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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2026

OR

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

For the transition period from _____ to _____

Commission File Number: 001-38907

DNA X, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**94-3336783**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

4445 Eastgate Mall, Suite 200
San Diego, CA 92121
(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code: (661) 618-7580

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock par value $0.001 per share	SONM	The Nasdaq Stock Market LLC

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 ☒

On November 16, 2026, there were 1,523,689 shares of the registrant's common stock, par value $0.001, outstanding.

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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements that we believe are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Those forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by that act as well as protections afforded by other federal securities laws. Generally, words such as "achieve," "aim," "ambitions," "anticipate," "believe," "committed," "continue," "could," "designed," "estimate," "expect," "forecast," "future," "goals," "grow," "guidance," "intend," "likely," "may," "milestone," "objective," "on track," "opportunity," "outlook," "pending," "plan," "position," "possible," "potential," "predict," "progress," "roadmap," "seek," "should," "strive," "targets," "to be," "upcoming," "will," "would," and variations of such words and similar expressions identify forward-looking statements, which are not historical in nature. The forward-looking statements may appear throughout this report and other documents we file with the Securities and Exchange Commission or the SEC, including without limitation, the following sections:

(i) Note 10 - Commitments and Contingencies to these Consolidated Financial Statements regarding the possible outcome of, and future effect on our financial condition and results of operations of, certain litigations and other proceedings to which we are a party;
(ii) Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations," including the statements with regard to the future changes to our business and our expectations regarding our strategy and new lines of products, future cash requirements, assessment of our liquidity, the availability, uses, sufficiency, and cost of capital resources, and sources of funding, and future products, services, and technologies; and
(iii) Part I, Item 4. "Controls and Procedures," including the description of limitations on effectiveness of controls and procedures.

Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. These risks and uncertainties include, but are not limited to, the following:

- the availability of cash on hand and other sources of liquidity to fund our operations and grow our business;
- our ability to compete effectively depends on multiple factors and we may not be able to continue to develop solutions to address user needs effectively;
- we may not be able to continue to develop solutions to address user needs effectively, including features for traders on our cryptocurrency trading platform;
- cryptocurrency values have been volatile and may cause a decrease in trading activity on our cryptocurrency trading platform;
- the financial and operational projections that we may provide from time to time are subject to inherent risks;
- our ability to incorporate emerging technologies into our trading software given the lengthy development cycle;
- our ability to adapt to new requirements from customer in our evolving industry;
- our ability to remain in compliance with the listing requirements of the Nasdaq Capital Market;
- our quarterly results may vary significantly from period to period;
- we rely primarily on third-party contractors to maintain and develop our trading platform;
- if our software contains defects or errors, we could incur significant unexpected expenses, experience downtime on our online trading platform with a loss of commission revenue, and be subject to liability for claims;
- we are dependent on the continued services and performance of a concentrated and limited group of senior management;
- we face risks related to the impact of various economic, political, environmental, social, and market events beyond our control that can impact our business and results of operations; and
- other risks and uncertainties described in our Annual Report on Form 10-K and as updated in this Quarterly Report in the "Risk Factors" section, as such descriptions may be updated or amended in any future reports we file with the SEC.

We urge investors to consider all of the risks, uncertainties, and other factors disclosed in these filings carefully in evaluating the forward-looking statements contained in this report. We cannot assure you that the results or developments anticipated by us and reflected or implied by any forward-looking statement contained in this report will be realized or, even if substantially realized, that those results or developments will result in the forecasted or expected consequences for us or affect us, our operations or financial performance as we forecasted or expected. As a result of the matters discussed above and other matters, including changes in facts, assumptions not being realized, or other factors, the actual results relating to the subject matter of any forward-looking statement in this report may differ materially from the anticipated results expressed or implied in that forward-looking statement. The forward-looking statements included in this report are made only as of the date of this report, and we undertake no obligation to update any such statements to reflect subsequent events or circumstances.

As used herein, "DNA X," the "Company," "we," "us," "our," and similar terms include DNA X, Inc. and its subsidiaries, unless the context indicates otherwise.

PARI I – FINANCIAL INFORMATION

Item 1. Financial Statements.

DNA X, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS EXCEPT SHARE AND PER SHARE AMOUNTS)

	September 30, 2026	December 31, 2025
	(Unaudited)	
Assets		
Cash and cash equivalents	$ 5,180	$ 1,303
Prepaid expenses and other current assets	232	676
Current assets held for sale	—	26,930
Total Current assets	5,412	28,909
Investment in DNA X LLC under equity method	—	1,242
Identifiable intangible assets	1,358	—
Deferred tax assets	—	1,441
Other assets	160	274
Non-current assets held for sale	—	12,032
Total assets	$ 6,930	$ 43,898
Liabilities and stockholders' deficit		
Accounts payable	170	4,030
Accrued liabilities	721	704
Promissory note, net from related party	—	1,035
Promissory notes, net	—	4,030
Derivative liability	—	171
Income tax payable	183	2,598
Current liabilities held for sale	—	38,057
Total current liabilities	1,074	50,625
Deferred tax liability	600	—
Total liabilities	1,674	50,625
Commitments and contingencies (Note 10)	—	—
Redeemable common stock; $0.001 par value; 223,201 shares issued and outstanding; redemption value $1,228 as of December 31, 2025 (Note 7)	—	1,228
Stockholders' deficit		
Common stock, $0.001 par value per share; 1,000,000,000 shares authorized: and 1,523,689 and 1,265,067 shares issued and outstanding at September 30, 2026 and December 31, 2025 respectively	1	1
Preferred stock, $0.001 par value per share, 5,000,000 shares authorized: and 1,346,531 Series B convertible preferred stock issued and outstanding at September 30, 2026 and no shares outstanding at December 31, 2025	2	—
Additional paid-in capital	305,229	296,309
Accumulated deficit	(299,976)	(304,265)
Total stockholders' equity (deficit)	5,256	(7,955)
Total liabilities, redeemable common stock, and stockholders' equity (deficit)	$ 6,930	$ 43,898

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

DNA X, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS EXCEPT SHARE AND PER SHARE AMOUNTS)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Continuing operations				
Net revenues	$ —	$ —	$ —	$ —
Operating expenses				
General and administrative	1,546	1,708	6,442	4,049
Total operating expenses	1,546	1,708	6,442	4,049
Net loss from operations	(1,546)	(1,708)	(6,442)	(4,049)
Interest expense, net	(29)	(522)	(300)	(1,002)
Gain on remeasurement of derivative liability	296	—	58	—
Gain on extinguishment of debt	—	—	191	—
Other expense	(188)	—	(188)	—
Equity income from DNA X LLC	—	—	48	—
Net loss from continuing operations before income taxes	(1,467)	(2,230)	(6,633)	(5,051)
Income tax benefit from continuing operations	—	—	—	—
Net loss from continuing operations	(1,467)	(2,230)	(6,633)	(5,051)
Discontinued operations				
Income (loss) from discontinued operations	398	(2,523)	10,657	(6,719)
Net income (loss)	$ (1,069)	$ (4,753)	$ 4,024	$ (11,770)
Net income (loss) per share basic and diluted:				
Continuing operations*	$ (0.98)	$ (2.27)	$ (4.83)	$ (8.21)
Discontinued operations*	$ 0.27	$ (2.56)	$ 7.76	$ (10.93)
Net income (loss)*	$ (0.71)	$ (4.83)	$ 2.93	$ (19.14)
Weighted-average shares used in computing net income (loss) per share:				
Basic	1,500,973	984,927	1,373,182	614,985
Diluted	1,500,973	984,927	1,373,182	614,985

* Adjusted retroactively to reflect the 1-for-18 reverse stock split that became effective on October 27, 2025, see Note 1.

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

DNA X, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(IN THOUSANDS EXCEPT SHARE AMOUNTS)
(UNAUDITED)

For the Three Months Ended September 30, 2025	Common stock Shares(*)	Common stock Amount	Additional Paid-in Capital	Accumulated Deficit	Stockholders' Deficit
Balance at July 1, 2025	574,353	$ 1	$ 289,290	$ (290,625)	$ (1,334)
Promissory note payments settled in equity	30,188	1	374	—	375
Issuance of common stock, net of issuance costs	411,111	7	4,838	—	4,845
Stock-based compensation	—	—	166	—	166
Impact of retroactively adjusted reverse stock split	—	(8)	8	—	—
Net loss	—	—	—	(4,753)	(4,753)
Balance at September 30, 2025	1,015,652	$ 1	$ 294,676	$ (295,378)	$ (701)

For the Three Months Ended September 30, 2026	Preferred stock Shares	Preferred stock Amount	Common stock Shares	Common stock Amount	Additional Paid-in Capital	Accumulated Deficit	Stockholders' Deficit
Balance at July 1, 2026	—	—	1,488,268	$ 1	$ 297,674	$ (298,907)	$ (1,232)
Issuance of common stock upon settlement of restricted stock units	—	—	35,421	—	—	—	—
Issuance of preferred stock, net of issuance costs	833,334	1	—	—	4,890	—	4,891
Issuance of preferred stock upon cancellation of debt	513,197	1	—	—	2,884	—	2,885
Stock-based compensation	—	—	—	—	(219)	—	(219)
Net loss	—	—	—	—	—	(1,069)	(1,069)
Balance at September 30, 2026	1,346,531	**$ 2**	1,523,689	$ 1	$ 305,229	$ (299,976)	$ 5,256

For the Nine Months Ended September 30, 2025	Common stock Shares (*)	Common stock Amount	Additional Paid-in Capital	Accumulated Deficit	Stockholders' Deficit
Balance at January 1, 2025	276,881	$ —	$ 277,908	$ (283,608)	$ (5,700)
Issuance of common stock upon settlement of restricted stock units	42,956	—	—	—	—
Issuance of common stock, net of issuance costs	665,627	12	13,785	—	13,797
Promissory note payments settled in equity	30,188	1	374	—	375
Stock-based compensation related to 2024 bonus accrual	—	—	1,215	—	1,215
Stock-based compensation	—	—	1,382	—	1,382
Impact of retroactively adjusted reverse stock split	—	(12)	12	—	—
Net loss	—	—	—	(11,770)	(11,770)
Balance at September 30, 2025	1,015,652	$ 1	$ 294,676	$ (295,378)	$ (701)

For the Nine Months Ended September 30, 2026	Preferred stock Shares	Preferred stock Amount	Common stock Shares	Common stock Amount	Additional Paid-in Capital	Accumulated Deficit	Stockholders' Deficit
Balance at January 1, 2026	—	—	1,265,067	$ 1	$ 296,309	$ (304,265)	$ (7,955)
Change in fair value of redeemable common stock	—	—	—	—	—	328	328
Issuance of preferred stock, net of issuance costs	833,334	1	—	—	4,890	—	4,891
Issuance of preferred stock upon cancellation of debt	513,197	1	—	—	2,884	—	2,885
Reclass redeemable common stock to permanent common stock at $4.315 on May 26, 2026	—	—	223,201	—	963	(63)	900
Settlement of restricted stock units	—	—	35,421	—	—	—	—
Stock-based compensation					183		183
Net income	—	—	—	—	—	4,024	4,024
Balance at September 30, 2026	1,346,531	$ 2	1,523,689	$ 1	$ 305,229	$ (299,976)	$ 5,256

(*) Adjusted retroactively to reflect the 1-for-18 reverse stock split that became effective on October 27, 2025, see Note 1.

