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 June 30, 2026

OR

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

For the transition period from to

Commission file number: 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 August 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)	June 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 7,887,510	$ 4,982,333
Prepaid expenses	94,464	336,687
Other current assets	171,379	119,301
Total current assets	**8,153,353**	**5,438,321**
Non-current assets		
Property and equipment, net	42,416	46,393
Intangible asset - shell company	314,191	314,191
Goods and service tax and other credits receivable	591,576	601,537
Prepaid insurance- long term portion	60,030	67,307
Right-of-use of asset, net	14,796	29,428
Total non-current assets	**1,023,009**	**1,058,856**
Total assets	**$ 9,176,362**	**$ 6,497,177**
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued expenses	$ 1,064,034	$ 1,286,683
Due to Affiliates	179,338	204,562
Operating lease liability - current portion	17,310	31,258
Salary and post-employment benefits payable	496,314	870,822
Other current liabilities	107,660	341,835
Total current liabilities	**1,864,656**	**2,735,160**
Total liabilities	**1,864,656**	**2,735,160**
Commitments and contingencies		
Stockholders' equity		
Common stock, 300,000,000 VHI shares authorized, 7,018,528 and 5,919,337 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	7,019	5,919
Additional paid in capital	95,373,387	90,078,579
Non-controlling interest in VTI; 20,000,000 common shares authorized, 1,481,598 shares issued and outstanding at both June 30, 2026 and December 31, 2025	1,263,220	1,319,958
Accumulated deficit	(89,212,041)	(87,563,575)
Accumulated other comprehensive loss	(119,879)	(78,864)
Total stockholders' equity	**7,311,706**	**3,762,017**
Total liabilities and stockholders' equity	**$ 9,176,362**	**$ 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
SIX MONTHS ENDED JUNE 30,

(Amount in USD)	**2026**	**2025**
Revenue	$ 58,546	$ 248,535
Cost of goods sold	(30,243)	(69,881)
Gross profit	**28,303**	**178,654**
Operating expenses		
Depreciation and amortization	5,215	6,491
Selling, general and administrative	842,466	525,019
Research and development	1,173,128	170,329
Total operating expenses	**2,020,809**	**701,839**
Operating loss	(1,992,506)	(523,185)
Other income/(expense), net:		
Interest expense	(6,170)	(111,093)
Interest income and other	293,472	1,035
Fair value adjustment	-	30,511
Total other income (expense), net	**287,302**	**(79,547)**
Net loss	**(1,705,204)**	**(602,732)**
Net loss attributable to non-controlling interest	(56,738)	-
Net loss attributable to owners of the Company	$ (1,648,466)	$ (602,732)
Comprehensive loss		
Net Loss	(1,705,204)	(602,732)
Other comprehensive loss - Foreign currency translation adjustments	(41,015)	12
Total comprehensive loss	**$ (1,746,219)**	**$ (602,720)**
Net Loss per common share:		
Loss per common share – basic and diluted	**$ (0.24)**	**$ (1,561.45)**
Weighted average number of shares outstanding	6,855,306	386

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
THREE MONTHS ENDED JUNE 30,

(Amount in USD)	**2026**	**2025**
Revenue	$ 26,955	$ 49,954
Cost of goods sold	(15,297)	(25,719)
Gross profit	11,658	24,235
Operating expenses		
Depreciation and amortization	2,610	2,968
Selling, general and administrative	364,891	265,395
Research and development	506,723	80,061
Total operating expenses	874,224	348,424
Operating loss	(862,566)	(324,189)
Other income/(expense), net:		
Interest expenses	(3,325)	(56,139)
Interest income and other	146,208	5,049
Fair value adjustment	-	66,519
Total other income (expense), net	142,883	15,429
Net loss	(719,683)	(308,760)
Net loss attributable to non-controlling interest	(34,127)	-
Net loss attributable to owners of the Company	(685,556)	(308,760)
Comprehensive loss:		
Net Loss	(719,683)	(308,760)
Other comprehensive loss- Foreign currency translation adjustments	(1,561)	12
Total comprehensive loss	**$ (721,244)**	**$ (308,748)**
Net Loss per common share:		
Loss per common share – basic and diluted	**$ (0.10)**	**$ (799.90)**
Weighted average number of shares outstanding	7,018,528	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)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026, AND 2025

