related to Licensee's development, manufacture, or commercialization of any Licensed Product.

3.2. Patent Maintenance and Prosecution Responsibilities.

(a) Transfer of Responsibility: Effective as of the Effective Date, Licensee subject to applicable law, shall assume sole responsibility for and control over all activities related to the Licensed Patents, including but not limited to:

(i) Payment of all patent-related fees, including maintenance fees, annuity fees, renewal fees, and any other official fees required to maintain the validity and enforceability of the Licensed Patents;

(ii) All patent prosecution activities, including preparation and filing of patent applications, responses to office actions, appeals, interferences, oppositions, and any other proceedings before patent offices worldwide;

(iii) Patent portfolio management decisions, including decisions regarding which patents to maintain, abandon, or file in additional jurisdictions;

(iv) Engagement and management of patent attorneys and agents worldwide; and

(v) All costs and expenses associated with the foregoing activities. Licensor shall not be responsible for any such costs or liabilities.

Licensor shall retain the right to audit patent activities annually and may request updates on prosecution status, if any.

(b) Licensor Cooperation: Licensor shall, at Licensee's request, provide access to existing patent prosecution files and may, at its sole discretion, facilitate an introduction to current patent counsel. Following such initial transfer, Licensor shall have no further obligation to cooperate, assist, or support Licensee in any manner related to patent prosecution or maintenance. Such cooperation shall be subject to Licensor's confidentiality obligations, resource availability, and shall not require Licensor to incur any expense or liability.

4. ECONOMIC TERMS

4.1. Royalty Payments. In consideration for the exclusive license and rights granted to Licensee herein, including but not limited to access to Know-How, Licensed Patents and Licensor Intellectual Property, Licensee hereby agrees to pay 1.5% of Net Sales during the Royalty Term. Upon the expiry of the term of Licensor Patents, Licensee shall be obligated to pay 1.5% of its Net Sales of Licensed Products in consideration solely for its exclusive license to Licensor Know-How and Licensor Intellectual Property, which remains confidential.

4.2. Royalty Payment Schedule. The royalty payments due under this Agreement, as specified in Section 4.1, shall be calculated and paid by Licensee to Licensor on an annual basis. The annual royalty payment shall be due within sixty (60) days following the end of each calendar year during the Royalty Term to allow for proper accounting reconciliation and reporting. Licensee shall provide Licensor with a detailed statement of Net Sales and the corresponding royalty calculation for the applicable calendar year, along with the royalty payment. Any payments not made within 60 days from the date of invoice sent by Licensor shall accrue interest at 1.5% per month from due date until paid in full.

4.3. Net Sales Disclosure. Licensee shall provide Licensor with quarterly written reports detailing the Net Sales of each Licensed Product. Said reports shall be delivered within forty five (45) days following the end of each calendar quarter. Licensee shall keep true, accurate and consistent records relating to the gross revenues derived from the use, offer for sale, sales, lease, rent and export of Licensed Products and related services, by country. Licensor may audit once per year at own expense. If the audit reveals underpayment of over 10%, the Licensee pays audit costs plus interest at 1.5% per month. Records shall be retained for a period of 5 (five) years.

4.4. Third Party Obligations Payments. Licensee shall be solely responsible for any and all claims, costs, fees, or payments associated with obtaining rights from Third Parties necessary to develop, manufacture, commercialize, or use any Licensed Product. No amounts payable to Licensor under this Agreement shall be reduced, offset, or withheld due to Licensee's obligations to any Third Party, including under any Third Party License. Licensor shall have no responsibility or liability in connection with any such Third Party arrangements.

4.5. Payment Dispute. All payments due under this Agreement shall be made within the timeline specified for each such payment. In the event of a dispute regarding any payment under this Section 4, the disputing Party must provide a written notice of the dispute to the other Party within fifteen (15) days of receiving the payment or the payment due date, whichever is earlier, detailing the specific nature and basis of the dispute. Both Parties shall work to resolve any such dispute amicably within thirty (30) days of the dispute notice. If the dispute remains unresolved after this period, either Party may pursue resolution through the senior management of each Party as provided in Section 11.

4.6. Taxes.

(a) Taxes on Income. Each Party shall be responsible for any tax imposed on its share of income arising from the activities of the Parties under this Agreement, including income tax and capital gains tax. Neither Party shall have any obligation to the other Party in connection with any failure by the other Party to fully comply with its tax obligations.

(b) Transfer Taxes. Payments under this Agreement are inclusive of all taxes such as taxes imposed on the production, sale, delivery, or use of Licensed Product, including, without limitation, any applicable value-added tax, goods and services tax, sales tax, excise tax, or similar taxes.

5. OWNERSHIP

5.1. Background IP. Each Party's Background IP is and shall remain the sole and exclusive property of the respective Party.

5.2. Licensor Ownership. Licensor shall remain the sole and exclusive owner of the Licensed Compound, all Licensed Patents, and Licensor Intellectual Property.