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

DNA X, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net income (loss)	$ 4,024	$ (11,770)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Gain on sale of assets, net of cash (includes $(344) from Stock-based compensation)	(15,583)	—
Portion of gain on sale of assets that is included in stock-based compensation	344	—
Depreciation and amortization	170	2,804
Stock-based compensation ($527 from continuing operations a reversal of $344 from discontinued operation for 2026 and all from discontinued operations for 2025-see Note 8)	183	1,382
Gain on remeasurement of derivative liability	(58)	—
Gain on extinguishment of debt	(191)	—
Release of customer allowance liability	—	(5,429)
Impairment of contract fulfillment assets	—	1,084
Investment income from DNA X LLC under the equity method	(48)	—
Other	(7)	115
Changes in operating assets and liabilities:		
Accounts receivable	250	702
Non-trade receivable	—	(2,722)
Related party receivable		181
Deferred tax liability	600	—
Deferred tax asset	1,364	—
Inventory	5,490	18
Prepaid expenses and other current assets	2,039	811
Contract fulfillment assets	129	(6,330)
Other assets	3	(17)
Accounts payable	(3,201)	(2,440)
Accrued liabilities	(1,776)	(26)
Income tax payable	(594)	115
Net cash used in operating activities	(6,862)	(21,522)
Cash flows from investing activities:		
Net cash received from asset sale	3,358	—
Payments from discontinued operations including tariff refunds	849	—
Additions to identifiable intangibles - software assets	(94)	—
Net cash provided by investing activities	4,113	—
Cash flows from financing activities:		
Proceeds from issuance of common stock, net of issuance costs	—	13,797
Proceeds from issuance of preferred stock, net of issuance costs	4,892	
Issuance costs on conversion of debt to preferred stock	(66)	
Proceeds from promissory note, net of issuance costs	1,800	5,110
Repayments of short-term borrowings	—	(591)
Net cash provided by financing activities	6,626	18,316
Net decrease in cash and cash equivalents	3,877	(3,206)
Cash and cash equivalents at beginning of period	1,303	5,343
Cash and cash equivalents at end of period	$ 5,180	$ 2,137
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 257	$ 241
Cash paid for income taxes	$ —	$ 122
Supplemental disclosure of non-cash activities:		
Cancelation of debt in exchange for preferred stock	$ 3,053	$ —
Repayment of notes payable from proceeds of asset sale	$ 5,476	$ —
Reclass of investment to intangibles, related party receivables, and accrued liabilities	$ 1,290	$ —
Accrued bonus settled in equity	$ —	$ 1,215

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

DNA X, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(In Thousands, except Share and Per Share Amounts)

NOTE 1 — The Company and Its Significant Accounting Policies

Description of Business—DNA X, Inc. ("the Company") was incorporated in the state of Delaware on August 5, 1999 under the name Sonim Technologies Inc., and is headquartered in San Diego, California. Effective January 23, 2026, the Company changed its name to DNA X, Inc. The Company operates an AI and crypto trading platform that operates on the internet and is designed to harness advanced AI and machine learning technologies to automate intelligent trading strategies, enabling clients to capitalize on data-driven insights and dynamic opportunities. In the fourth quarter of 2026, the trading platform will add an enhancement to allow the trading of AI compute time. See https://dnax.us for more information on the services offered. Until January 23, 2026, the Company operated a cell phone and mobile hotspot manufacturing business. The assets of the phone and mobile hotspot business were sold to Pace Car Acquisition LLC on January 23, 2026.

The trading platform generates revenue from trading commissions that are based on the value of the trades that customers execute on the DNA X trading website. The website was relaunched in October 2026 and is now generating revenue.

Liquidity and Ability to Continue as a Going Concern—The Company's consolidated financial statements account for the continuation of its business as a going concern. The Company is subject to the risks and uncertainties associated with operating an AI and crypto trading platform including the ability to attract new customers and to keep existing customers from moving their business to other competitors. On July 8, 2026, the Company received $2,500 in cash from the sale of preferred shares to DNA Holdings Venture Inc. ("DNA Holdings"). On July 8, 2026 the $3,053 convertible note that the Company previously issued was cancelled and exchanged for preferred stock of the Company. On August 7, 2026, the Company received an additional $2,500 in cash from the sale of preferred shares to DNA Holdings. There is one class of preferred stock and it is convertible into common stock of the Company upon stockholders' approval. The preferred stock does not have any special dividend rights or any voting rights. The $5,180 in cash at September 30, 2026 is expected to be sufficient to support the trading platform and to allow the Company to pay obligations as they become due over the year following the filing of this 10-Q.

Reverse Stock Split—On October 27, 2025, the Company effected a 1-for-18 reverse stock split of its issued and outstanding common stock (the "Reverse Stock Split"). The Company's common stock began trading on the Nasdaq Capital Market on a post-split basis on October 29, 2025. As a result of the Reverse Stock Split, each share of common stock issued and outstanding immediately prior to October 18, 2025, was automatically converted into one-eighteenth (1/18) of a share of common stock. The Reverse Stock Split affected all common stockholders uniformly and did not alter any stockholder's percentage interest in the Company's equity, except to the extent that the Reverse Stock Split would result in a stockholder owning a fractional share. No fractional shares were issued in connection with the Reverse Stock Split. Stockholders who otherwise would be entitled to receive a fractional share, instead cash was paid to stockholders for the value of the fractional share.

The Reverse Stock Split did not change the par value of the common stock or the authorized number of shares of common stock. All outstanding stock options, restricted stock units, and warrants entitling their holders to purchase or obtain or convert into shares of our common stock were adjusted, as required by the terms of these securities.

The Company's stockholders' equity, in the aggregate, remained unchanged following the Reverse Stock Split. Net income (loss) per share increased because there were fewer shares of common stock outstanding. There were no other accounting consequences, including changes to the amount of stock-based compensation expense to be recognized in any period, that arose as a result of the Reverse Stock Split.

All common share and per-share amounts in this Form 10-Q have been retroactively restated to reflect the effect of the Reverse Stock Split.

Financial Statement Presentation—The unaudited condensed consolidated financial statements include the accounts of DNA X, Inc. and its wholly owned subsidiaries (collectively "DNA X" or the "Company"). Intercompany accounts and transactions have been eliminated. In the opinion of the Company's management, the unaudited condensed consolidated financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation. The preparation of these unaudited condensed consolidated financial statements and accompanying notes in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ materially from those estimates. Certain prior period amounts in the unaudited condensed consolidated financial statements and accompanying notes have been reclassified to conform to the current period's presentation. These unaudited condensed consolidated financial statements and accompanying notes should be read in conjunction with the Company's annual consolidated financial statements and accompanying notes included in its Annual Report on Form 10-K for the year ended December 31, 2025.

Principles of Consolidation—The accompanying consolidated financial statements through January 23, 2026 include the accounts of DNA X, Inc. and its wholly owned foreign subsidiaries, Sonim Technologies (India) Private Limited, Sonim Technologies (Shenzhen) Limited, Sonim Technologies Inc. Shenzhen Limited Beijing Branch, Sonim Technologies (Hong Kong) Limited, Sonim Technologies Germany GmbH and Sonim Technologies Communications India Private Limited (collectively, the "Company"). After the Company's subsidiaries in Shenzhen, Beijing, Hong Kong, and Germany were sold on January 23, 2026, only Sonim Technologies (India) Private Limited is consolidated after January 23, 2026. On May 26, 2026, the Company was deemed to gain control over DNA X LLC, and after this date the Company includes DNA X LLC in their consolidated financial statements.

Reclassifications—Prior period amounts were reclassified to conform to the current period presentation including the separation of amortization of debt discounts and issuance costs on the statement of cash flow.

Assets Held For Sale—The Company generally considers assets to be held for sale when the following criteria are met: (i) management commits to a plan to sell the property, (ii) the property is available for sale immediately, (iii) management has initiated an active program to locate a buyer or buyers and other actions required to complete the plan to sell the disposal group, (iv) the sale of the property within one year is considered probable, (v) the property is actively being marketed for sale at a price that is reasonable in relation to its current fair value and (vi) significant changes to the plan to sell are not expected. Property classified as held for sale is no longer depreciated and is reported at the lower of its carrying value or its estimated fair value less estimated costs to sell. During the fourth quarter ended December 31, 2025, the Company deemed that its phone and hotspot operations met the held for sale criteria and was classified as such on the audited condensed consolidated balance sheet for the December 31, 2025 balance sheet and the prior period that was presented. The six criteria were met on December 30, 2025 when the stockholders approved the asset sale and the asset sale became probable.

Discontinued Operations—The Company deems it appropriate to classify a business as a discontinued operation if the related disposal group meets all the following criteria: (i) the disposal group is a component of the Company, (ii) the component meets the held-for-sale criteria, and (iii) the disposal of the component represents a strategic shift that has a major effect on the Company's operations and financial results. During the fiscal quarter ended December 31, 2025, the Company deemed its phone and hotspot operations to be discontinued operations due to the disposal group meeting all three criteria. As such, the results of the phone and hotspot operations are presented as discontinued operations in the unaudited condensed consolidated statements of operations for the nine months ended September 30, 2026 and September 30, 2025, and have been excluded from both continuing operations and segment results for all periods presented.

Related Party Transactions— On October 1, 2024, the Company signed an agreement with a then-related party, in which a family member of the Company's then-director, Jeffrey Wang, holds an indirect interest of approximately 40%, to purchase parts and components to be used in the manufacturing of the company's products for the aggregate amount of approximately $1,000. The agreement was executed in the ordinary course of business. The Company did not purchase any raw materials under this agreement in 2026. As of July 18, 2025, Jeffrey Wang is no longer a director of the Company.

The Company's director, Scott Walker, has an ownership interest of approximately 50% in DNA Holdings, the entity that sold the DNA X LLC cryptocurrency trading platform to the Company. The entity received 19.99% of the pre-transaction shares of the Company in redeemable shares of common stock of the Company on December 15, 2025. As of September 30, 2026, these shares, which are no longer redeemable, represented approximately 15% of the Company's outstanding common stock. On May 26, 2026, DNA Holdings purchased a convertible promissory note in the principal amount of $3,053 in exchange for $1,800 in cash and the cancellation of the entire $1,200 principal amount of a convertible promissory note previously issued to DNA Holdings and $53 of accrued unpaid interest due under such convertible promissory note. On July 8, 2026 the $3,053 convertible promissory note was surrendered and exchanged for preferred stock in the Company, and DNA Holdings purchased additional preferred stock for $2,500 in cash. On August 7, 2026 the DNA Holdings purchased additional preferred stock for $2,500 in cash. This preferred stock has the right to convert to common stock in the Company upon stockholders' approval. The preferred stock does not have any voting rights. See Note 6 and 7.

The Company has executed a Transition Services Agreement with DNA Holdings to facilitate the paying of certain contractors that work on enhancements to the DNA X software. Through September 30, 2026, the company has reimbursed DNA Holdings $94 for the costs of these consultants. All transactions between the Company and DNA Holdings have been approved by the Company's management.

Redeemable Common Stock—Stock that was issued for the DNA X LLC business was classified as redeemable common stock in the temporary equity section of the balance sheet from its issuance on December 15, 2025 until May 26, 2026, when the put option that gave DNA Holdings the right to take back the DNA X LLC business was terminated. As of September 30, 2026, the common stock that was issued to DNA Holdings for the DNA X LLC business is classified as permanent equity.

Estimates—The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of 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 could differ from those estimates. These estimates include, but are not limited to, estimates related to revenue recognition; valuation assumptions regarding the determination of the fair value of common stock, as well as stock options; the useful lives of the Company's long-lived assets; intangible assets; product warranties; loss contingencies; the recognition and measurement of income tax assets and liabilities, including uncertain tax positions; the net realizable value of inventory; allowances for credit losses; and estimation of assets and liabilities for operating entities. The Company bases its estimates on historical experience and on various other assumptions that the Company believes to be reasonable under the circumstances. Actual results could differ from those estimates. As of the date of issuance of these financial statements, the Company is not aware of any specific event or circumstance that would require it to update its estimates, judgments or revise the carrying value of its assets or liabilities.