	Common stock of VHI		Preferred stock		Additional Paid-in Capital	Accumulated Deficit	Non controling Interest		Accumulated Other Comprehensive Income (Loss)	Total Stockholders equity (Deficit)
	Shares	Amount	Shares	Amount			VTI Shares	Amount		
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)**
Balance at March 31, 2025	**-**	**$ -**	**3,076**	**$ 3**	**$ 51,084,877**	**$ (55,716,718)**	**386**	**$ 1**	**$ (53,169)**	**$ (4,685,006)**
Net loss for the period						(308,760)				**(308,760)**
Foreign currency translation adjustment									12	12
Balance at June 30, 2025	**-**	**$ -**	**3,076**	**$ 3**	**$ 51,084,877**	**$ (56,025,478)**	**386**	**$ 1**	**$ (53,157)**	**$ (4,993,754)**

	Common stock of VHI		Preferred stock		Additional Paid-in Capital	Accumulated Deficit	Non controling Interest		Accumulated Other Comprehensive Income (Loss)	Total Stockholders equity (Deficit)
	Shares	Amount	Shares	Amount			VTI Shares	Amount		
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**
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**
Costs incurred in connection with ATM financing					(3,000)					(3,000)
Adjustment of net liabilities assumed in Merger transaction					(16,422)					(16,422)
Stock based compensation					11,051					11,051
Net loss for the period						(685,556)		(34,127)		(719,683)
Foreign currency translation adjustment									(1,561)	(1,561)
Balance at June 30, 2026	**7,018,528**	**$ 7,019**	**-**	**$ -**	**$ 95,373,387**	**$ (89,212,041)**	**1,481,598**	**$ 1,263,220**	**$ (119,879)**	**$ 7,311,706**

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

VYOME HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30,

(Amount in USD)	**2026**	**2025**
Cash flows from operating activities		
Net loss	$ (1,705,204)	$ (602,732)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	5,215	6,491
(Gain) loss on fair value adjustment of convertible debt	-	(30,511)
Non-cash accrued interest expense	-	108,476
Stock compensation expense - stock options	16,747	-
Stock compensation expense – common stock	30,000	-
Changes in assets and liabilities:		
Accounts receivable, net	(1,856)	1,953
Prepaid expenses and other current assets	192,001	(2,859)
Other assets	30,632	31,630
Accounts payable and accrued expenses	(259,356)	(96,325)
Due to Affiliates	(25,224)	40,752
Salary and post employment benefits payable	(374,508)	66,913
Other current liabilities	(248,123)	(33,572)
Net cash used in operating activities	**(2,339,676)**	**(509,784)**
Cash flows from financing activities:		
Proceeds from issuance of convertible debt	-	191,253
Proceeds from promissory note issued by Reshape	-	600,000
Proceeds from sale of common stock pursuant to ATM	5,285,868	-
Net cash generated from financing activities	**5,285,868**	**791,253**
Effect of exchange rate changes on cash and cash equivalents	(41,015)	13
Net increase in cash and cash equivalents	**2,905,177**	**281,482**
Cash and cash equivalents at beginning of the period	4,982,333	101,904
Cash and cash equivalents at end of the period	**$ 7,887,510**	**$ 383,386**
Supplemental non-cash and financing activities:		
Interest paid	$ 4,646	$ 2,617

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", "VHI" 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 Lifesciences, Inc. ("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. (the "Combined Company") 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 it can be a potential orphan drug-designated program. 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 has filed an application for Orphan Drug Designation for the VT-1953 program with the FDA in January 2026. In March 2026, the Company submitted a pre-IND briefing package to the FDA for its VT-1953 program, including its proposed pivotal clinical study strategy for the treatment of malodor and other symptoms associated with malignant fungating wounds. During the second quarter of 2026, the Company received the FDA's written response on the proposed clinical development program described in the pre-IND briefing package submitted in March 2026. The Company is incorporating the FDA's feedback and plans to continue its engagement with the FDA through a Type C meeting prior to advancing the pivotal clinical development program. Also, the Company has a Pre-Investigative 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") to sell a family of novel topical anti-fungal products owned by the Company. The Company used third-party entities to manufacture the products. In December 2024, the licensing and marketing agreement was terminated.