5.3. Improvements. Title to any Improvement developed, discovered and/or reduced to practice solely by Licensee in connection with the licenses granted under Section 2.1 above shall be vested solely in Licensee. Title to any Improvement developed, discovered and/or reduced to practice solely by Licensor shall be vested solely in Licensor, subject to the licenses granted under Section 2.1 above.

5.4. Patent Enforcement.

5.4.1. Notice of Infringement**.** Each Party shall promptly notify the other Party in writing within ten (10) business days after becoming aware of any actual or threatened infringement by a Third Party of any Licensed Patent.

5.4.2. Licensee's First Right to Enforce. Licensee, at its own expense, shall have the first right to file, prosecute and maintain the Licensed Patent rights in its own name. Licensee shall notify Licensor in writing within ninety (90) days after receiving or providing notice under Section 5.4.1 of whether it intends to initiate an enforcement action. If Licensee elects to initiate such enforcement action, Licensee shall have the sole right to select counsel and control the prosecution, defense, and settlement of such action.

5.4.3. Licensor Step-In Right**.** In the event Licensee: (i) notifies Licensor in writing that it does not intend to bring an enforcement action; or (ii) fails to notify Licensor of its intention within the ninety (90) day period specified in Section 5.4.2; or (iii) initiates an enforcement action but subsequently abandons, dismisses, or fails to diligently pursue such action, then Licensor shall have the right, but not the obligation, to bring and control such enforcement action at its own expense and through counsel of its choice.

5.4.4. Cooperation. The non-enforcing Party shall reasonably cooperate with the enforcing Party in any enforcement action brought under this Section 5.4, including by providing access to relevant documents, information, and records, and making its employees and agents available for interviews, depositions, and testimony, all at the enforcing Party's reasonable expense.

5.4.5. Settlement Restrictions. Neither Party may settle, compromise, or consent to any judgment in any enforcement action brought under this Section 5.4 in any manner that: (i) admits or acknowledges the invalidity, unenforceability, or non-infringement of any Licensed Patent; (ii) imposes any financial or other obligation or liability on the non-enforcing Party; (iii) restricts or limits the non-enforcing Party's rights under this Agreement; or (iv) grants any license or other rights under the Licensed Patents to the alleged infringer, without the prior written consent of the non-enforcing Party, which consent shall not be unreasonably withheld, conditioned, or delayed.

5.4.6. Allocation of Recoveries. Any monetary recovery (whether by judgment, settlement, or otherwise) obtained in connection with an enforcement action brought under this Section 5.4 shall be allocated in the following order of priority:

(i) First, to reimburse the enforcing Party for all of its reasonable out-of-pocket costs and expenses incurred in connection with such enforcement action, including without limitation reasonable attorneys' fees, expert witness fees, court costs, and litigation expenses;

(ii) Second, to reimburse the non-enforcing Party for any reasonable out-of-pocket costs and expenses incurred by the non-enforcing Party in providing cooperation under Section 5.5.4;

(iii) Third, if the enforcement action was brought and controlled by Licensee pursuant to Section 5.4.2, any remaining recovery shall be treated as Net Sales of Licensed Products for purposes of calculating royalty payments under Section 4.1, and Licensee shall pay to Licensor the applicable royalty on such amounts within sixty (60) days of receipt of such recovery; and

(iv) Fourth, if the enforcement action was brought and controlled by Licensor pursuant to Section 5.4.3, Licensor shall retain any remaining recovery after the reimbursements described in subsections (i) and (ii) above.

5.4.7. Abandoned Enforcement. If the enforcing Party elects to abandon or discontinue an enforcement action initiated under this Section 5.4, it shall provide reasonable prior written notice to the non-enforcing Party, and the non-enforcing Party shall thereafter have the right (but not the obligation) to continue such enforcement action at its own expense, in which case the roles of enforcing Party and non-enforcing Party shall be reversed for purposes of this Section 5.4.

5.5. Patent Non-Challenge. Licensee shall not challenge validity or enforceability of any Licensed Patent including filing IPR, oppositions, asserting invalidity defenses, or assisting Third Parties in challenges. Breach is material breach allowing immediate termination without cure period.