Concentrations of Credit Risk—The Company relaunched its cryptocurrency trading platform in October 2026 and the commission revenue will be concentrated in the cryptocurrency trading industry, which is highly competitive and rapidly changing. Significant technological changes in the industry or customer requirements, or the emergence of competitive products with new capabilities or technologies, could adversely affect the Company's consolidated operating results.

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents and accounts receivable. Cash and cash equivalents are deposited with high-quality, federally insured commercial banks in the United States and cash balances in one of the Company bank account is in excess of federal insurance limits as of September 30, 2026 and the year ended 2025.

Segment Information—The Company considers the trading platform for cryptocurrencies to be one reporting segment. Operating segments are defined as components of an enterprise about which separate financial information is evaluated regularly by the chief operating decision maker, who is the chief executive officer, in deciding how to allocate resources and assessing performance.

Cash and Cash Equivalents—The Company considers all highly liquid investments with an original maturity from the date of purchase of 90 days or less to be cash equivalents. As of September 30, 2026 and December 31, 2025, cash and cash equivalents consist of cash deposited with banks and money market funds. Included in the Company's cash and cash equivalents are amounts held by foreign subsidiaries. After the sale of all of the Company's foreign subsidiaries except for India, the Company has less than $250 in foreign bank accounts.

Receivable for Cash Held Back from the Asset Sale—All customer accounts receivable were sold on January 23, 2026 with the asset sale. There was a receivable from the Buyer of the Company's assets that was originally $1,500, but this has been reduced to zero as of September 30, 2026 due to offsets for liabilities paid by the Buyer and for indemnity claims from the Buyer.

Receivables Financing Agreement—On August 7, 2025, the Company entered into a non-recourse factoring agreement with Tradewind GmbH (the "Factor"). This agreement was terminated in January 2026.

Inventory—The Company sold all of its inventory on or before January 23, 2026.

Property and Equipment—The Company sold all of its property and equipment on January 23, 2026. Prior to the sale, most property and equipment consisted of personal computers and related equipment.

Identifiable Intangible Assets—The Company acquired identifiable intangible assets for the trading platform and for the trademarks and domain names of DNA X. These assets were acquired on May 26, 2026 when the Company gained accounting control of DNA X LLC. The assets were recorded at fair value on May 26, 2026 based on information from a third-party valuation company. The intangible assets are amortized on a straight-line bases over 5 years for software and over 10 years for trademarks. See Note 4. For the DNA X trading platform, software that was developed after May 26, 2026 is capitalized if the project has been approved, is likely to be completed, and has not been made available for its intended use. In September 2026 the Company determined that the software was available for its intended use and began amortizing the software. Major enhancements to the software are also capitalized. Software costs that do not meet these criteria are expensed in the current period.

Asset Acquisition vs. Business Acquisition— The Company evaluates each acquisition to determine whether the acquired set of assets and activities meets the definition of a business under ASC 805, Business Combinations. The Company may elect to apply the optional concentration test. If substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the acquired set is not considered a business. If the concentration test is not applied or is not met, the Company evaluates whether the acquired set includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. An acquired set that does not meet the definition of a business is accounted for as an asset acquisition. See Note 7 for how this was applied to the gain of control of DNA X LLC on May 26, 2026.

Variable Interest Entities—The Company evaluates its interests in legal entities to determine whether the entity is a variable interest entity ("VIE") and whether the Company is the primary beneficiary of the VIE in accordance with Accounting Standards Codification ("ASC") Topic 810, *Consolidation*.

A VIE is an entity that either (i) lacks sufficient equity to finance its activities without additional subordinated financial support or (ii) has equity holders that lack the characteristics of a controlling financial interest. The Company is considered the primary beneficiary of a VIE when it has both (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. If the Company is the primary beneficiary, the VIE is consolidated and all intercompany balances and transactions are eliminated. For VIEs in which the Company is not the primary beneficiary, the Company accounts for its interest under the equity method of accounting or other applicable guidance. The Company presents, on a separate line within the consolidated balance sheets, the assets of consolidated VIEs that can only be used to settle the obligations of the VIE and the liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the Company.

On May 26, 2026, the Company determined that its interest in DNA X LLC became a controlling interest and the assets of the DNA X LLC subsidiary were consolidated into the Company's consolidated financial statements beginning on May 26, 2026

Equity Method Investments—The Company accounts for investments in entities over which it has the ability to exercise significant influence, but not control, using the equity method of accounting in accordance with ASC Topic 323, *Investments—Equity Method and Joint Ventures*. Significant influence is generally presumed to exist when the Company owns between 20% and 50% of the voting interests of an entity; however, the Company also considers qualitative factors such as representation on the board of directors, participation in policy-making decisions, and material intercompany transactions. Under the equity method, investments are initially recorded at cost and subsequently adjusted for the Company's proportionate share of the investee's net income or loss and distributions received. The Company's share of earnings or losses is recorded as a separate line item within the consolidated statements of operations.

The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If the Company determines that a decline in fair value is other-than-temporary, the investment is written down to its estimated fair value. Distributions received from equity method investees are accounted for as reductions of the carrying amount of the investment unless the distributions represent a return on investment. The Company discontinues applying the equity method when its investment balance is reduced to zero and resumes recognizing its share of earnings only after its share of cumulative earnings exceeds previously unrecognized losses. The Company recognized $48 in net income from its investment in DNA X LLC for the nine months ended September 30, 2026. The Company recorded this $48 as other income on its unaudited condensed consolidated statement of operations. On May 26, 2026, the Company gained full control over DNA X LLC and converted its interest in DNA X LLC from an equity method investment to a consolidated entity. There was no gain or loss on the conversion as the value of the net assets acquired were equal to the carrying value of the investment.

Leases—The Company accounts for its leases under ASC 842, Leases. Under this guidance, arrangements meeting the definition of a lease are classified as operating or finance leases and, if significant, are recorded on the Consolidated Balance Sheets as both a right of use asset and a lease liability. There were no such leases in 2026.

Non-recurring Engineering ("NRE") Tooling and Purchased Software Licenses—For the discontinued operations, third-party design services relating to the design of tooling materials and purchased software licenses used in the manufacturing process are capitalized and included in other assets that are part of assets held for sale.

Long-lived Assets—The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Revenue Recognition—The Company accounts for revenue in accordance with Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*.

Revenue related to the phone and hotspot business is included in discontinued operations for all periods presented. DNA X LLC was accounted for as an equity investment through May 26, 2026. Te Company established control of DNA X LLC as of May 27, 2026, and as a result the subsidiary is consolidated into the Company's financial statements as of September 30, 2026.

Revenue recognition for discontinued operations was reduced for discounts, price protection and customer incentives.

Cost of Revenues—Cost of revenue is related to the phone and hotspot business.

Advertising—The Company expenses the costs of advertising, including promotional expenses, as incurred. For the nine months ended September 30, 2026 and 2025 the Company had no advertising expenses.

Research and Development—Research and development expenses consist of compensation costs and development fees paid to third-parties. The Company expenses research and development costs as incurred.

Stock-Based Compensation—The Company measures equity classified stock-based awards granted to employees, nonemployee directors, and consultants based on the estimated fair value on the date of grant and recognizes compensation expense of those awards, net of actual forfeitures, on a straight-line basis over the requisite service period, which is generally the vesting period of the respective award. For awards subject to performance conditions, the Company evaluates the probability of achieving each performance condition at each reporting date and begins to recognize expense over the requisite service period when it is deemed probable that a performance condition will be met using the accelerated attribution method. The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The fair value of each restricted stock award is measured as the fair value per share of the Company's common stock on the date of grant.

Comprehensive Income or Loss—The Company had no items of comprehensive income or loss other than net loss for the nine months ended September 30, 2026 and the year ended December 31, 2025. Therefore, a separate statement of comprehensive loss has not been included in the accompanying consolidated financial statements.

Income taxes—The provision for income taxes is computed using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

Compliance with income tax regulations requires the Company to make decisions relating to the transfer pricing of revenue and expenses between each of its legal entities that are located in several countries. The Company's determinations include many decisions based on management's knowledge of the underlying assets of the business, the legal ownership of these assets, and the ultimate transactions conducted with customers and other third parties. The calculation of the Company's tax liabilities involves dealing with uncertainties in the application of complex tax regulations in multiple tax jurisdictions. The Company may be periodically reviewed by domestic and foreign tax authorities regarding the amount of taxes due. These reviews may include questions regarding the timing and amount of deductions and the allocation of income among various tax jurisdictions. In evaluating the exposure associated with various filing positions, the Company records estimated reserves when it is more likely than not that an uncertain tax position will not be sustained upon examination by a taxing authority. Such estimates are subject to change. See Note 9.

Net Earnings (Loss) per Share—Net earnings (loss) per share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period. For the nine months ended September 30, 2026 and 2025, for purposes of the calculation of diluted net loss per share, warrants to purchase stock, unvested restricted stock units and stock options to purchase common stock are considered potentially dilutive securities. Because we had a net loss from continuing operations, we did not present fully diluted earnings per share for the third quarter of 2026 or 2025.

Promissory Notes—The Company accounts for promissory notes in accordance with ASC 470, *Debt*. Promissory notes are initially recorded at the amount of cash proceeds received, net of any original issue discount and direct issuance costs. Debt discounts and issuance costs are amortized to interest expense over the term of the note using the effective interest rate method, which approximates the effective interest method. Interest is accrued based on the stated interest rate. For convertible notes we analyze the note's terms and determine if the conversion feature needs to be bifurcated from the debt portion. For the two DNA Notes (see note 6) we determined that they needed to be bifurcated between the debt portion and a derivative liability for the conversion feature.

Derivative Liability—The Company evaluates financial instruments containing characteristics of both liabilities and equity in accordance with FASB ASC 480, Distinguishing Liabilities from Equity, and FASB ASC 815, Derivatives and Hedging. Derivative liabilities are revalued at fair value at each reporting period, with changes in fair value recognized in the results of operations as a gain or loss on derivative remeasurement. The Company uses a Binomial option pricing model to determine the fair value of these instruments. Derivative liabilities are revalued at fair value at each reporting period, with changes in fair value recognized in the results of operations as a gain or loss on derivative remeasurement. The Company uses a Binomial option pricing model to determine the fair value of these instruments.

Debt Extinguishment—The Company evaluates new debt agreements with existing debt holders to determine if the new debt should be accounted for as a debt modification or the extinguishment of the old debt. If the change in value between the new debt and the old debt is greater than or equal to 10% of the debt, then the transaction would be considered a debt extinguishment. If the change in value is less than 10% it would be considered a debt modification. See Note 6 for how this was applied to the New DNA Note.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

Pronouncements adopted in 2025

In December 2023, the FASB issued ASU 2023-09*, Income Taxes* (Topic 740)*: Improvements to Income Tax Disclosures* This guidance requires expanded annual income tax disclosures, including (1) consistent categories and greater disaggregation of information in the rate reconciliation, and (2) income taxes paid disaggregated by jurisdiction. This guidance was adopted by the Company effective for the annual period ending December 31, 2025. The adoption affected the footnote disclosures and did not have a material impact on the unaudited condensed consolidated financial statements.

Pronouncements adopted in 2026

None.

Pronouncements not yet adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Topic 220): Disaggregation of Income Statement Expenses*. This guidance requires additional disclosure of certain amounts included in the expense captions presented on the Statement of Operations as well as disclosures about selling expenses. The ASU is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact the adoption of this guidance will have on its consolidated financial statements and related disclosures.