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. Sales of Luliconazole commenced in the third quarter of 2023 by Sun Pharma, and the Company earns royalties and milestone payments from this arrangement.

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. There were no revenues from this arrangement for the period ended June 30, 2026.

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 six months ended June 30, 2026 and 2025, the Company generated a net loss of $1,705,204 and $602,732, 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 10. 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 ATM facility 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 opinion of management, necessary for a fair presentation of the financial position as of June 30, 2026 and 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 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 $41,015 and $(13) for the six months ended June 30, 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. On June 30, 2026, the Company held approximately $7.3 million in one bank account, which exceeded the FDIC limit by approximately $7.0 million. 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 June 30, 2026 and December 31, 2025, was $7,388,354 and $4,051,958, respectively. Cash held in India in VTL bank accounts as of June 30, 2026, and December 31, 2025, was $499,156 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 credit worthiness. 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 June 30, 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 June 30, 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.

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. Once the transaction closes, LICH Sub, using the default provisions of the note receivable, will acquire 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.

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.

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 June 30, 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 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 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 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 June 30, 2026 and 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 periods ended June 30, 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 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 13.

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 9 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 utilizes a Probability Weighted Expected Return Model ("PWERM") to value the convertible debt and promissory notes. 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.

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 periods ended June 30, 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 upon conversion of the debt at June 30, 2025 is not currently calculable and would be anti-dilutive.

The dilutive shares as of June 30, 2026 and 2025, not included in the dilutive loss per share calculation, are as follows:

	June 30, 2026	June 30, 2025
Stock options	1,800,611	279
Warrants	817	-
Preferred stock	-	3,076
Shares that are subject to put call option agreement for certain entitled VHI shares	1,481,598	-
Total	3,283,026	3,355

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 three months subject to a limit of INR 2,000,000 (equivalent to approximately $ 21,000). 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 year 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 adoption of this guidance did not have a significant impact on the consolidated financial statements.

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:

	June 30, 2026	December 31, 2025
Advances to suppliers	$ 5,336	$ 3,262
Accounts receivable	2,181	325
Receivables from LICH	150,484	98,286
Others	13,378	17,428
Total other current assets	**171,379**	**119,301**
Prepaid expenses	154,494	403,994
Less long term prepaid insurance	(60,030)	(67,307)
Total prepaid expenses	**94,464**	**336,687**
Total	**$ 265,843**	**$ 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:

	June 30, 2026	December 31, 2025
Buildings and Improvement	$ 116,550	$ 122,609
Computer and office equipment	42,730	42,360
Furniture & fixtures	13,383	13,622
Laboratory equipment	372,204	392,111
Total	544,867	570,702
Accumulated depreciation	(502,451)	(524,309)
Net fixed assets	**$ 42,416**	**$ 46,393**

Depreciation expense was $5,215 and $6,491 for the six month period ended June 30, 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 June 30, 2026 and December 31, 2025, consists of the following:

	June 30, 2026	December 31, 2025
Tax deducted at source and tax collected at source receivable	$ 4,899	$ 17,263
Input goods and service tax credit	572,534	584,274
Delaware franchise tax credit	14,143	-
Total	**$ 591,576**	**$ 601,537**

6. Accounts payable and accrued expenses

Accounts payable and accrued expenses as of June 30, 2026 and December 31, 2025 consist of the following:

	June 30, 2026	December 31, 2025
Accounts payable	$ 546,699	$ 647,533
Accrued expenses	517,335	639,150
Total	**$ 1,064,034**	**$ 1,286,683**

7. Salary and post-employment benefits payable

Salary and post-employment benefits payable as of June 30, 2026 and December 31, 2025, consist of the following:

	June 30, 2026	December 31, 2025
Salaries payable	$ 409,702	$ 711,167
Accrued leave encashment (note 13)	47,175	77,298
Accrued gratuity plan (note 13)	39,437	82,357
Total	**$ 496,314**	**$ 870,822**

8. Other current liabilities

Other current liabilities as of June 30, 2026 and December 31, 2025 consist of the following:

	June 30, 2026	December 31, 2025
Statutory dues payable – current	$ 10,467	$ 8,323
Advance from customer – current	40,105	26,086
Insurance premium payable	-	244,974
Other liabilities	57,088	62,452
Total	**$ 107,660**	**$ 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 the Promissory Notes 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 of the Promissory Notes or 0.8 in other Promissory 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 the Promissory Notes. 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 Promissory 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 Notes 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 Notes remain outstanding, then the outstanding principal amount of the Promissory Notes 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 Notes 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 Notes have 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 Notes 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.