6. CONFIDENTIAL INFORMATION AND PUBLICITY

6.1 Confidentiality, Non-Disclosure and Use Obligations. Licensor and Licensee acknowledge and agree that in the course of negotiating this Agreement and during the Term, a Party (the "Receiving Party") may receive or otherwise obtain Confidential Information of the other Party (the "Disclosing Party") in connection with this Agreement. During the Term and for ten (10) years after any termination of this Agreement (except for Confidential Information that constitutes a trade secret, with respect to which the obligations of confidentiality in this Section 6.1 shall continue for as long as such Confidential Information constitutes a trade secret), the Receiving Party shall keep confidential, shall not disclose to any Third Party (except to its Representatives as permitted by Section 6.2), and shall not use for any purpose other than the exercise of its rights and the performance of its obligations set forth in this Agreement, any Confidential Information of the Disclosing Party heretofore or hereafter disclosed or otherwise made available to it by or on behalf of the Disclosing Party. Without limitation of the foregoing, the Receiving Party shall take such action to preserve the confidentiality of the Disclosing Party's Confidential Information as the Receiving Party would customarily take to preserve the confidentiality of its own Confidential Information of a similar nature, using a level of care that shall not under any circumstances be less than a commercially reasonable degree of care. Each Party shall promptly notify the other Party upon discovery of any unauthorized use or disclosure of Confidential Information of the other Party. The foregoing obligations shall apply equally to all copies, extracts and summaries of Confidential Information.

6.2 Representatives. A Receiving Party may disclose the Disclosing Party's Confidential Information to any of its Representatives who have a need to know such information, but only if and to the extent necessary to exercise its rights and perform its obligations under this Agreement, and only if such Representatives are bound by confidentiality, non-disclosure and non-use obligations no less restrictive than those set forth in this Section 6. The Receiving Party shall be liable for any action or inaction of its Representatives that would be considered a breach of this Section 6 if committed by the Receiving Party.

6.3 Disclosures Required by Law. Notwithstanding the other provisions of this Section 6, a Receiving Party may disclose the Confidential Information of the Disclosing Party to the extent that such Confidential Information is required to be disclosed pursuant to a valid order or requirement of a court of competent jurisdiction or a governmental authority or pursuant to Applicable Law; *provided*, that, to the extent permitted by Applicable Law, the Receiving Party shall advise the Disclosing Party promptly of any such disclosure requirement in order to permit the Disclosing Party to undertake efforts to restrict or limit the required disclosure (and the Receiving Party shall, at the Disclosing Party's expense, assist the Disclosing Party in such efforts to the extent reasonably requested by the Disclosing Party) and shall disclose only that portion of such Confidential Information that is required to be disclosed; and *provided further*, that any Confidential Information disclosed under this Section 6.3 shall continue to be treated as Confidential Information hereunder by the Receiving Party notwithstanding such disclosure unless such disclosure renders such information publicly accessible. Without limitation of the foregoing, if either Party or its Affiliates is required to disclose this Agreement (including redaction of certain provisions of this Agreement) or any terms or conditions hereof in any report, statement or other document required to be filed by such Party or its Affiliates with the U.S. Securities and Exchange Commission (SEC) or similar regulatory agency in any other country or any U.S. or foreign stock exchange or other securities trading institution, provided that each Party will ultimately retain control over what information to disclose to any securities authority or stock exchange, as the case may be, and provided further that the Parties will use their reasonable efforts to file redacted versions with any governing bodies which are consistent with redacted versions previously filed with any other governing bodies, then such Party shall provide reasonable prior written notice of such filing to the other Party and shall consider in good faith any requests for confidential treatment as may be reasonably requested by the other Party; *provided*, that each Party may make any such filing as its legal advisor determines is necessary under Applicable Law. As between the Parties, Confidential Information that is disclosed pursuant to this Section 6.3 shall remain otherwise subject to the confidentiality, non-disclosure and non-use provisions set forth under this Section 6.

6.4 Permitted Disclosures. Notwithstanding the other provisions of this Section 6 either Party may disclose the existence and confidential terms of this Agreement to the extent such disclosure is reasonably necessary to Third Parties that have a legitimate need to know such information as part of such Party's financing activities or in connection with any sale or other transfer of such Party's business or assets, solely for the purpose of evaluating or carrying out an actual or potential investment or acquisition; *provided*, that the recipients of such information are bound by written nondisclosure, confidentiality and non-use obligations consistent with those set forth in this Section 6, and *provided further*, that such Party shall be liable for any action or inaction of such Third Parties that would be considered a breach of this Section 6 if committed by such Party. Confidential Information that is disclosed pursuant to this Section 6 shall remain otherwise subject to the confidentiality, non-disclosure and non-use provisions set forth under this Section 6.

6.5 Securities Law Compliance. Each Party acknowledges that it is aware, and will advise its Representatives who are informed of the matters that are the subject of this Agreement, that United States securities laws and other applicable securities laws prohibit any person who has received material, non-public information concerning a publicly traded entity from purchasing or selling securities of such entity or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. Each Party agrees to comply with all applicable securities laws in connection with any Confidential Information received under this Agreement.

6.6 Export-Control Compliance. Licensee shall comply with all applicable export control laws and regulations, including those of the United States, India, and any other relevant jurisdictions. Prior Confidential Disclosure Agreement. As of the Effective Date, the terms of this Section 6 shall supersede any prior non-disclosure, secrecy or confidentiality agreement between the Parties (or their Affiliates) dealing with the subject of this Agreement, including the Term Sheet between Licensor and Licensee dated September 02, 2025. Any information disclosed by a Party pursuant to any such prior agreement shall be deemed Confidential Information of such Party for purposes of this Agreement.