NOTE 2 — Revenue Recognition

The Company recognized revenue from discontinued operations. The Company's contracts for its products include only one performance obligation, namely the delivery of the product. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is defined as the unit of account for revenue recognition under ASC 606.

Disaggregation of net revenues

The Company did not have revenue from continuing operations.

NOTE 3—Fair value measurement

The fair value measurements standard establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

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

Level 2—Inputs to the valuation methodology include:

- Quoted market prices for similar assets or liabilities in active markets;

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

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

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

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

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used for the period ended September 30, 2026 and December 31, 2025.

Money market funds are classified within level 1 of the fair value hierarchy because they are valued using quoted market prices.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables sets forth by level, within the fair value hierarchy, the Company's assets and liabilities at fair value (in thousands of dollars):

	September 30, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Money market funds *	$ 1	$ —	$ —	$ 1
Liabilities:				
Derivative liability – conversion feature on note	$ —	$ —	$ —	—

	December 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Money market funds *	$ 1	$ —	$ —	$ 1
Liabilities:				
Derivative liability – conversion feature on note	$ —	$ —	$ 171	171

* Included in cash and cash equivalents on the consolidated balance sheets.

NOTE 4—Identifiable Intangible Assets

The company acquired identifiable intangible assets as part of the asset acquisition of DNA X LLC. The details for identifiable intangible assets as of September 30, 2026 are as follows in thousands of dollars:

	Transfer from DNA X LLC May 26, 2026	Additions YTD 2026	Accumulated Amortization	Ending Balance September 30, 2026
Software Technology DNA X platform	$ 1,100	$ 94	$ (20)	$ 1,174
Trademarks DNA X	185	—	(1)	184
Outstanding at September 30, 2026	$ 1,285	$ 94	$ (21)	$ 1,358

The software assets are amortized over management's estimated useful life of 5 years and the trademarks assets are amortized over management's estimated useful life of 10 years. In September 2026, the Company determined that the intangible assets were ready for their intended use, and the Company began amortization both assets in September 2026.

As of September 30, 2026, estimated future amortization expense for finite-lived intangible assets for each of the five succeeding fiscal years is as follows:

Fiscal year ending December 31,	Estimated amortization expense
2026	$ 64
2027	257
2028	257
2029	257
2030	258
2031	178
Thereafter	87
Total	$ 1,358

NOTE 5—Closing of the Asset Sale

On January 23, 2026 (the "Closing Date") the Company ("the "Seller") completed its previously announced sale (the "Asset Sale") of substantially all of its assets and liabilities related to the enterprise 5G solutions business, including rugged handsets, smartphones, wireless internet device, software, services, and accessories to Pace Car Acquisition LLC, (the "Buyer"). Excluded assets include the DNA X LLC cryptocurrency trading business, cash, and the Company's Indian subsidiary. Excluded liabilities include compensation for employees that did not transfer to the Buyer, certain excluded corporate liabilities, and certain excluded contracts.

The purchase price of $15,000 less a working capital adjustment of $1,550 was paid in cash and for the settlement of certain liabilities of the Company, except for $1,500 that was held back by the Buyer. As of September 30, 2026, the Company has determined that the holdback has a value of zero because the holdback was used as an offset for certain post-closing liabilities that were paid or assumed by the Buyer and because the Company received cash payments in the third quarter of 2026 from third parties that reduced the amount of the holdback. These adjustments to the holdback and the cash received by the Company in the third-quarter are recorded in discontinued operations for the periods ended September 30, 2026.

The Company has disputed the majority of the Buyer's indemnity claims and is unable to estimate if the Company will receive any of the remaining holdback or the amount of any holdback that may be received in the future. The Company has evaluated all of the indemnity claims by the Buyer and has determined that valid indemnity claims will not exceed the amount of the holdback and will not result in a liability to the Company.

As part of the consideration, the Buyer paid Company's existing debt of $5,476 with Streeterville Capital, LLC and $2,928 of liabilities of the Company. The Company received $3,546 in cash on the Closing Date. The Company received $849 in cash payments related to discontinued operations in the third quarter of 2026 that partially offset the holdback receivable.

The Company changed its name to DNA X, Inc. in connection with the Asset Sale. Following the closing, the Company has focused on the development and commercialization of the DNA X trading platform that uses on-chain trading protocol designed to enable users to automate certain decentralized exchange trading strategies.

The transaction resulted in a $15,583 pre-tax gain for Company and related tax expense of $2,169 for a post tax gain of $13,414. The transaction is included in income from discontinued operations. For all periods presented, the assets and liabilities sold or assumed were segregated as a disposal group. The sale of the assets represents a strategic shift away from manufacturing hardware because of the high cost of developing new products, higher costs of manufacturing products outside of China, and competition from larger competitors with more resources. As of December 31, 2025, the phone and hotspot business met the criteria for "Held for Sale" classification. Results of the phone and hotspot business have been retrospectively reclassified as discontinued operations for all periods presented. No impairment was recognized as the fair value less costs to sell was not lower than the carrying amount. Discontinued operations represent 100% of the revenue in 2025 and the first half of 2026, and approximately 89% of the Company's assets as of December 31, 2025.

On December 30, 2025, a special stockholders' meeting was held and stockholders voted the majority of the outstanding shares in favor of approving the asset sale. This approval made it probable that the assets sale would be completed and was the final criteria that was necessary to record the assets as held for sale. On December 31, 2025 the assets and liabilities of the phone and hotspot disposal group were classified as held for sale. The disposal group was also classified as discontinued operations as of December 31, 2025 and for the nine months ended September 30, 2026.

The following schedules present the carrying amounts of major classes of assets and liabilities associated with the disposal group as of December 31, 2025, the statement of operations for the disposal group, and cash flow for the disposal group. All assets and liabilities that were held for sale on December 31, 2025, were sold or disposed of as of September 30, 2026:

DISCONTINUED OPERATIONS
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025

(IN THOUSANDS)

	December 31, 2025
Assets held for sale	
Accounts receivable, net	$ 4,720
Non-trade receivables	13,410
Inventory	6,911
Prepaid expenses and other current assets	1,889
Total current assets held for sale	26,930
Property and equipment, net	105
Contract fulfilment assets	11,605
Other assets	322
Total non-current assets held for sale	12,032
Total assets held for sale	$ 38,962
Liabilities held for sale	
Accounts payable	28,349
Accrued liabilities	9,708
Total liabilities held for sale	$ 38,057

Non-trade receivables are from the Company's manufactures who buy parts from the Company. The receivable is paid by the manufacturer after Company pays the related accounts payable for the inventory.

Discontinued operations activity for the nine months ended 2026 covers the period January 1, 2026 through January 23, 2026. Discontinued operations activity for 2025 covers the entire three or nine month period.

DNA X, INC.
DISCONTINUED OPERATIONS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS EXCEPT SHARE AND PER SHARE AMOUNTS)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net revenues	$ —	$ 16,214	$ 3,805	$ 44,125
Cost of revenues	—	14,398	4,122	33,108
Gross profit (loss)	—	1,816	(317)	11,017
Operating expenses				
Research and development	—	181	913	2,723
Sales and marketing	—	2,452	1,123	9,136
General and administrative	—	1,455	453	5,176
Total operating expenses	—	4,088	2,489	17,035
Net loss from operations	—	(2,272)	(2,806)	(6,018)
Gain (loss) on sale of assets	272	—	15,583	—
Other income (expense)	—	(161)	49	(340)
Net income (loss) before income taxes	272	(2,433)	12,826	(6,358)
Income tax benefit (expense)	126	(90)	(2,169)	(361)
Net income (loss) from discontinued operations	$ 398	$ (2,523)	$ 10,657	$ (6,719)

The following cash flows are for discontinued operations only and are supplemental to the Statement of Cash Flows that includes both continuing operations and discontinued operations.

DISCONTINUED OPERATIONS
CONSOLIDATED STATEMENT OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2026 and 2025
(IN THOUSANDS)

	2026	2025
Cash flows from operating activities for discontinued operations:		
Net income	$ 10,657	$ (6,719)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	—	2,804
Stock-based compensation	(344)	1,382
Release of customer allowance liability	—	(5,429)
Gain on sale of assets, net assets transferred	(15,583)	—
Other	—	115
Changes in operating assets and liabilities:		
Accounts receivable	250	702
Non-trade receivable	—	(2,722)
Inventory	5,490	18
Prepaid expenses and other current assets	1,663	763
Contract fulfillment assets	129	(6,330)
Other assets	(103)	(8)
Accounts payable	(1,934)	(2,440)
Accrued liabilities	—	(483)
Related party receivables	—	181
Net cash provided by (used in) operating activities from discontinued operations	225	(18,166)
Cash flows from investing activities		
Net cash received from asset sale	3,358	—
Payments received from discontinued operations post-close	849	—
Net cash provided by investing activities from discontinued operations	4,207	—

The Company ceased depreciation and amortization of property, plant, and equipment and intangible assets included in the Disposal Group starting on December 31, 2025.

NOTE 6 — Promissory Notes

Convertible Promissory Note from DNA Holdings Venture Inc., a Related Party

On December 15, 2025, the Company issued a note (the "Original DNA Note") to DNA Holdings in exchange for proceeds of $1,200 in cash. The Original DNA Note was an unsecured obligation of the Company and would have matured on December 15, 2026. The Original DNA Note bore interest at a rate of 10% per annum, payable in cash on the earlier of (i) the Maturity Date and (ii) the date of any mandatory redemption of the Original DNA Note. Upon the occurrence and during the continuance of an event of default under the Original DNA Note, the interest rate would have increased to 20% per annum. On January 30, 2026, when an owner of DNA Holdings became a member of the Company's board of directors, the Original DNA Note became a related party note.

On May 26, 2026, the Original DNA Note was cancelled and the $1,200 balance of the Note, plus $53 in accrued interest, was transferred to a new note with the same counterparty. This new note included an additional $1,800 that was paid in cash to the Company on May 26, 2026. The initial principal amount of the new note was $3,053 (the "New DNA Note").

The Company evaluated the exchange of the Original DNA Note for the New DNA Note to determine whether the transaction should be accounted for as a debt modification or a debt extinguishment. Because the present value of the cash flows under the terms of the New DNA Note differed by more than 10% from the present value of the remaining cash flows under the Original DNA Note, the Company determined that the transaction should be accounted for as a debt extinguishment. Accordingly, the Company derecognized the Original DNA Note and accounted for the New DNA Note as a new debt instrument.

On May 26, 2026, the Company derecognized the outstanding loan principal, loan discounts, accrued interest, and derivative liability for the conversion feature associated with the Original DNA Note. A gain on extinguishment of $191 was recognized with the derecognition. The New DNA note issued on May 26, 2026 was cancelled and exchanged for preferred stock on July 8, 2026.

Prior to its cancellation, the New DNA Note provided for maturity on December 31, 2026, accrued interest at a rate of 10% per annum, and, subject to the prior approval of the conversion of the Note by the Company's stockholders, would have been convertible into shares of the Company's common stock at the election of the holder at an initial conversion price of $6.00 per share, subject to adjustment as provided in the New DNA Note, provided, that (i) during the continuance of any Event of Default (as defined in the New DNA Note), the conversion price would have been equal to 80% of the closing price of the common stock on the principal trading market on the date of conversion and (ii) upon the occurrence of a Change of Control Transaction (as defined in the New DNA Note), and subject to the prior obtainment of the aforementioned stockholder approval, the conversion price would have been equal to the lower of the closing price of the common stock on (x) the original issue date of the New DNA Note or (y) the date that the Change of Control Transaction is consummated.