In connection with the Merger, all of the Promissory Notes and Bridge Notes were converted into shares of 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.

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 six months ended June 30, 2025, are summarized as follows:

	Six months ended June 30, 2025
Balance, beginning of the period	$ 3,589,410
Additional notes issued	191,253
Interest accrued	103,045
Change in fair value	150,673
Conversion of notes and accrued interest to shares	-
Total	**$ 4,034,381**

The Notes were converted to common shares as part of the reverse recapitalization with ReShape in August 2025.

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 six months ended June 30, 2025, are summarized as follows:

	Six months ended June 30, 2025
Balance, beginning of the period	$ 0
Borrowings	600,000
Change in fair value	(181,184)
Interest Accrued	5,431
Total	**$ 424,247**

There are no notes payable outstanding as of June 30, 2026.

Overall Debt

Interest expense on the above debt instruments was Nil and $108,476 for the six months ended June 30, 2026 and 2025, respectively. Interest expense on the above debt instruments was Nil and $50,939 for the three months ended June 30, 2026 and 2025, respectively.

The fair value of the Promissory Notes, Bridge Notes, and Reshape 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. There were no notes payable outstanding during the period ended June 30, 2026. 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 six months ended June 30, 2025, as follows:

	June 30, 2025
Adjusted Interest rate	4.41 % to 4.45%
Time to Financing Date	1-3 months

10. Common Stock and Preferred Stock

Authorized 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

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.

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 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 at the Merger date were approximately $244,000. Subsequently, we have been able to reduce certain of such liabilities, recognized as an adjustment of the equity transactions associated with the Merger.

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 Condensed Consolidated Statement of Stockholders Equity of $6,463,646 includes the offset of the deferred offering cost of $111,415.

The Company issued 9,646 and 19,960 shares of common stock to a marketing vendor in January 2026 and December 2025, and recorded an expense of $30,000 and $100,000, respectively, 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 "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 January 2026, the Company sold 1,089,545 shares of common stock at prices approximately between $4.00 and $6.00 per share under the Equity Distribution Agreement, resulting in net proceeds of $5,291,868, before deducting $6,000 for due diligence fees incurred with the Offering.

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 the Company's Indian subsidiary, 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 exchange 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 the Company's Indian subsidiary, 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. There were no exchanges of entitlement shares from January 1 to June 30, 2026.

Since the shares discussed above are outstanding shares issued by subsidiaries of the Company, they are classified as non-controlling interests. As of June 30, 2026 and December 31, 2025, approximately 10% of VTL and 16% of VTI are owned directly by shareholders outside of VHI in VTI.

The non-controlling interest is summarized as of June 30, 2026, 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 six months ended June 30, 2026	-	(56,738)
Non-controlling interest at June 30, 2026	1,481,598	$ 1,263,220

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. 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 six months ended June 30, 2026 which were adjusted to reflect the impact of the share exchange ratio to provide the same economic value as the option holders 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 six months ended June 30, 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 six months ended June 30, 2026	1,800,611	$	0.84	10.0 years
Expired during the six months ended June 30, 2026	-		-	
Exercised during the six months ended June 30, 2026	-			
Outstanding as of June 30, 2026	1,800,611	$	0.84	9.3 years
Exercisable as of June 30, 2026	1,713,323	$	0.66	9.3 years

2018 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 six months ended June 30, 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 six months ended June 30, 2026	(279)		3453.05	5.8 years
Outstanding as of June 30, 2026	-	$	-	-
Exercisable as of June 30, 2026	0	$	-	-
Exercisable as of December 31, 2025	279	$	3,453.05	5.6 years

The following outlines the outstanding and vested stock options by exercise price as of December 31, 2025. There were no options outstanding at June 30, 2026.

