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

FORM 10-K

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

For the fiscal year ended December 31, 2025

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: 001-36790

Axe Compute Inc.

(Exact name of registrant as specified in its charter)

Delaware	33-1007393
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

91 43rd Street, Suite 110 Pittsburgh, Pennsylvania 15201

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (412) 432-1500

Predictive Oncology Inc.

(Former name, former address and former fiscal year, if changed since last report)

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, $0.01 par value	AGPU	NASDAQ Capital Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by checkmark 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

As of June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of common stock held by non-affiliates was $7,965,485 based upon 639,798 shares at $12.45 per share as reported on the NASDAQ Capital Market.

As of March 27, 2026, the registrant had 5,539,267 shares of common stock, par value $.01 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

AXE COMPUTE INC.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS AND SUMMARY OF RISK FACTORS

This Annual Report on Form 10-K contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements represent our expectations and beliefs concerning future results or events, based on information available to us on the date of the filing of this Form 10-K, and are subject to various risks and uncertainties. Factors that could cause actual results or events to differ materially from those referenced in the forward-looking statements are listed in Part I, Item 1A. Risk Factors and in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. We disclaim any intent or obligation to update or revise any of the forward-looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise, except as required by applicable law. The following summarizes the principal risks of our business:

- Continued negative operating cash flows;
- Our capital needs to accomplish our goals, including any further financing, which may be highly dilutive and may include onerous terms;
- Risks related to recent and future acquisitions, including risks related to the benefits and costs of acquisition;
- The success of our digital asset treasury strategy;
- The volatile and unpredictable changes in the price of ATH;
- The expected growth of the ATH ecosystem;
- The availability of opportunities to stake ATH; and
- Risks related to our partnerships with other companies, including the need to negotiate the definitive agreements; possible failure to realize anticipated benefits of these partnerships; and costs of providing funding to our partner companies, which may never be repaid or provide anticipated returns;
- Risks related to the initiation, formation, or success of our collaboration arrangements, commercialization activities and product sales levels by our collaboration partners and future payments that may come due to us under these arrangements;
- Risk that we will be unable to protect our intellectual property or claims that we are infringing on others' intellectual property;
- The impact of competition;
- Acquisition and maintenance of any necessary regulatory clearances applicable to applications of our technology;
- Inability to attract or retain qualified senior management personnel, including sales and marketing personnel;
- Risk that we never become profitable if our products and services are not accepted by potential customers;
- Possible impact of government regulation and scrutiny;
- Unexpected costs and operating deficits, and lower than expected sales and revenues, if any;
- Adverse results of any legal proceedings;
- The volatility of our operating results and financial condition,
- Management of growth;
- Risk that our business and operations could be materially and adversely affected by disruptions caused by economic and geopolitical uncertainties as well as epidemics or pandemics;
- Other specific risks that may be alluded to in this report.

PART I

ITEM 1. BUSINESS.

General

References in this annual report on Form 10-K to the "Company", "we", "us", and "our" refer to the business of Axe Compute Inc. (NASDAQ: AGPU) and its wholly owned subsidiaries.

In late 2025, we expanded our business strategy to include a compute business under the Axe Compute brand, and renamed the Company Axe Compute Inc., effective December 11, 2025. Through a distributed network model, Axe Compute seeks to provide customers with access to graphics processing unit ("GPU") compute capacity for artificial intelligence and other high-performance computing workloads, sourced primarily through infrastructure made available by the Aethir network. In connection with this strategic expansion, we adopted a digital asset treasury strategy focused on the Aethir token ("ATH"), the native utility token of the Aethir network, to support our participation in the Aethir ecosystem ("Treasury Strategy"). Collectively, we refer to this new operating business as our Compute Services and Treasury Management segment, which is the priority of the Company and Management's focus.