The Company's obligations under the New DNA Note were secured by a first priority lien and security interest in and to the following collateral: (i) the limited liability company membership interests owned by the Company in DNA X, LLC, and all dividends, cash, instruments, and other property from time to time received or distributed in respect thereof and all proceeds of any of the foregoing in whatever form. The security interest in the pledged collateral terminated and all rights to the pledged collateral reverted to the Company in connection with the cancellation of the New DNA Note.

The following table presents the components of the net carrying amount of the New DNA Note that is from a related party. There are no notes outstanding as of September 30, 2026. (in thousands of dollars):

Principal	$	3,053
Less: unamortized debt discount		(638)
Derecognized with cancellation on July 8, 2026		(2,415)
Current portion	$	—
Long term portion	$	—

Because the New DNA Note contained an alternate conversion price, the conversion price was not fixed, and we are required to separate the debt portion from the conversion feature portion. We determined the value of the conversion feature using a binomial tree option calculation. A debt discount of $679 was recorded based on the calculation, with the offset to a derivative liability. The debt discount is amortized on a straight-line basis through the maturity date of December 31, 2026. The derivative liability was remeasured on July 8, 2026 just prior to its derecognition using the same binomial tree option calculation.

The schedule below shows the change in the fair value of the derivative liability for the December 15, 2025 DNA Holdings Note (in thousands of dollars):

	Activity
Beginning balance (December 15, 2025)	$ 171
Balance at December 31, 2025	171
Fair value adjustment March 31, 2026	227
Balance at March 31, 2026	398
Fair value adjustment May 26, 2026	(107)
Ending value prior to derecognition (May 26, 2026)	$ 291

For the New DNA Note (in thousands of dollars):

	2026	2025
Beginning balance (May 26, 2026)	$ 679	$ —
Fair value adjustment	(178)	—
Derecognition on July 8, 2026	(501)	—
Ending value (September 30)	$ —	$ —

On May 26, 2026, the Company used a binomial tree option calculation to determine the fair value of the conversion feature using the following inputs: strike price $6.00, stock price on May 26, 2026 which was $4.315, days to expiration 219, volatility 130.8%, and risk-free interest rate of 3.77%.

On July 8, 2026, the Company used a binomial tree option calculation to determine the fair value of the conversion feature using the following inputs: strike price $6.00, stock price on July 8, 2026 which was $3.95, days to expiration 176, volatility 133.2%, and risk-free interest rate of 3.98%.

The closing of the note transaction on May 26, 2026 was done contemporaneously with the termination of the put option on the purchase of the DNA X LLC business. See Note 7.

Cancellation and Exchange of New DNA Note

On July 8, 2026, the full value of the New DNA Note, including accrued interest, was cancelled and exchanged for preferred stock of the Company at a purchase price of $6.00 per share. Each preferred share can be converted into one share of common stock upon stockholders' approval. The preferred shares have no special rights to dividends and no voting rights.

The holder of the note, DNA Holdings, is a related party because an owner of DNA Holdings, Scott Walker, is a member of the Company's Board of Directors. We determined that the transaction should be treated as a capital transaction because it involved a related party. This determination resulted in no gain recognition and the excess of the net carrying value of the debt over the fair value of the equity issued of $925 constitutes a capital contribution and is credited directly to equity as additional paid-in-capital.

Streeterville Capital LLC Notes

On January 23, 2026, the Company paid off promissory notes issued to Streeterville Capital LLC in February 2025 and July 2025 using proceeds from the transactions contemplated by the Asset Purchase Agreement. The total payoff for both notes was $5,476. See Note 5.

The effective interest rate on the February 2025 note and the July 2025 note are approximately 28.4%, and 23.0%, respectively, for the period from the date of issuance through the date they were paid in full on January 23, 2026.

Effective July 1, 2026, the Company financed $473 for insurance policies with an annual interest rate of 6.35%. Interest expense for the three months ended September 30, 2026 was $6.

The following table sets forth total interest expense recognized related to the Streeterville notes and the DNA Holdings December 15, 2025 note, and financing fees from factored accounts receivable for the three and nine months ended September 30, 2026 (in thousands of dollars):

	Three Months Ended September 30, 2026	Nine Months Ended September 30, 2026
Contractual interest expense	$ 7	$ 87
Amortization of debt discount and issuance costs	16	150
Financing costs on insurance policy	6	6
Financing costs on factored accounts receivable	—	57
	$ 29	$ 300

The following table presents the components of the net carrying amount of the only outstanding note as of December 31, 2025:

Principal	$ 5,652
Less: unamortized debt discount and debt issuance costs	(587)
	$ 5,065
Current portion	$ 5,065
Long-term portion	$ —

The effective interest rate on the Note was 22.6% for the period from the date of issuance through September 30, 2025. The following table sets forth total interest expense recognized related to the Note:

	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025
Contractual interest expense	$ 133	$ 239
Amortization of debt discount	108	172
Amortization of debt issuance costs	98	160
Interest expense	$ 339	$ 571

NOTE 7 — Stockholders' Deficit

On November 2, 2018, the Company amended and restated its previous certificate of incorporation and adjusted its authorized capital stock (par value of $0.001) to consist of 100,000,000 shares of common stock and 5,000,000 shares of preferred stock. On October 16, 2025, at a special meeting of stockholders, our stockholders approved an amendment to our amended and restated certificate of incorporation increasing the authorized shares of our common stock from 100,000,000 to 1,000,000,000. Each outstanding share of common stock entitles the holder to one vote on each matter properly submitted to the stockholders of the Company for vote. As of September 30, 2026, 1,346,531 shares of Series B convertible preferred stock have been issued. Each Series B Preferred Stock share is automatically converted to one share of common stock up stockholders' approval. The Series B Preferred Stock do not have any voting rights and have a liquidation preference over common stock.

Securities Purchase Agreement

On June 29, 2026, the Company entered into the Securities Purchase Agreement with DNA Holdings pursuant to which the Company agreed to issue and sell, in private placement, 1,346,531 shares on non-voting Series B Convertible Preferred Stock ("Series B Preferred Stock") at a purchase price of $6.00 per share, for an aggregate offering price of $8,059 consisting of $5,000 in cash and the cancellation of $3,059 of the outstanding balance under a convertible promissory note issued to DNA Holdings in May 2026. Each share of Series B Preferred Stock will be automatically converted into one share of the Company's common stock on the first trading day following the approval by the Company's stockholders of the issuance of the common stock issuable upon such conversion.

On July 8, 2026, the Company completed the sale of 416,667 shares of Series B Preferred Stock in exchange for $2,500 in cash proceeds and the issuance of 513,197 shares of Series B Preferred Stock in exchange for the cancellation of $3,059 of the outstanding balance under the convertible promissory note.

On August 7, 2026, the Company completed the sale of the remaining 416,667 shares of Series B Preferred Stock purchasable under the Securities Purchase Agreement in exchange for cash proceeds of $2,500. The Company may enter into an advisory and promote agreement (the "Consulting Agreement") with DNA Holdings, Scott Walker and Brock Pierce (the "Consultants") pursuant to which, among other things, the Consultants will provide services related to the promotion and development of the Company's DNA X platform. As of September 30, 2026, no Consulting Agreement has been executed. Common Stock can only be issued to Consultants following the obtainment of the approval to such issuances by the Company's stockholders. The conversion feature is indexed to the Company' stock

Issuance costs for the preferred stock transactions of $175 was allocated based on the number of preferred shares issued and consisted of $108 for the $5,000 in preferred stock sold for cash, and $67 for preferred stock issued in exchange for the cancellation of debt. These issuance costs were charged to equity as a reduction of additional paid in capital.

The Company determined that the preferred stock is not mandatorily redeemable, has no holder put options, no conditional redemption features, or deemed liquidation events that can be triggered outside the sole control of the Company. The preferred stock is also considered indexed to the Company's own stock, there is sufficient authorized unissued common shares, no cash settlement requirements, and no top-priority rights over common stockholders upon conversion. Since the change of control requires the affirmative vote of the Company's existing common shareholders (and the preferred shareholders do not have control over the common shares), the conversion event is deemed within the control of the Company. The conversion feature is for a fixed number of shares at a fixed strike price and the number of shares does not change as the price of the Company's common stock changes. The embedded conversion option does not require bifurcation of the conversion feature. Based on these factors, the Company has determined that the preferred shares must be classified as permanent equity.

Purchase of DNA X LLC Membership Units with Issuance of Redeemable Common Stock

On December 15, 2025, the Company entered into a membership interest purchase agreement with DNA Holdings pursuant to which the Company purchased 100% of the membership interests in DNA X LLC, a Delaware limited liability company, for an aggregate purchase price of 223,201 redeemable shares of the Company's common stock that had a fair value of $1,228 on the December 15, 2025 closing date, representing 19.99% of the outstanding shares of the Company's common stock prior to the issuance. As of May 26, 2026, the value of the stock issued was $963 based on the closing stock price on May 26, 2026.

DNA X LLC is engaged in the business of DNA X DeFi, an advanced on-chain trading protocol that lets users automate their decentralized exchange trading — things like limit orders, grid / range orders, and recurring trades. DNA X LLC operates a crypto trading platform (https//dnax.us) that allows customers to buy and sell cryptocurrencies, and to implement strategies to buy and sell cryptocurrency pairs to take advantage of fluctuations of market prices between cryptocurrency pairs. The platform allows investors to efficiently implement trading strategies, to track historical results, and to monitor other traders' strategies. The Company purchased this business because of the growth potential of commission revenue that will be generated as more customers join the platform and as trading volume increases as additional cryptocurrencies are added. The purchase allows the Company to diversify away from the capital intensive device hardware business that has little growth potential, into an industry with huge growth potential and requires lass ongoing capital investments.

The transaction closed contemporaneously with the sale of a note for $1,200 to DNA Holdings. See Note 6.

Under the Membership Interest Purchase Agreement, DNA Holdings also agreed to vote all shares of the Company's common stock beneficially owned by DNA Holdings in favor of the asset purchase agreement, dated July 17, 2025, as subsequently amended and as amended from time to time, by and among the Company and Pace Car Acquisition LLC. This asset purchase agreement was approved by the Company's stockholders on December 30, 2025.

Pursuant to the Membership Interest Purchase Agreement, so long as DNA Holdings, directly or indirectly, beneficially owns at least 5% of the Company's outstanding common stock, DNA Holdings will have the right under the Membership Interest Purchase Agreement to designate one officer and one nominee for election to the Company's board of directors, and the Company will be required to take reasonably necessary corporate action to appoint such designees, subject to the oversight of the Company's nominating and governance committee. DNA Holdings designated Scott Walker for appointment to the Company's Board of Directors and on January 30, 2026 the Board of Directors appointed Scott Walker to service on the Board as a director.

The Membership Interest Purchase Agreement also grants DNA Holdings a put option (the "Put Option"). If at any time prior to June 30, 2026 (the "Put Period") DNA X does not realize either (i) aggregate trading volume of at least $600,000,000 or (ii) aggregate revenues of at least $1,000,000 per day, DNA Holdings will have the right, during the Put Period, to exchange the shares of common stock issued to DNA Holdings under the Membership Interest Purchase Agreement for the Purchased Interests then held by the Company. To the extent not exercised during the Put Period, the Put Option will terminate upon the expiration of the Put Period. See below for discussion of termination of the Put Option on May 26, 2026.