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

2025 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 the year ended December 31, 2025 and the six months ended June 30, 2026 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 six months ended June 30, 2026	(2,762,901)	0.41	5.6 years
Outstanding as of June 30, 2026	0	$	
Exercisable as of June 30, 2026	0	$ -	-
Exercisable as of December 31, 2025	2,729,580	$ 0.41	5.6 years

The Company recognized $16,747 and $0 of stock-based compensation expense from all three 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 six-month period ended June 30, 2026 and 2025. As of June 30, 2026, there is a future compensation cost of approximately $119,000 to be recognized related to stock options granted under the 2025 VHI Plan over the next 41 months. The intrinsic value of vested and outstanding stock options was approximately $2.3 million as at June 30, 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 periods ended June 30, 2026 and 2025, and therefore, the only current income taxes payable were certain minimum taxes. The effective tax rate for such periods 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 June 30, 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 million 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 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.

The Company does not expect a significant change to the amount of unrecognized tax benefits over the next 12 months. However, any adjustments arising from certain ongoing examinations by tax authorities could alter the timing or amount of taxable income or deductions, of the allocation of income among tax jurisdictions, and these adjustments could differ from the amount accrued. The Corporation's federal and provincial income tax returns filed for all years remain subject to examination by the taxation authorities.

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 2028 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, operating lease liability– current portion, and operating lease liability, net of 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.

The following table presents information about the amount and timing of liabilities arising from the Company's operating leases as of June 30, 2026:

Lease payments – 2026	$ 17,599
Total undiscounted operating lease payments	17,599
Less: Imputed interest	(289)
Present value of operating lease liabilities (current)	**$ 17,310**

	As of June 30, 2026	**As of December 31, 2025**
Weighted average remaining lease term in years	0.5	2.0
Weighted average discount rate	8.0%	8.0%

The Right of Use Asset on June 30, 2026, of $14,796 will be amortized over the 6 months remaining under the lease term. The Right of Use Asset balance on December 31, 2025, was $29,428. Rent expense was approximately $33,500 and $24,000 for the six months ended June 30, 2026 and 2025 respectively. Rent expense was approximately $19,000 and $13,000 for the three months ended June 30, 2026 and 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 $21,000). Vesting occurs upon completion of 5 years of continuous service. A roll forward of the liability balance for the six months ended June 30, 2026 and for the year ended December 31, 2025 are as follows:

	Six months ending June 30, 2026	**Year ended December 31, 2025**
Obligation recognized in balance sheet:		
Beginning of period	$ 82,357	$ 69,094
Benefits paid	(41,302)	(10,773)
Expenses charged to profit or loss	930	22,268
Currency translation differences	(4,071)	(497)
Interest on gratuity payable	1,523	2,265
Balance for the period ended	$ 39,437	$ 82,357

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 Consolidated Statement of Operations and Comprehensive Loss in the year in which they arise. A roll forward of the liability balance for the six months ended June 30, 2026 and for the year ended December 31, 2025 are as follows:

	Six months ending June 30, 2026	Year ended December 31, 2025
Obligation recognized in balance sheet:		
Beginning of period	$ 77,298	$ 72768
Benefits paid	(55,968)	(11,875)
Expenses charged to profit or loss	29,691	16,335
Currency translation differences	(3,846)	70
Balance for the period ended	$ 47,175	$ 77,298

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 six months ended June 30, 2026 and 2025 was approximately $900 and $800, 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 $378,000) 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 June 30, 2026.

The Company believes that its position is supported by applicable law, judicial precedents, and clarificatory guidance, including the nature of the services provided on a principal-to-principal basis and the fact that they do not constitute services in respect of goods physically made available. Accordingly, the Company contested the demand order by filing a writ petition before the Delhi High Court. Following hearings in July and August 2026, the matter was heard on August 12, 2026, including on the Company's jurisdictional challenge that the demand order was issued beyond the applicable statutory limitation period, and the Delhi High Court reserved its order. Based on its assessment and advice from legal and tax counsel, management believes that it has substantial grounds on both jurisdictional and substantive merits and intends to pursue further legal remedies, including, if appropriate, before the Supreme Court of India. Based on its assessment, including advice from legal and tax counsel, management has concluded that a loss is not probable and, accordingly, no provision for the liability has been recorded as of June 30, 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 December 31, 2025, the Company had no outstanding claims or litigation and had no liabilities recorded for loss contingencies. In April 2026, VTL 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 June 30, 2026, and December 31, 2025; therefore, there is no further impact on working capital expected related to this matter.