6.7 Publicity. Neither Party may issue any press release, make any public announcement, or otherwise publicly disclose the existence or terms of this Agreement or any transaction contemplated hereby without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

6.8 Return of Confidential Information. Confidential Information disclosed to a Receiving Party by or on behalf of a Disclosing Party hereunder, including all copies, extracts and summaries thereof, shall remain the sole property of the Disclosing Party. Upon termination or early expiration of this Agreement, the Receiving Party shall promptly return to the Disclosing Party or, at the Disclosing Party's request, destroy all documents and other tangible materials representing the Disclosing Party's Confidential Information; *provided*, that one (1) copy may be maintained in the confidential files of the Receiving Party for the purpose of complying with the terms of this Agreement and such copy shall remain subject to the confidentiality, non-use and nondisclosure obligations hereunder. An authorized person of the Receiving Party also shall certify in writing that it has satisfied its obligations under this Section 6.8 within ten (10) business days of a written request by the Disclosing Party.

7. REPRESENTATIONS AND WARRANTIES

7.1 Mutual Representations and Warranties.

(a) Authority. Each of the Parties represents and warrants to the other it has the full right, power and authority to enter into this Agreement.

(b) Valid Organization. Each of the Parties represents and warrants to the other that it is duly organized, validly existing and in good standing under the laws governing its formation and organization.

(c) Permits. Each of the Parties represents and warrants to the other that it holds such permits necessary to perform its obligations hereunder and is not aware of any reason why such permits might no longer be valid.

(d) No Authorization, Consent or Approval Required. Each of the Parties represents and warrants to the other that no authorization, consent or approval of, or filing with or notice to, any Person is required in connection with the execution, delivery or performance by it of this Agreement.

(e) No Conflicts. Each of the Parties represents and warrants to the other that the execution, delivery and performance of this Agreement by such Party does not conflict with any material agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound, nor violate any Applicable Law.

(f) Valid and Binding Obligation. Each of the Parties represents and warrants to the other that the execution and delivery of this Agreement have been duly authorized by all necessary corporate actions on the part of such Party, and this Agreement constitutes a valid and legally binding obligation, enforceable against it in accordance with its terms, subject to (i) applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and other laws of general application limiting the enforcement of creditors' rights and remedies generally and (ii) general principles of equity, including standards of materiality, good faith, fair dealing and reasonableness, equitable defenses and limits as to the availability of equitable remedies, whether such principles are considered in a proceeding at law or in equity.

(g) FDCA. Each of the Parties represents and warrants to the other that: (i) neither it nor, to the Party's actual knowledge, any employee, agent or subcontractor of the Party or any of its Affiliates involved or to be involved in the Party's activities under this Agreement has been debarred under Subsection (a) or (b) of Section 306 of the FDCA; (ii) no person who is known by the Party to have been debarred under Subsection (a) or (b) of Section 306 of the FDCA will be employed by the Party in the performance of any activities hereunder; and (iii) to the actual knowledge of the Party, no person on any of the FDA clinical investigator enforcement lists (including the (1) Disqualified/Totally Restricted List, (2) Restricted List, and (3) Adequate Assurances List) will participate in the performance of any activities hereunder.

(h) Anti-Corruption Laws. Each of the Parties represents and warrants to the other that neither it, nor any of its Affiliates, nor any of their respective directors, officers, employees or agents, has taken any action, directly or indirectly, that would result in a violation by such persons of any Anti-Corruption Laws (as defined below). For purposes of this Agreement, "Anti-Corruption Laws" means collectively the applicable anti-corruption laws, rules, and regulations, including local anti-corruption and anti-bribery laws, rules and regulations.

7.2 Representations, Warranties, and Covenants by Licensor. Licensor sets forth the below representations and warranties:

(a) Exhibit A attached hereto contains a true and complete list of the Licensed Patents existing on the Effective Date, each jurisdiction in which such Licensed Patents have been filed, and the filing date in each such jurisdiction. The Licensed Patents listed in Exhibit A include all of the patents that relate to the Licensed Compound owned or controlled by Licensor as of the Effective Date that claim or cover any Licensed Compound, or the manufacture, use, sale, offer for sale, or import of the foregoing;

(b) there are no licenses, sublicenses, and other agreements requiring Licensor or any of its Affiliates to license, assign, or otherwise grant rights to any Third Party for any additions, modifications, or improvements made by or for Licensor or its Affiliates to any Licensed Patents;

(c) neither Licensor nor any of its Affiliates is a party to (i) any license, sublicense or other agreement to which and pursuant to which any Third Party is granted any license or other right to make, have made, use, sell, have sold, offer for sale, import or otherwise distribute or exploit a Licensed Compound or a Licensed Product, (ii) any covenant not to assert/sue or other immunity from suit under or any other rights to, any Licensed Patents and/or Licensor Know-How, or (iii) any ownership right or title, whether actual or contingent, to any Licensed Patents and/or Licensor Know-How;