The Company determined that it had significant influence over DNA X LLC because it participated in the governance and operations of DNA X LLC and had the ability to influence its operating and financial policies. However, while the Put Option remained outstanding, the substantive rights held by the Seller prevented the Company from having the power to direct the activities that most significantly impacted DNA X LLC's economic performance. Accordingly, the Company accounted for its investment in DNA X LLC under the equity method of accounting until May 26, 2026, when the Put Option was terminated. The carrying amount of the Company's investment in DNA X LLC was $1,290 as of May 26, 2026. The Company's share of earnings from DNA X LLC was included in other income from continuing operations and was $48 for the nine months ended September 30, 2026. The Company's assessment considered DNA X LLC's governance structure and contractual arrangements established in connection with the acquisition of its interest, including the Put Option held by the Seller. The Put Option provides the Seller with substantive kick-out rights, through the Put Period ending on May 26, 2026, when it was terminated, including the ability to remove the Company from its decision-making role over DNA X LLC's significant activities. As a result, the Company considered DNA X LLC as a variable interest entity ("VIE"), however, the Company is not the primary beneficiary and does not control DNA X LLC. Accordingly, the Company did not consolidate DNA X LLC while the Put Option was outstanding. The Company began consolidating DNA X LLC on May 26, 2026 with the termination of the Put Option.

The Company determined that it has significant influence over DNA X LLC because until the Put Option is exercised, it controls the governance structure and directs the activities that most significantly impact DNA X LLC's economic performance. This significant influence requires the Company to account for the investment in DNA X LLC under the equity method of accounting. The carrying amount of the Company's investment in DNA X LLC is $1,290 as of May 26, 2026, which is the day that the Put Option was terminated. Until May 26, 2026, DNA X LLC is included as an equity method investment in the consolidated balance sheets. The Company's share of earnings from DNA X LLC is included in other income from continuing operations in the consolidated statements of operations and was $48 for the nine months ended September 30, 2026. The Company began operating the DNA X LLC operations on December 15, 2025, and continues to operate the DNA X LLC operations today.

Because the stock issued could have been returned to the Company if the Seller exercised its Put Option, the Company classified the stock issued to the Seller as redeemable common stock on the consolidated balance sheets prior to May 26, 2026. The Company considered this to be temporary equity which was not included with other permanent equity on the consolidated balance sheets. When the Put Option was terminated on May 26, 2026, the redeemable common stock was reclassified as permanent equity. The redemption value at May 26, 2026 is calculated as $963 using the $4.315 closing stock price on May 26, 2026. The change in the redemption value of $63 was charged to accumulated deficit.

The activity of the redeemable common stock is as follows:

Value upon share issuance on December 15, 2025	$	1,228
Less: decrease in value through March 31, 2026		(328)
Plus: increase in value through May 26, 2026		63
Redeemable stock reclassified to permanent equity on May 26, 2026	$	963

Securities Purchase Agreement for DNA Holdings for Shares Received from the Sale of DNA X LLC

The Purchase Agreement contains customary representations and warranties of the Company and DNA Holdings. Additionally, pursuant to the Purchase Agreement, the Company made certain covenants including, but not limited to: (i) timely filing of its reports with the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended, (ii) restrictions on the adoption of stockholder rights plans, poison pills, or similar anti-takeover measures, (iii) limitations on the use of proceeds from the Offering to the ordinary course of business of the Company, and (vi) for so long as the DNA Note remained outstanding, a covenant not to effect or enter into any variable rate transaction (as defined in the Purchase Agreement).

Additionally, under the Purchase Agreement, DNA Holdings has agreed to a voting arrangement that is substantially identical to the voting arrangement described above under "*Membership Interest Purchase Agreement*."

See Note 6 for information on the convertible promissory note that was with the same counterparty.

On May 26, 2026 the Put Option was terminated. Upon termination, the Company reevaluated its position as it relates to DNA X LLC and determined that the Company is now the primary beneficiary, as DNA Holdings no longer has the power to direct the activities that most significantly impact DNA X LLC's economic performance. The Company's assessment considered DNA X LLC's governance structure and contractual arrangements established in connection with the acquisition of its interest. The termination of the Put Option eliminates the ability of DNA Holdings to remove the Company from its decision-making role over DNA X LLC's significant activities. As a result, the Company gained full control over DNA X LLC and the Company recorded the acquisition of DNA X LLC as an asset acquisition on May 26, 2026. The Company has operated the DNA X LLC platform since December 15, 2025.

The following are the fair values of major classes of assets acquired and liabilities assumed as of the May 26, 2026 acquisition date (in thousands of dollars):

Assets acquired:		
Receivable from DNA Holdings		109
Intangible assets-software		1,100
Intangible assets-trademarks		185
Total asset		1,394
Liabilities assumed:		
Accounts payable		104
Net assets acquired	$	1,290
Derecognition of equity investment	$	1,290

ChEF Purchase Agreement

On September 29, 2025, the Company entered into a ChEF purchase agreement (the "ChEF Agreement") and registration rights agreement (the "Registration Rights Agreement"), each with Chardan Capital Markets LLC ("Chardan") related to a "ChEF," Chardan's committed equity facility.

Pursuant to the ChEF Agreement, the Company has the right from time to time at its option to sell to Chardan up to the lesser of (i) $500 million in aggregate gross purchase price of newly issued shares of the Company's common stock, par value $0.001 per share (the "Common Stock"), and (ii) the Exchange Cap (as defined in the ChEF Agreement), subject to certain conditions and limitations set forth in the Purchase Agreement and applicable Nasdaq listing rules. The Company is under no obligation to sell any securities to Chardan under the ChEF Agreement.

While there are distinct differences, the facility pursuant to the ChEF Agreement is structured similarly to a traditional "at-the-market" equity facility, insofar as it allows the Company to raise primary equity capital on a periodic basis. The net proceeds from any sales under the ChEF Purchase Agreement will depend on the frequency of and the prices for which the shares of our common stock are sold to Chardan. The registration statement in connection with the facility became effective on October 29, 2025.

In November 2025, the Company sold 12,300 shares of stock through the ChEF and received $79 in net proceeds. The net proceeds were used for general corporate purposes.

The ChEF agreement was terminated on May 29, 2026.

Warrants issued to Roth Capital Partners, LLC in connection with its services as placement agent with respect to a registered public offering of the Company's common stock

The Company issued to Roth Capital Partners, LLC ("Roth"), (the "Placement Agent") warrants to purchase up to an aggregate of 11,604 shares of Common Stock, as adjusted for the Reverse Stock Splits (the "Placement Agent Warrants"). The Placement Agent Warrants have an exercise price of $13.50 per share, as adjusted for the Reverse Stock Splits, became exercisable until January 2, 2026, and expire on July 2, 2030. The exercise prices of the Placement Agent Warrants are subject to appropriate adjustment in the event of stock dividends, stock splits, stock combinations, reorganizations or similar events affecting the Common Stock. Subject to limited exceptions, a holder of Placement Agent Warrants will not have the right to exercise any portion of its Warrants if the holder (together with such holder's affiliates, and any persons acting as a group together with such holder or any of such holder's affiliates) would beneficially own a number of shares of common stock in excess of 4.99% (or, upon election by a holder prior to the issuance of any Warrants, 9.99%) of the shares of common stock then outstanding. At the holder's option, upon notice to the Company, the holder may increase or decrease this beneficial ownership limitation not to exceed 9.99% of the shares of Common Stock then outstanding.

NOTE 8 — Stock-Based Compensation

Stock-based compensation expense is as follows (in thousands of dollars):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cost of revenues	$ —	$ 12	$ —	$ 27
Research and development	—	9	—	23
Sales and marketing	—	38	—	432
General and administrative	124	107	183	900
	$ 124	$ 166	$ 183	$ 1,382

In 2026, continuing operations includes the stock-based compensation of $124 for general and administrative. In 2025, the general and administrative stock-based compensation is included in discontinued operations.

Stock-based compensation in Cost of Revenues relates to employees who focus on supply chain management.

Stock Options

Stock option activity for the nine months ended September 30, 2026, is set forth in the table below (price per share is in dollars):

	Options	Weighted average exercise price per share	Weighted average remaining contractual life (in years)	Aggregate Intrinsic Value*
Outstanding at January 1, 2026	34,883	$ 110.67		
Granted	—	—		
Exercised	—	—		
Forfeited and Expired	(32,273)	110.52		
Outstanding at September 30, 2026	2,610	$ 112.61	7.11	$ —
Vested and Expected to Vest at September 30, 2026	2,610	$ 112.61	7.11	$ —
Exercisable at September 30, 2026	2,299	$ 112.86	7.05	$ —

* The intrinsic value is calculated as the difference between the exercise price and the fair value of the common stock on the balance sheet date.

As of September 30, 2026, there was approximately $94 of unamortized stock-based compensation cost related to unvested stock options, which is expected to be recognized over a weighted average period of 0.52 years.

Restricted Stock Units

Restricted Stock Unit ("RSU") activity for the nine months ended September 30, 2026, is set forth in the table below:

	RSUs
Outstanding at January 1, 2026	—
Granted	85,000
Released	(35,421)
Forfeited	—
Outstanding at September 30, 2026	49,579

Warrants activity, as adjusted for the Reverse Stock Split, for the three months ended September 30, 2026, is as follows:

	Number of warrants	Weighted average exercise price per share
Outstanding at January 1, 2026	62,979	$ 13.75
Granted	—	—
Forfeited	—	—
Expired	—	—
Outstanding at September 30, 2026	62,979	$ 13.75
Exercisable at September 30, 2026	62,979	$ 13.75

Phantom Restricted Stock Units

On August 21, 2026, the Company granted cash-settled phantom restricted stock units ("Phantom RSUs") to members of the board of directors. Each director received the number of Phantom RSUs that represent $60,000 in value based on the stock price of the Company on the grant date. These Phantom RSUs were granted in lieu of regular RSUs because the Company's incentive plans do not have sufficient available shares. The grant is to replace the RSU grants that are required for each director after each annual meeting of the Company. Since the annual meeting for 2026 was delayed, the compensation committee of the board of directors granted these Phantom RSUs before the 2026 annual meeting and no additional RSUs will be granted when the 2026 annual meeting is held.

Each Phantom RSU represents the economic equivalent of one share of the Company's common stock and vests at the earliest of (i) immediately prior to the Company's 2027 annual meeting or (ii) upon a change of control over the Company, subject to each director continuing to be a member of the board of directors on the vesting date. Upon vesting, each Phantom RSU is settled exclusively in cash based on the closing price of the Company's common stock on the vesting date.

Because the Phantom RSUs are required to be settled in cash, they are classified as liability awards and as a liability on the Company's balance sheet. The liability is increased on a straight-line basis over the period ending when the 2027 annual meeting is expected to occur. The fair value of the liability is remeasured at each reporting date based on the closing market price of the Company's common stock, with changes in fair value recognized as director fee expense. The value of the liability as of September 30, 2026 and the total director fee expense for the Phantom RSUs for the quarter is $37.

NOTE 9 — Income Taxes

The Company recognized income tax expense/(benefit) of $(126) and $2,169 for the three and nine months ended September 30, 2026, which includes $(50) and 2,186 of discrete tax expense related to the sale of the Company's legacy business assets. The Company recognized income tax expense of $90 and $361 for the three and nine months ended September 30, 2025.

The Company's tax expense for the nine months ended September 30, 2026 is higher than our tax expense for the same period last year due to the sale of the Company's legacy business assets.

The Company's tax expense for discontinued operations for the nine months ended September 30, 2026 is higher than its tax expense for the same period last year due to the sale of the Company's phone and hotspot assets on January 23, 2026. Tax expense through January 23, 2026 is included in discontinued operations because they primarily relate to the sale of the assets and the gain on the sale of the assets is included in discontinued operations. After January 23, 2026, tax expense is included in continuing operations in 2026. For 2025, tax expense is included in discontinued operations.