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 six months ended June 30, 2026 and 2025:

Amount in USD	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	Biotechnology	Pharmaceutical	Total	Biotechnology	Pharmaceutical	Total
Revenues	$ -	$ 58,546	$ 58,546	$ -	$ 248,535	$ 248,535
Gross margin	-	28,303	28,303	-	178,654	178,654
Operating expenses						-
Depreciation and amortization	5,215	-	5,215	6,491	-	6,491
Selling, general and administrative	800,254	42,212	842,466	484,740	40,281	525,021
Research and development	1,106,069	67,059	1,173,128	144,776	25,553	170,329
Total operating expenses	**1,911,538**	**109,271**	**2,020,809**	**636,007**	**65,834**	**701,841**
Other expenses						
Interest expense	(6,170)	-	(6,170)	(111,093)		(111,093)
Fair value adjustment	-	-	-	30,511		30,511
Other income (loss), net	293,472	-	293,472	1,035		1,035
Other expenses	**287,302**	**-**	**287,302**	**(79,547)**	**-**	**(79,547)**
Net income	**$ (1,624,236)**	**$ (80,968)**	**$ (1,705,204)**	**$ (715,554)**	**$ 112,820**	**$ (602,734)**
Assets of segment	$ 9,174,180	$ 2,181	$ 9,176,361	$ 1,625,477	$ 341	$ 1,625,818

Reporting by segment is summarized as follows for the three months ended June 30, 2026 and 2025

Amount in USD	For the three months ended June 30, 2026			For the three months ended June 30, 2025		
	Biotechnology	Pharmaceutical	Total	Biotechnology	Pharmaceutical	Total
Revenues	$ -	$ 26,955	$ 26,955	$ -	$ 49,954	$ 49,954
Gross margin	-	11,658	11,658	-	24,235	24,235
Operating expenses						-
Depreciation and amortization	2,610		2,610	2,968	-	2,968
Selling, general and administrative	341,318	23,573	364,891	248,203	17,192	265,395
Research and development	469,300	37,423	506,723	69,339	10,722	80,061
Total Operating expenses	**813,228**	**60,996**	**874,224**	**320,510**	**27,914**	**348,424**
Other expenses						
Interest expense	(3,325)		(3,325)	(56,139)		(56,139)
Fair value adjustment	-		-	66,519		66,519
Other income (loss), net	146,208		146,208	5,049		5,049
Other expenses	**142,883**	**-**	**142,883**	**15,429**	**-**	**15,429**
Net income	**$ (670,345)**	**$ (49,338)**	**$ (719,683)**	**$ (305,081)**	**$ (3,679)**	**$ (308,760)**
Assets of segment	$ 9,174,180	$ 2,181	$ 9,176,361	$ 1,625,477	$ 341	$ 1,625,818

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 six months ended June 30, 2026 and 2025 are derived from Sun Pharma, a significant pharmaceutical company based in India ("Major Customer"). Revenues for the six months ended June 30, 2026 and 2025 are summarized as follows:

	Six months ending June 30, 2026	Six months ending June 30, 2025
Licensing and milestone fees – Luliconazole	$ -	$ 116,900
Sale of products	50,285	121,423
Royalty income related to above product sales	8,261	10,212
Total	**$ 58,546**	**$ 248,535**

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 six months ended June 30, 2026 and $116,900 was earned during the six month ended June 30, 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 Condensed Consolidated Statements of Operations and Comprehensive Loss amounting to approximately $25,000 for each of the three months ended June 30, 2026 and 2025, The amount outstanding to such Directors as of June 30, 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 Condensed Consolidated Statements of Operations and Comprehensive Loss amounting to approximately $65,000 for each of the three months ended June 30, 2026, and 2025. The amount outstanding as of June 30, 2026 and December 31, 2025, to the CEO is $269,241 and $323,066, respectively, which is included in Salary and Employment Benefits Payable in the Condensed Consolidated Balance Sheets.

Certain Directors have provided short-term advances to the Company from time to time, amounting to approximately $4,000 and $5,000 at June 30, 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 six-month period ended June 30, 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 written correspondence from the FDA requesting additional information and clarifications in connection with its Orphan Drug Designation application for VT-1953 filed in January 2026. The Company is preparing its response to the FDA and intends to continue to work with the FDA as part of the ongoing regulatory review process.