(d) Licensor has, and will continue to have, all necessary rights and licenses to grant to Licensee the rights and permissions expressly granted pursuant to this Agreement;

(e) Licensor has not, and neither has any of its Affiliates, granted to any Third Party any license or other right with respect to any Licensed Compound, Licensed Product, Licensed Patents and/or Licensor Know-How that conflicts with the license and rights granted to Licensee herein;

(f) Licensor has the right to transfer Transferred Information, confidential information or other materials to Licensee and to grant Licensee the right to use such Transferred Information, confidential information or other materials in accordance with the terms of this Agreement;

(g) To Licensor's actual knowledge as of the Effective Date, all Licensor Intellectual Property and Licensed Patents are free and clear of any encumbrances, liens, pledges, charges, security interests, leases, adverse claims or encumbrances of any kind or character whatsoever that would impair the rights granted to Licensee under this Agreement;

(h) The consummation of this Agreement does not, with respect to Licensor's rights in and to Licensor Intellectual Property and Licensor Patents: (a) result in the loss or impairment of such rights; (b) trigger any additional obligations or liabilities on Licensee for such rights; (c) give rise to any rights of any Third Party to terminate such rights; (d) trigger or otherwise give rise to payment of any additional amounts with respect to such rights; or (e) require the consent of any Third Party in respect of such rights that has not already been obtained;

(i) Neither Licensor nor any of its Affiliates has provided any Third Party written notice that such Third Party infringes or has infringed the Licensed Patents listed in Exhibit A or misappropriated or used, without authorization, the Licensor Know-How; and

(j) With respect to the representations and warranties set forth in this Section 7.2, as of the Effective Date, to Licensor's actual knowledge, Licensor has not received written notice of any pending, Third Party claims, demands, proceedings, or causes of action against Licensor.

Notwithstanding anything to the contrary contained herein, it is hereby clarified that, except as stated expressly, Licensor makes no other representations or warranties, express or implied, including any warranties of merchantability, accuracy, fitness for a particular purpose, or non-infringement. All representations and warranties made by Licensor are qualified by the best of the Licensor's knowledge as of the Effective Date. It is further clarified that Licensor makes no representation or warranty regarding the validity, enforceability, or scope of any Licensed Patent.

8. TERM; TERMINATION

8.1 Term. The term of this Agreement shall commence on the Effective Date and, unless earlier terminated in accordance with this Section 8, continue for the later of: until 10 years from the Effective Date, or until expiry of Royalty Term (the "Term").

8.2 Termination for Material Breach. Each Party shall have the right to terminate this Agreement in its entirety upon written notice to the other Party if such other Party is in material breach of this Agreement and has not cured such breach within sixty (60) days after notice from the terminating Party indicating the nature of such breach. If such breach is not cured on or before the end of such cure period, the non-breaching Party may terminate this Agreement in its entirety with immediate effect by written notice to the breaching Party. For clarity, in the event of material breach of this Agreement by either Party that is not cured within the applicable notice period set forth in this Section 8.2, the non-breaching Party, at its sole discretion, may either terminate this Agreement in accordance with this Section 8.2; or elect (i) not to terminate this Agreement, (ii) to retain the license granted under Section 2.1, subject to all terms and conditions hereof, and (iii) pursue any remedy that may be available to the non-breaching Party at law or in equity as a result of the breaching Party's breach of this Agreement, without prejudice to the non-breaching Party's right to terminate this Agreement at a later date pursuant to this Section 8.2 (for that uncured material breach or any other uncured material breach of this Agreement by the breaching Party) or pursuant to Section 8.1.

8.3 Termination for Insolvency. Each Party shall have the right to terminate this Agreement in its entirety upon written notice to the other Party if such other Party is dissolved or liquidated or takes any corporate action for such purpose; makes a general assignment for the benefit of creditors; or has a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.

8.4 Effect of Expiration or Termination. Upon expiry or termination of this Agreement, the license granted to Licensee pursuant to Section 2.1 shall automatically and immediately terminate without further action and revert to Licensor, and Licensee shall have no further right to develop, manufacture, use, sell, or otherwise exploit the Licensed Compound or any Licensed Product. Licensee shall promptly cease all such activities and, within thirty (30) days of termination, return or destroy all Confidential Information, Know-How, and materials received from Licensor, and certify such return or destruction in writing.

8.5 Survival. Termination of this Agreement shall not preclude either Party from claiming any other damages, compensation or relief that it may be entitled to hereunder. In addition to any other right or obligation that by its nature is intended to survive any termination or expiration, the following Sections shall survive any termination or expiration of this Agreement: (i) Section 1 (Definitions); (ii) Section 5 (Ownership); (iii) Section 6 (Confidential Information and Publicity); (iv) Section 8.4 (Effect of Expiration or Termination); (v) this Section 8.5 (Survival); (vi) Section 9 (Indemnification); (vii) Section 10 (Limitation on Liability); (viii) Section 11 (Internal Resolution); and (ix) Section 12 (Miscellaneous).