The Company's effective tax rate is 0.00% for continuing operations for the nine months ended September 30, 2026, compared to 0.00% in the same period last year. This effective tax rate is calculated by dividing total tax expense for continuing operations by the loss from continuing operations. The Company's effective rate is lower than the U.S federal statutory tax rate primarily due to the Company having losses from continuing operations is both years.

The Company's material income tax jurisdictions are the United States (federal and California), China and India. As a result of net operating loss and credit carryforwards, the Company is subject to audit for tax years 2023 and forward for federal and California purposes. The China and India tax years are open under the statute of limitations from 2013 and forward.

It is projected that the Company will utilize $2,668 of U.S. federal net operating loss carryovers in 2026 to partially offset the projected 2026 U.S. federal taxable income resulting from the Company's 2026 asset sale. It is projected that the Company will have $10,561 of U.S. federal net operating loss carryovers at the end of 2026. As of September 30, 2026, the Company has a full valuation allowance on all of its U.S. federal and state deferred tax assets.

The Company is subject to ongoing tax examinations of its tax returns by the Internal Revenue Service and other tax authorities in various jurisdictions. In accordance with the guidance on the accounting for uncertainty in income taxes, the Company regularly assesses the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of its provision for income taxes. These assessments can require considerable estimates and judgments. As of September 30, 2026, the gross amount of unrecognized tax benefits was approximately zero. If the Company's estimates of income tax liabilities prove to be less than the ultimate assessment, then a further charge to expense would be required. If events occur and the payment of these amounts ultimately proves to be unnecessary, the reversal of the liabilities would result in tax benefits being recognized in the period in which we determine the liabilities are no longer necessary. The Company does not anticipate any material changes to its uncertain tax positions during the next twelve months.

NOTE 10 — Commitments and Contingencies

Purchase Commitments

There are no noncancelable purchase orders as of September 30, 2026 or December 31, 2025 for continuing operations. The company stopped issuing purchase commitments in 2025 in anticipation of the closing of the asset sale.

Royalty payments

For its discontinued operations, the Company is required to pay per unit royalties to wireless essential patent holders.

General litigation

The Company is involved in various legal proceedings arising in the normal course of business. The Company does not believe that the ultimate resolution of these other matters will have a material adverse effect on its consolidated financial position, results of operations, or cash flows.

Indemnification

Under the terms of the asset purchase agreement, the Company has indemnification obligations for representations and warranties made by the Company. The $1,500 receivable for cash held back by the Buyer of the Company's phone assets can be used to cover indemnification obligations. There is no maximum indemnification exposure. The Company has reduced the carrying value of the receivable for the holdback to zero to cover indemnification claims made by the Buyer. The Company has disputed most of these indemnification claims, but we cannot estimate if it will receive any of the holdback. The Company has reviewed all indemnification claims and estimated that the valid indemnification claims will not exceed the holdback balance.

For discontinued operations, under the terms of its agreements with wireless carriers and other partners, the Company has agreed to provide indemnification for intellectual property infringement claims related to the Company's products sold by them to their end customers. From time to time, the Company receives notices from these wireless carriers and other partners of a claim for infringement of intellectual property rights potentially related to the Company's products. The Company does not believe that existing indemnification notices from carriers will result in significant future payments by the Company.

NOTE 11 — Net Income (Loss) Per Share

The following table sets forth the computation of the Company's basic and diluted net loss per share. Share amounts for the periods ended September 30, 2025, have been adjusted retrospectively for the Reverse Stock Split (in thousands of dollars):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Numerator:				
Loss from continuing operations	$ (1,467)	(2,230)	(6,633)	(5,051)
Income/(loss) from discontinued operation	398	(2,523)	10,657	(6,719)
Net income/(loss)	$ (1,069)	$ (4,753)	$ 4,024	$ (11,770)
Denominator:				
Weighted-average shares used in computing net loss per share, basic and diluted	1,500,973	984,927	1,373,182	614,985
Earnings (loss) per share – basic and diluted				
Continuing operations	(0.98)	(2.27)	(4.83)	(8.21)
Discontinued operations	0.27	(2.56)	7.76	(10.93)
Net income (loss) per share, basic and diluted	$ (0.71)	$ (4.83)	$ 2.93	$ (19.14)

Because the Company had a net loss from continuing operations, it did not disclose diluted earnings per share amounts for discontinued operations or for overall net income.

The potentially dilutive common shares that were excluded from the calculation of diluted net loss per share because their effect would have been antidilutive are as follows. Share amounts for the periods ended September 30, 2025, have been adjusted retroactively for the Reverse Stock Split.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Shares subject to options to purchase common stock	2,610	36,360	2,610	36,360
Unvested or unissued restricted stock units	49,579	—	49,579	—
Shares subject to warrants to purchase common stock	62,979	62,978	62,979	62,978
	115,168	99,338	115,168	99,338

NOTE 12 — Entity Level Information

Segment Information—The Company operates in one reporting segment, a trading platform for cryptocurrencies, for continuing operations in 2026.

The Company's Chief Executive Officer is the Company's chief operating decision maker ("CODM"). The Company's CODM primarily uses consolidated net loss to allocate resources and assess Company performance, primarily through periodic budgeting and Company performance reviews. The CODM utilizes discrete financial information at the consolidated level, including cash spending and cash forecasts.

There was no revenue in 2026 for continuing operations. The CODM managed spending on enhancements to the DNA X trading platform by reviewing payments made to consultants and financial forecasts.

Other than intangible software assets and intangible trademark assets, the Company has no significant long-lived assets. There are no significant customers as of September 30, 2026.

NOTE 13 — Subsequent Events

The Company has evaluated subsequent events through the date these financial statements were issued and determined that there have been no subsequent events that occurred during such period that would require adjustment to or disclosure in the financial statements as of and for the three and nine months ended September 30, 2026.

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

Forward-Looking Statements

You should read the following discussion and analysis of our financial condition and results of operations together with "Cautionary Note About Forward-Looking Statements" and our condensed consolidated financial statements and related notes included under Item 1 of this Quarterly Report as well as our most recent Annual Report on Form 10-K for the year ended December 31, 2025 as amended, including Part 1, Item 1A "Risk Factors."

Company Overview

We are a provider of cryptocurrency trading services to the public. Our services are available over the internet at https://dnax.us. We serve individual cryptocurrency traders. Our products allow users to efficiently buy and sell cryptocurrencies with cash or cash equivalents, or to exchange one cryptocurrency for another cryptocurrency. Our platform allows users to execute strategies between pairs of cryptocurrencies that allow them to swap between the currencies as the prices diverge or converge. This allows users to automate strategies without the need to continuously monitor the market. We relaunched our cryptocurrency trading website in October 2026. In the fourth quarter of 2026, the trading platform will add an enhancement to allow the trading of AI compute time.

Prior to December 2025, when we acquired our platform, we operated under the name Sonim Technologies, Inc. and were primarily focused on designing and manufacturing cell phones and mobile hotspots. We completed the disposition of substantially all assets of our phone and hotspot business on January 23, 2026.

Our Products

Trading and Swapping Cryptocurrencies

The Company's https://dnax.us website allows users to trade or swap certain cryptocurrencies for other cryptocurrencies or for cash equivalent currencies. New customers can set up an account on our website that will allow them to trade cryptocurrencies. The customer owns the assets before and after the trade and commissions are automatically deducted from the trade. We do not take custody of any of our customers' crypto assets. We employ various security measures in an effort to protect our customers and ourselves from cyber threats. The trades on our platform are generally completed immediately and there is no delay in settling the transactions.

Our platform allows anyone to set up an automated trading strategy and to buy one currency when the price ratio with another currency is reached in one direction, and to sell the currency when the ratio is reached in the other direction. This allows users to automatically trade and capture profits as cryptocurrencies trade within certain ranges. These strategies can be viewed by all users and can be duplicated. Our platform maintains histories of the strategies that can be analyzed to develop new strategies. We generate commission revenue from our users trading activity on our platform.

Recent Developments

Completion of the Asset Purchase Agreement with Pace Car Acquisition LLC. On January 23, 2026, we completed the sale of substantially all assets and most liabilities related to our legacy phone and mobile hotspot business for a purchase price of $15,000 in cash, less working capital, indebtedness and transaction expense adjustments for a net sales price of $13,500.

Acquisition of assets of DNA X LLC. On May 26, 2026, the Put Option referred to in our consolidated condensed financial statements, which allowed DNA Holdings to reacquire DNA X LLC, was terminated. This gave the Company full control over DNA X LLC and requires the Company to consolidate DNA X LLC with the Company's financial statements commencing on May 26, 2026. We expect to continue to execute our strategy of adding enhancements to DNA X.

Results of Operations

The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the operating results to be expected for the full year or in any future period. On January 23, 2026, we completed the sale of our phone and hotspots assets, and many of our employees transferred to the buyer. The accompanying consolidated financial statements and certain tables below present operations from this legacy business as discontinued operations for all periods presented, and the assets and liabilities of this legacy business are presented as assets and liabilities held for sale for the period ended December 31, 2025.

Since the closing of the asset sale, we have focused on developing our cryptocurrency trading platform.

On May 26, 2026, we issued a convertible note to DNA Holdings and received cash proceeds of $1,800. On July 8, 2026 we sold convertible preferred stock in the Company to DNA Holdings for $2,500 in cash proceeds and the cancellation of the entire balance of $3,053 due under the convertible note. On August 7, 2026 we sold convertible preferred stock in the Company to DNA Holdings for $2,500 in cash proceeds. See Notes 6 and 7 to our consolidated condensed financial statements included in Part I, Item 1 of this Quarterly Report. The cash proceeds from the two transactions will be used for general corporate purposes, to continue to enhance the DNA X platform, and to promote the platform.

The following tables present key components of our results of operations for continuing operations (dollars in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Increase (Decrease)	%	2026	2025	Increase (Decrease)	%
Net revenues	$ —	$ —	$ —	%	$ —	$ —	$ —	%
Cost of revenues	—	—	—	%	—	—	—	%
Gross profit	—	—	—	%	—	—	—	%
Operating expenses								
General and administrative	1,546	1,708	(162)	-9%	6,442	4,049	2,393	59%
Interest expense, net	(29)	(522)	493	-94%	(300)	(1,002)	702	-70%
Gain (Loss) on remeasurement of derivative liability	296	—	296	-100%	58	—	58	100%
Gain on extinguishment of debt	—	—			191	—	191	100%
Other income (expense)	(188)	—	(188)	100%	(188)	—	(188)	100%
Equity income from DNA X LLC	—	—	—		48	—	48	100%
Net loss from continuing operations before income taxes	(1,467)	(2,230)	763	-34%	(6,633)	(5,051)	(1,582)	31%
Income tax expense	—	—	—		—	—	—	
Net loss from continuing operations	(1,467)	(2,230)	763	-34%	(6,633)	(5,051)	(1,582)	31%
Income (loss) from discontinued operations	398	(2,523)	2,921	116%	10,657	(6,719)	17,376	259%
Net income (loss)	$ (1,069)	$ (4,753)	$ 3,684	-78%	$ 4,024	$ (11,770)	$ 15,794	154%

Total Net Revenues

There was no revenue from continuing operations during the three and nine months ended September 30, 2025 and 2026 because we acquired DNA X LLC in the fourth quarter of 2025 and because revenue from the DNA X platform was not consolidated into the Company prior to the Company gaining accounting control of DNA X LLC on May 26, 2026. Revenue from DNA X LLC from December 15, 2025, when we acquired the business, until May 26, 2026, when the Company gained control of the business, was $120. Net income of $48 from DNA X LLC for the nine months ending September 30, 2026 was recorded by the Company as income from investment in DNA X LLC. After May 26, 2026, we began consolidating the financials from DNA X LLC into the Company. There was no revenue from DNA X LLC from May 26, 2026 through September 30, 2026. We relaunched the cryptocurrency trading platform in October 2026 and will have revenue in the fourth quarter.