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 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 has filed an application for Orphan Drug Designation for the VT-1953 program with the FDA in January 2026. In March 2026, the Company submitted a pre-IND briefing package to the FDA for its VT-1953 program including its proposed pivotal clinical study strategy for the treatment of malodor and other symptoms associated with malignant fungating wounds. During the second quarter of 2026, the Company received the FDA's written response on the proposed clinical development program described in the pre-IND briefing package submitted in March 2026. The Company is incorporating the FDA's feedback and plans to continue its engagement with the FDA through a Type C meeting prior to advancing the pivotal clinical development program. 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 is also developing other assets for treating immune-inflammatory diseases, which are in pre-clinical or early clinical development.

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.

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. There are no revenues from the arrangement for the six months ending June 30, 2026.

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 (the "Common Stock" or "common stock"), 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, 2024.

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 (the "Equity Distribution Agreement") 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"), less a 3% discount. The Amendment increased the amount that may be offered and sold in the ATM Offering from $3,420,926 to $12,000,000. In January 2026, the Company sold 1,089,545 shares of common stock at prices approximately between $4.00 and $6.00 per share under the Equity Distribution Agreement, resulting in net proceeds of $5,291,868, before deducting $6,000 for due diligence fees incurred with the ATM Offering.

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 which 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 June 30, 2026 and 2025

For the three months ended June 30,

	2026	2025	Change
Revenues			
Revenue	$ 26,955	$ 49,954	$ (22,999)
Cost of goods sold	(15,297)	(25,719)	10,422
Gross profit	11,658	24,235	(12,577)
Operating expenses:			
Research and development	506,723	80,061	426,662
Depreciation and amortization	2,610	2,968	(358)
General and administrative	364,891	265,395	99,496
Total operating expenses	874,224	348,424	525,800
Loss from operations	(862,566)	(324,189)	(538,377)
Other income (expense):			
Fair value adjustment	-	66,519	(66,519)
Other, net	146,208	5,049	141,159
Interest expense	(3,325)	(56,139)	52,814
Net loss	$ (719,683)	$ (308,760)	$ (410,923)

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 June 30, 2026, and 2025 were derived from one customer, Sun Pharma, based in India. 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 June 30, 2026 and 2025 are summarized as follows:

	2026	2025
Sale of products	$ 24,820	$ 44,696
Royalty income related to above product sales	2,135	5,258
Licensing and milestone fees – Luliconazole	-	-
	$ 26,955	$ 49,954

Research and Development Expenses

Research and development expenses were $506,723 and $80,061 for the three months ended June 30, 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 $364,891 and $265,395 for the three months ended June 30, 2026 and 2025, respectively. The increase was primarily due to an increase in legal, accounting, auditing, and related professional fees associated with being a public company and increased staff, and the stock-based compensation for stock options in the three months ended June 30, 2026.

Interest income

Interest income and other income were $146,208 and $5,049 for the three months ended June 30, 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 $66,519 for the three months ended June 30, 2026 and 2025, respectively, reflecting the probability and timing of the Merger completion and resultant valuation considerations. All of the notes were converted into equity instruments in connection with the Merger.

Comparison of the six months ended June 30, 2026 and 2025

Results of Operations

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

For the six months ended June 30,

	2026	2025	Change
Revenues			
Revenue	$ 58,546	$ 248,535	$ (189,989)
Cost of goods sold	(30,243)	(69,881)	39,638
Gross profit	28,303	178,654	(150,351)
Operating expenses:			
Research and development	1,173,128	170,329	1,002,799
Depreciation and amortization	5,215	6,491	(1,276)
General and administrative	842,466	525,019	317,447
Total operating expenses	2,020,809	701,839	1,318,970
Loss from operations	(1,992,506)	(523,185)	(1,469,321)
Other income (expense):			
Fair value adjustment	-	30,511	(30,511)
Interest income and other	293,472	1,035	292,437
Interest expense	(6,170)	(111,093)	104,923
Net loss	$ (1,705,204)	$ (602,732)	$ (1,102,472)

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 six months ended June 30, 2026, and 2025 were derived from one customer, Sun Pharma, based in India. 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 six months ended June 30, 2026 and 2025 are summarized as follows:

	2026	2025
Sale of products	$ 50,285	$ 121,423
Royalty income related to above product sales	8,261	10,212
Licensing and milestone fees – Luliconazole	-	116,900
	$ 58,546	$ 248,535

Research and Development Expenses

Research and development expenses were $1,173,128 and $170,329 for the six months ended June 30, 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 $842,466 and $525,020 for the six months ended June 30, 2026 and 2025, respectively. The increase was primarily due to an increase in legal, accounting, auditing, and related professional fees associated with being a public company and increased staff, and the stock-based compensation for stock options of $16,747 in the six months ended June 30, 2026.