9. **INDEMNIFICATION**

9.1 Indemnification by Licensee. Licensee shall indemnify, defend, and hold harmless Licensor, its Affiliates, and their respective directors, officers, employees, contractors, agents, and other representatives (collectively, the "Licensor Indemnified Parties"), only to the extent of direct damages, liabilities, losses, costs, and expenses (including reasonable attorneys' fees and legal expenses) arising out of or resulting from and against any and all Third-Party suits, claims, demands, proceedings, or causes of action ("Claims") or resulting from: (a) any breach by Licensee of its representations, warranties, covenants, or obligations under this Agreement; (b) the negligence or wilful misconduct of Licensee or its Affiliates in the performance of this Agreement; and (c) Licensee's (and its Affiliates', sublicensees', or contractors') research, development, manufacture, testing, sale, import, export, or use of Licensed Products, including product liability or personal injury Claims, recalls, and regulatory non-compliance. Licensee's indemnity obligations in this Section 9.1 extend to Claims made by Licensee's employees, subcontractors, sublicensees, or agents, as well as Claims by members of the general public. However, Licensee shall have no obligation to indemnify Licensor for any breach, negligence, or wilful misconduct committed by Licensor or its Affiliates.

9.2 Indemnification by Licensor. Licensor shall indemnify and hold harmless Licensee, its Affiliates, and their respective directors, officers, employees, contractors, agents, and other representatives (collectively, the "Licensee Indemnified Parties") only to the extent of direct damages, liabilities, losses, costs, and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Licensee Indemnified Parties (and not in respect of any Third-Party suits, claims, demands, proceedings, or causes of action) directly arising out of or resulting from: (a) any material breach by Licensor of its representations, warranties set forth in Section 7.1; or (b) the sole gross negligence or wilful misconduct of Licensor or its Affiliates in the performance of this Agreement; provided that Licensee may only bring any Claim or seek indemnification under this Section 9.2 for acts or omissions occurring on or after the Effective Date.

For the avoidance of doubt, Licensor shall bear no burden of indemnity for third-party infringement Claims related to Licensee's commercialization activities. Notwithstanding anything to the contrary in this Agreement, Licensor's total aggregate liability under this Section 9 shall not exceed the total amount of royalties actually received by Licensor under this Agreement as of the date the indemnity claim is first made in writing by Licensee. This limitation shall apply regardless of the form of action, whether in contract, tort (including negligence), strict liability, or otherwise, and shall survive termination or expiration of this Agreement.

9.3 Indemnification Procedures. For any Claim for which indemnification is sought pursuant to Section 9.1 or Section 9.2, the party seeking indemnification (the "Indemnified Party") shall provide written notice to the Indemnifying Party of any Claim as soon as reasonably possible, and in any event, no later than thirty (30) days after the Indemnified Party has actual knowledge of such Claim (an "Indemnification Claim Notice"), *provided*, that if the Indemnified Party fails to promptly notify the Indemnifying Party pursuant to the foregoing clause, the Indemnifying Party will only be relieved of its indemnification obligation hereunder to the extent actually prejudiced by such failure. Such Indemnification Claim Notice shall include a description of the Claim. Together with the Indemnification Claim Notice, the Indemnified Party shall provide the Indemnifying Party with copies of all notices and documents (including court papers) received by the Indemnified Party in connection with the Claim. The Indemnifying Party shall assume control over the investigation of, preparation, defense, and settlement or voluntary disposition of any such Claim, using legal counsel reasonably acceptable to the Indemnified Party. The Indemnified Party may participate in and monitor such defense with counsel of its own choosing at its sole expense. The Indemnified Party shall assist the Indemnifying Party, at the Indemnifying Party's reasonable expense and request, in the investigation, preparation, defense, and settlement or voluntary disposition of any such Claim. The Indemnified Party may not compromise, settle, or enter into any voluntary disposition of the Claim without the Indemnifying Party's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned. In no event may the Indemnifying Party compromise, settle, or enter into any voluntary disposition of any Claim in any manner that admits fault or wrongdoing on the part of the Indemnified Party or incurs non-indemnified liability on the part of the indemnified Party without the prior written consent of the indemnified Party.

10. **LIMITATION OF LIABILITY**. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, EXEMPLARY, INDIRECT, INCIDENTAL, PUNITIVE, OR SPECIAL DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 10 (LIMITATION OF LIABILITY) IS INTENDED TO OR WILL LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS UNDER SECTION 9, OR DAMAGES AVAILABLE FOR A PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT, FRAUD, OR BREACH OF ITS OBLIGATIONS IN SECTION 5 OR CONFIDENTIALITY OBLIGATIONS IN SECTION 6.