Cost of Revenues

Cost of revenues was $0 during the three and nine months ended September 30, 2025 and 2026 because there was no revenue during these periods.

Research and Development

There were no R&D expenses for the DNA X business during the three and nine months ended September 30, 2026 because software development costs were capitalized as intangible software assets after May 26, 2026.

General and Administrative

General and administrative expenses for the three months ended September 30, 2026, decreased by $0.2 million compared to 2025 primarily because of lower legal expense in 2026 because we were negotiating the Asset Purchase Agreement in 2025.

General and administrative expenses for the nine months ended September 30, 2026, increased by $2.4 million, or 59%, as compared to 2025, primarily due to $3.5 million in severance that was paid to employees that were terminated as a result of the completion of the asset sale, which was offset by a reduction in legal fees of $1.5 million because in 2025 we were still negotiating the asset purchase agreement for the sale of the Company's assets.

Interest expense

Interest expense decreased by $0.5 million for the three months ended September 30, 2026 as compared to the three months ended September 30, 2025 because 2025 included interest on the Streerterville notes and finance charges from early pay discounts on accounts receivables. The Streeterville notes were repaid on January 23, 2026 and the 2026 interest expense was primarily for the DNA notes which had lower interest expense due to lower loan balances. The last DNA note was cancelled on July 8, 2026.

Interest expense decreased by $0.7 million for nine months ended September 30, 2026 as compared to the nine months ended September 30, 2025 because 2025 included interest on the Streerterville notes of $0.6 million and finance charges for discounts for the early payment of accounts receivables of $0.4 million. The Streeterville notes were repaid on January 23, 2026 and the 2026 interest expense was primarily for the DNA notes which had lower interest expense due to lower loan balances. The last DNA note was cancelled on July 8, 2026.

Gain (Loss) on remeasurement of derivative liability

A derivative liability was recorded with the issuance of the note to DNA Holdings on December 15, 2025. The derivative liability represents the value of the conversion feature of the note. This derivative liability was remeasured at March 31, 2026, and at May 26, 2026 which was when the note was cancelled. A new derivative liability was recorded with the issuance of a new DNA Holdings Note on May 26, 2026, and was remeasured on July 8, 2026, on the day that it was derecognized. Upon remeasurement, the derivative liability was adjusted to fair value, and the offset was recorded as a gain or loss on remeasurement. On May 26, 2026, the derivative liability from the December 15, 2025 DNA Holdings Note was derecognized when the note was cancelled. The derivative liability from the May 26, 2026 DNA Holdings Note was derecognized on July 8, 2026 when the note was cancelled and exchanged for shares of preferred stock.

Gain on extinguishment of debt

On May 26, 2026, the note dated December 15, 2025 that was held by DNA Holdings was cancelled in connection with DNA Holdings' purchase of a new note with a principal amount of $3,053. The outstanding balances for the cancelled note for principal, loan discount, accrued interest, and derivative liability for the conversion feature were all derecognized and the resulting gain of $191 was recorded as a gain on extinguishment of debt.

Liquidity and Capital Resources

During the nine months ended September 30, 2026, the Company received $3.4 million in net cash from the sale of our legacy assets, and we received $1.8 million in proceeds from a new note that we issued to DNA Holdings on May 26, 2026. On July 8, 2026, we received $2.5 million in cash from the issuance of preferred stock to DNA Holdings. On August 7, 2026 we received an additional $2.5 million in cash from the issuance of preferred stock to DNA Holdings. The May 2026 convertible note that we issued to DNA Holdings was cancelled and exchanged for shares of preferred stock on July 8, 2026, leaving the Company with no indebtedness from borrowed money. Management believes that the $5.2 million in cash on September 30, 2026 is sufficient to pay our existing obligations for at least twelve months following the filing date of this Quarterly Report.

Cash Flows

The following table summarizes our sources and uses of cash for the periods presented (in thousands):

	Nine Months Ended September 30,	
	2026	**2025**
Net cash used in operating activities	$ (6,862)	$ (21,522)
Net cash provided by investing activities	4,113	—
Net cash provided by financing activities	6,626	18,316
Net decrease in cash and cash equivalents	$ 3,877	$ (3,206)

Cash flows from operating activities

For the nine months ended September 30, 2026, cash used in operating activities was $6.9 million, primarily attributable to the non-cash portion of the gain on the sale of the assets of $15.6 million, partially offset by $4.0 million in net income and by cash used from a change in net operating assets and liabilities of $4.3 million, that includes a decrease in inventory of $5.5 million.

For the nine months ended September 30, 2025, cash used in operating activities was $21.5 million, primarily attributable to a net loss of $11.8, and net cash used in a change in net operating assets and liabilities of $9.7 million. The change in net operating assets and liabilities was primarily due to an increase in contract fulfillment assets of $6.3 million, which are capitalized costs for product certifications, partially offset by a decrease in accounts receivable, and a decrease in accounts payable of $2.4 million, and a increase in accounts receivable of $1.8 million.

Cash flows from investing activities

For the nine months ended September 30, 2026, the Company received $3.3 million in cash from the sale of assets, and $849 from payments related to discontinued operations including tariff refunds.

For the nine months ended September 30, 2025, there were no investing activities.

Cash flows from financing activities

For the nine months ended September 30, 2026, the Company received $4.9 million from issuing preferred stock, net of issuance costs, and $1.8 million in cash from issuing a new convertible note to DNA Holdings.

For the nine months ended September 30, 2025, the Company received $13.8 million in cash, net of issuance costs, from sales of common stock, as well as $5.1 million in net proceeds from the issuance of the Notes to Streeterville and repaid $0.6 million borrowed under the Receivables Financing Agreement.

Material Cash Requirements

There have been no material changes to our material cash requirements from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

Critical Accounting Policies and Estimates

Our discussion and analysis of financial condition and results of operations is based upon our condensed consolidated financial statements, which have been prepared in conformity with accounting principles generally accepted in the United States of America. Certain accounting policies and estimates are particularly important to the understanding of our financial position and results of operations and require the application of significant judgment by our management or can be materially affected by changes from period to period in economic factors or conditions that are outside of our control. As a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical operations, our future business plans and projected financial results, the terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate.

A description of our critical accounting policies that represent the more significant judgments and estimates used in the preparation of our consolidated financial statements was provided in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no changes to our critical accounting policies and estimates described in the Annual Report on Form 10-K for the year ended December 31, 2025, that have had a material impact on our condensed consolidated financial statements and related notes.

Segment Information

We have one business activity and operate in one reportable segment.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act, prior to filing this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive and principal financial officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were not effective for accounting for complicated transactions related to investments and acquisitions.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating disclosure controls and procedures, our management recognizes that any system of controls, however well designed and operated, can provide only reasonable assurance, and not absolute assurance, that the desired control objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals in all future circumstances. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

Material Weakness in Internal Control Over Financial Reporting

The Company identified a material weakness in its internal control over financial reporting related to a lack of personnel with sufficient technical accounting expertise to appropriately analyze and account for complex, non-routine transactions. Specifically, the Company did not maintain adequate resources with the requisite knowledge of U.S. GAAP to properly evaluate the accounting implications of significant transactions, including accounting for business acquisitions.

As a result of this deficiency, the Company failed to appropriately apply relevant accounting guidance, which led to errors in the initial recording of certain transactions and required adjustments during the financial statement close process. Additionally, the review controls designed to detect such errors were not effective due to the same lack of technical expertise.

Management concluded that this control deficiency constitutes a material weakness because there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements would not be prevented or detected on a timely basis.

The Company has not resolved this material weakness as of September 30, 2026.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the three months ended September 30, 2026, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

For information regarding our material legal proceedings, see "Note 10 — Commitments and Contingencies" in the accompanying "Notes to Condensed Consolidated Financial Statements" in this Quarterly Report on Form 10-Q, which information is incorporated herein by reference.

Item 1A. Risk Factors.

There are no material changes to the risk factors set forth in Part I, Item 1A, *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2025.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None of our directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarterly period covered by this report.

Item 6. Exhibits.

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit Number	Filing Date
3.1	Amended and Restated Certificate of Incorporation of the Registrant.	8-K	001-38907	3.1	May 17, 2019
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation, effective September 15, 2021.	8-K	001-38907	3.1	September 15, 2021
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation, effective July 17, 2024	8-K	001-38907	3.1	July 18, 2024
3.4	Certificate of Designation of Rights, Preferences and Privileges of Series A Junior Participating Preferred Stock filed with the Secretary of State of the State of Delaware on April 21, 2025	8-K	001-38907	3.1	April 21, 2025
3.5	Certificate of Amendment to the Amended and Restated Certificate of Incorporation, effective October 16, 2025 (increase in authorized shares from 100,000,000 to 1,000,000,000)	8-K	001-38907	3.1	October 20, 2025
	Certificate of Amendment to the Amended and Restated Certificate of Incorporation, effective October 27, 2025 (Reverse Stock Split)	8-K	001-38907	3.1	October 24, 2025
3.6	Certificate of Amendment to the Amended and Restated Certificate of Incorporation, effective January 23, 2026	8-K	001-38907	3.1	January 27, 2026
3.7	Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock filed with the Secretary of State of the State of Delaware on July 6, 2026	8-K	001-38907	3.1	July 2, 2026
3.8	Amended and Restated Bylaws of the Registrant, as amended and restated as of June 14, 2024	8-K	001-38907	3.1	June 14, 2024
4.1	Promissory note dated as of February 21, 2025	8-K	001-38907	4.1	February 21, 2025
4.2	Rights Agreement, dated as of April 21, 2025, by and between the Registrant and Equiniti Trust Company, LLC, which includes the form Certificate of Designation as Exhibit A, the form of Right Certificate as Exhibit B, and the Summary of Rights to Purchase Preferred Shares as Exhibit C	8-K	001-38907	4.1	April 21, 2025
4.3	Form of Common Stock Purchase Warrant, dated as of May 12, 2025, issued by the Registrant to the purchasers named therein	8-K	001-38907	4.1	May 16, 2025

31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* The certifications furnished in Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

† Indicates a management contract or compensatory plan or arrangement

Schedules have been omitted in accordance with Item 601(a)(5) of Regulation S-K. The registrant agrees to furnish a copy of all omitted schedules to the SEC upon its request.

+ Certain portions of this exhibit (indicated by [***]) have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K because the registrant has determined that such redacted information is not material and is the type that the registrant treats as private or confidential.

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.

DNA X, INC.

Date: November 23, 2026

By: */s/ Michael Mulica*

Michael Mulica
Chief Executive Officer
(Principal Executive Officer)

Date: November 23, 2026

By: */s/ Clay Crolius*

Clay Crolius
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Mulica, certify that:

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

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

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

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

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

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

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

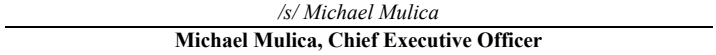
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially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

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

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

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

Date: November 23, 2026

By: **

Michael Mulica, Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Clayton Crolius, certify that:

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

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

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

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

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

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

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

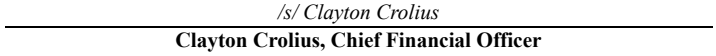
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially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

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

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

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

Date: November 23, 2026

By: **

Clayton Crolius, Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of DNA X, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Date: November 23, 2026

By: *<u>/s/ Michael Mulica</u>*
Michael Mulica
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

In connection with the Quarterly Report of DNA X, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Date: November 23, 2026

By: */s/ Clayton Crolius*

Clayton Crolius
Chief Financial Officer
(Principal Financial Officer)