Interest income

Interest income and other income were $293,472 and $1,035 for the six months ended June 30, 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 $30,511 for the six months ended June 30, 2026 and 2025, respectively, reflecting the probability and timing of the Merger completion and resultant valuation considerations. All of the notes were converted into equity instruments in connection with the Merger.

Cash Flows

The following table summarizes our cash flows for the six months ended June 30, 2026 and 2025:

For the six months ended June 30,

Net cash provided by (used in):	**2026**	**2025**	**Change**
Operating activities	$ (2,339,674)	$ (509,784)	$ (1,829,890)
Investing activities	-	-	-
Financing activities	5,285,868	791,253	4,494,615
Other	(41,015)	13	(41,028)
Net (decrease) increase in cash	$ 2,905,179	$ 281,482	$ 2,623,697

During the six months ended June 30, 2026, net cash used in operating activities was $2,339,674, consisting primarily of net losses of $1,705,204 less stock compensation expenses of $16,747, a decrease of $374,508 in post-employment benefits, and a decrease in accounts payable and accrued expenses of $259,356, partially offset by a decrease in prepaid expenses of $192,001. The Company continues to operate under cost-efficient operations for capital efficiency.

During the six months ended June 30, 2025, net cash used in operating activities was $509,784, consisting primarily of net losses of $602,732 less the non-cash charge for interest expense of $108,476 and an increase in accrued compensation and post-employment benefits of $66,913, offset by the income on fair value adjustment of convertible debt of $30,511 and a decrease in accounts payable and accrued expenses of $96,523.

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 operating 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 through June 30, 2026). The Company had $7,887,510 of cash on June 30, 2026.

Financing Activities

During the six months ended June 30, 2026, cash provided by financing activities was $5,285,868, principally from the net proceeds from the sale of common stock pursuant to the ATM. During the six months ended June 30, 2025, cash provided by financing was $791,253, consisting primarily of $191,253 from the sale of convertible notes and $600,000 from the proceeds from a promissory note.

Liquidity and Capital Resources

Since inception, we have incurred significant operating losses. As of June 30, 2026, we had a cash balance of $7,887,510 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 goods and services tax (“GST”) authorities in India relating to the refund of Integrated Goods and Services Tax (“IGST”) of approximately ₹3.57 crore, or approximately $378,000, 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 June 30, 2026.

The Company believes that its position is supported by applicable law, judicial precedents, and clarificatory guidance, including the nature of the services provided on a principal-to-principal basis and the fact that they do not constitute services in respect of goods physically made available. Accordingly, the Company contested the demand order by filing a writ petition before the Delhi High Court. Following hearings in July and August 2026, the matter was heard on August 12, 2026, including on the Company’s jurisdictional challenge that the demand order was issued beyond the applicable statutory limitation period, and the Delhi High Court reserved its order. Based on its assessment and advice from legal and tax counsel, management believes that it has substantial grounds on both jurisdictional and substantive merits and intends to pursue further legal remedies, including, if appropriate, before the Supreme Court of India. Based on its assessment, including advice from legal and tax counsel, management has concluded that a loss is not probable and, accordingly, no provision for the liability has been recorded as of June 30, 2026.

The Company received a civil court notice with respect to deferred unpaid salary of approximately $95,000 to a past employee. This 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. For the six months ended June 30, 2026, the Company raised net proceeds of $5,291,868 from the sale of common stock pursuant to ATM Offering. 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, with 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 six months ended June 30, 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 June 30, 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 June 30, 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

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

During the three months ended June 30, 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. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 12, 2026).
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 June 30, 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: August 12, 2026

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: August 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: August 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 June 30, 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: August 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 June 30, 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: August 12, 2026