11. **INTERNAL RESOLUTION.** The Parties recognize that controversies, disputes or claims may arise between the Parties from time to time during the Term under, relating to or in connection with this Agreement, including financial disputes and disputes as to the validity, construction, performance, or alleged default or breach of this Agreement (individually, a "Dispute," and collectively, "Disputes"). It is the objective of the Parties to establish procedures to facilitate the resolution of Disputes in an expedient manner by mutual cooperation and without resort to litigation. To accomplish this objective, the Parties agree to first follow the procedures set forth in this Article 11 prior to resorting to litigation, if and when a Dispute arises between the Parties. If the Parties cannot resolve a Dispute within thirty (30) days of a Party's written request to attempt to resolve the Dispute, either Party, by written notice to the other Party, may have the Dispute referred to an officer of Licensee (or more senior officer designated by Licensee) and the senior officer designated by Licensor for attempted resolution by good faith negotiations. In case Parties are unable to resolve the Dispute within thirty (30) days after such notice is received by the other Party, either party may seek resolution in a court of competent jurisdiction in the State of New York.

In case a Dispute cannot be resolved by way of discussions within thirty (30) days, the Parties shall first attempt to resolve the Dispute through mediation administered by American Arbitration Association International Centre for Dispute Resolution before initiating litigation. The costs of such mediation shall be shared equally.

12. MISCELLANEOUS

12.1 Notices. Any notice, consent or report required or permitted to be given or made under this Agreement by one Party to the other Party shall be in English and in writing, and unless expressly stated otherwise herein with respect to a specific notice, consent or report, delivered by email (with confirmation of receipt) or (a) by hand, (b) by U.S. registered or certified mail, postage prepaid, return receipt requested, or (c) by internationally recognized express courier, at the Party's address for notice set forth below:

If to Licensor:

Impetis Biosciences Limited

Email: [*]

6th Floor, Wing E, Times Square,
Marol, Andheri-Kurla Road,
Gamdevi, Andheri-East,
Mumbai – 400059,
Maharashtra, India.

With an email copy to:

Mr. Abhishek Jain
Email: [*]

All such notices, consents or reports shall be effective upon receipt.

12.2 Equitable Relief. The Parties agree that irreparable damage may occur, which may not be adequately compensated by monetary damages alone, if Section 6 of this Agreement is breached. It is accordingly agreed that the Parties shall be entitled to seek equitable relief (including an injunction or specific performance) to enforce a Party's rights under Section 6 in addition to any other remedy to which a Party is entitled at law.

12.3 Independent Contractors. It is expressly agreed that the Parties shall be independent contractors and that the relationship between the Parties shall not constitute or establish a partnership, joint venture, agency or other relationship. Neither Party shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which would be binding on the other Party, without the prior written consent of the other Party to do so.

12.4 Force Majeure. Neither Party shall be held liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement, for failure or delay in performing any term of this Agreement (other than a Party's payment obligations hereunder), to the extent, and for so long as, such failure or delay is caused by or results from a force majeure event, including fire, floods, embargoes, power shortage or failure, acts of war (whether declared or not), insurrections, riots, terrorism, civil commotions, strikes, lockouts or other labor disturbances (other than labor actions against the affected Party), or acts of God, *provided*, that the affected Party notifies the other Party of such circumstances as soon as reasonably possible, but in no event later than ten (10) days after the occurrence thereof, and uses reasonable efforts to overcome such circumstances as soon as reasonably practicable, *provided*, further, that such excuse from liability, default or breach shall be effective only to the extent and duration of the events causing the failure or delay in performance, and *provided further*, that the affected Party has not caused, by action or inaction, such events to occur.

12.5 Amendment and Modification. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, and signed on behalf of each Party.

12.6 Waiver. The failure or delay of either Party in exercising any right or remedy hereunder shall not operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Parties are cumulative and are not exclusive of any rights or remedies which they would otherwise have hereunder. Any agreement on the part of either Party to any such waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such Party.

12.7 Interpretation. When a reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Any headings contained in this Agreement are for convenience of reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. The word "including" and words of similar import when used in this Agreement will mean "including, without limitation," unless otherwise specified.

12.8 Entire Agreement. This Agreement constitutes the entire agreement, and supersedes all prior written agreements, arrangements, communications and understandings and all prior and contemporaneous oral agreements, arrangements, communications and understandings between the Parties with respect to the subject matter hereof.

12.9 No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to or shall confer upon any person other than the Parties, their affiliates and their respective successors and permitted assigns any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement.

12.10 Governing Law. This Agreement and all disputes or controversies arising out of or relating to this Agreement or the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of New York, New York, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of New York.

12.11 Assignment.

(a) Neither Party may assign or otherwise transfer this Agreement or any of its rights or obligations hereunder without the other Party's prior written consent. Any purported assignment in violation of this Section 12.11 (a) shall be void and without effect.

(b) Notwithstanding Section 12.11(a), a Party may assign this agreement without the prior written consent of the other Party to an Affiliate or in connection with the transfer or sale of all or substantially all of its assets related to the division or the subject business, or in the event of its merger or consolidation or change in control or similar transaction.

(c) This Agreement shall be binding upon, and inure to the benefit of, each Party, its Affiliates, and its permitted successors and assigns. Each Party shall be responsible for the compliance by its Affiliates with the terms and conditions of this Agreement.

12.12 Severability. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision in such jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

12.13 Waiver of Jury Trial. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

12.14 No Presumption Against Drafting Party. Each of the Licensor and the Licensee acknowledges that each Party to this Agreement has been represented by legal counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the drafting Party has no application and is expressly waived

12.15 Exclusive Remedies. Except as expressly stated herein, no remedy conferred by any of the provisions of this Agreement is intended to be exclusive of any other remedy, and each remedy is cumulative and in addition to every other remedy available to a Party hereunder or otherwise existing at law, in equity, by statute, or otherwise. The election of any one or more remedies by either Party shall not constitute a waiver of the right to pursue any other available remedies.

12.16 Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party. A facsimile, PDF or other electronic signature of this Agreement shall be valid and have the same force and effect as a manually signed original.

[Remainder of page intentionally left blank; Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on their behalf by their duly authorized representatives with effect as of the Effective Date.

Impetis Biosciences Limited

By: */s/ Abhishek Jain*
Name: ABHISHEK JAIN
Title: DIRECTOR
Date: April 21, 2026

Vyome Holdings, Inc.

By: */s/ Venkat Nelabhotla*
Name: Venkat Nelabhotla
Title: President & CEO
Date: May 8, 2026

[*Exhibits to follow on subsequent page*]

EXHIBIT A

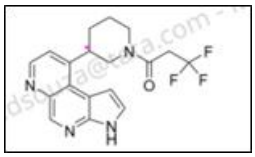
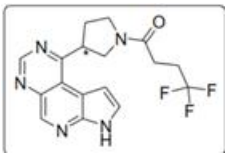
LIST OF LICENSED PATENTS

Target	Title	Country	Application No.	Grant Number
Tricyclic-JAK3. PNQ-401 (RA1 ADV-1006387), RA2 (ADV-1006539), RA3 (ADV-1006811), RA5 (ADV-1007406), RA7 (ADV-1007409)	SUBSTITUTED FUSED TRICYCLIC COMPOUNDS, COMPOSITIONS AND MEDICINAL APPLICATIONS THEREOF.	Canada	2,830,882	2,830,882
		Belgium	12 723 932.5	2688890
		Switzerland		
		Germany		
		France		
		UK		
		European Patent Office		
		India	891/CHE/2011	311021
		Japan	2014-500544	6277121
		United States of America	14/006,630	US 9,115,133 B2

[*Exhibit B to follow on subsequent page*]

EXHIBIT B

LICENSED COMPOUNDS

	PNQ 401	**PNQ-701**
Chemical Formula	$C_{18}H_{17}F_3N_4O$	$C_{17}H_{16}F_3N_5O$
Molecular Structure		

LICENSOR INTELLECTUAL PROPERTY

PNQ 401	**PNQ 701**
Experimental Procedure	Experimental Procedure
Stability Summary Reports	Standard Testing Procedure
HPLC Method	Analytical Test Report
Analytical Test Report	PD assays
DMPK	PK studies
Toxicology	Toxicity Data
In vivo efficacy and pharmacodynamic assays	

Exhibit 31.1

CERTIFICATION

I, Venkat Nelabhotla, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vyome Holdings, 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 consolidated 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.

/s/ Venkat Nelabhotla

Venkat Nelabhotla
Chief Executive Officer

Date: May 12, 2026

Exhibit 31.2

CERTIFICATION

I, Robert Dickey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vyome Holdings, 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 consolidated 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.

/s/ Robert Dickey IV

Robert Dickey IV
Interim Chief Financial Officer

Date: May 12, 2026

Exhibit 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Venkat Nelabhotla, in his capacity as Chief Executive Officer of Vyome Holdings, Inc., hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended March 21, 2026 to which this Certification is attached as Exhibit 32.1 (the Report) fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and the results of operations of Vyome Holdings, Inc. as of, and for, the periods covered by the Report.

By: /s/ Venkat Nelabhotla

Venkat Nelabhotla
Chief Executive Officer

Date: May 12, 2026

Exhibit 32.2

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Robert Dickey, in his capacity as Interim Chief Financial Officer of Vyome Holdings, Inc., hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended March 21, 2026 to which this Certification is attached as Exhibit 32.2 (the Report) fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and the results of operations of Vyome Holdings, Inc. as of, and for, the periods covered by the Report.

By: /s/ Robert Dickey IV

Robert Dickey IV
Interim Chief Financial Officer

Date: May 12, 2026