We embarked upon this direction because the global compute market represents a significant and rapidly growing commercial opportunity. According to Research and Markets (2026), the global compute market is estimated to be valued at over $1 trillion in 2026, with a compound annual growth rate of approximately 9.9%, and is expected to nearly double in value by 2032. When focused specifically on AI-related computing services, many forecasters estimate growth rates exceeding 30% annually, with the AI compute market anticipated to reach a total value in excess of $1 trillion by 2034 (Cognitive Market Research; Statifacts, 2025). McKinsey & Company estimated in 2025 that over 50% of all data center capacity was already dedicated to AI workloads, an amount they expect to grow by a factor of 3.5 times by 2030, and that approximately $6.7 trillion will be spent on data centers globally between 2025 and 2030, of which approximately 65.7% will be GPU-related. Gartner estimates worldwide AI spending will total $2.5 trillion in 2026 alone. Despite this unprecedented level of investment, demand continues to significantly outpace supply: as of early 2026, North American data center vacancy rates reached a record low of 1.6%, data center demand increased 24% in 2025, and average lead times for data center GPUs stand at 36 to 52 weeks (CBRE Investment Management, 2026). The Company believes this supply-demand imbalance creates a significant opportunity for its GPU compute business, which operates through the Aethir network to provide distributed GPU compute capacity for AI and other high-performance computing workloads.

On September 29, 2025, the Company announced the launch of its Treasury Strategy focused on ATH. Aethir is a leading decentralized physical infrastructure network developed by DCI Foundation, a Panama foundation company ("DCI"), that provides a decentralized GPU network, connecting producers and consumers of GPU compute power at enterprise scale, supporting applications such as artificial intelligence computation, gaming and cloud workloads. ATH functions as a proxy for a unit of GPU compute power and serves as a medium of exchange and unit of incentives for participants in the Aethir network. Participants in the Aethir network can generate yield or other rewards by staking or lending ATH or by otherwise serving as a source of ATH liquidity.

Pursuant to the Treasury Strategy, the Company intends to continue acquiring additional ATH in the open market and to earn yield on its ATH treasury holdings by engaging in ATH staking and other activities. As a holder of ATH, the Company accrues unrealized gains or losses from any appreciation or depreciation, as applicable, in the value of ATH tokens, which trade on various cryptocurrency exchanges.

The Company's management is focusing its resources on the Treasury Strategy, and a significant portion of the Company's balance sheet will be allocated to holding ATH pursuant to its Treasury Strategy.

Currently, the Treasury Strategy is primarily dedicated to ATH, and the Company does not intend to allocate treasury assets to other digital assets in the near term. As a result, the Company's assets will be highly concentrated in a single digital asset. Adverse developments specific to ATH, its protocol, or its network could have a disproportionate impact on the Company's financial condition and results of operations.

The Company's Treasury Strategy is intended to bring value to its stockholders through the following:

- utilizing proceeds from equity and debt financings to purchase and hold ATH;
- staking the majority of the ATH in the Company's treasury to earn a staking yield and turn the treasury into a productive asset;
- purchasing locked ATH at a discount to the current spot price; and
- selling the Company's ATH holdings, whether on the open market, through block trades, or other negotiated transactions, for various reasons and at various times, including, in order to fund its working capital and general corporate needs.

Axe Compute also continues to operate its Drug Discovery Services business, which we also refer to as our 'legacy' business ("Legacy Business"), which is designed to support the discovery and development of optimal cancer therapies. In the Legacy Business, the Company uses AI and its proprietary biobank of 150,000+ tumor samples, categorized by tumor type, to provide actionable insights about drug compounds to improve the drug discovery process and increase the probability of drug compound success. The Company also creates and develops tumor-specific 3D cell culture models mimicking the physiological environment of human tissue, enabling better-informed decision-making during drug development. In February 2026, the Company announced that it is exploring strategic alternatives for this oncology drug discovery solutions business, but the Company's Board of Directors (the "Board") has not committed to a specific course of action. Accordingly, the oncology drug discovery solutions business did not meet the criteria under Financial Accounting Standards Board (the "FASB") Accounting Standards Codification ("ASC") 205-20, Discontinued Operations to be classified as discontinued operations and held for sale, and therefore is reflected as continuing operations within these consolidated financial statements.

Significant Transactions and Recent Events

On March 20, 2025, the Company completed the sale of assets related to its wholly owned subsidiary, Skyline Medical Inc., to DeRoyal Industries, Inc., a global manufacturer and supplier of medical products. Skyline Medical produced the FDA-cleared STREAMWAY System and associated products for automated medical fluid waste management and patient-to-drain medical fluid disposal and was previously classified as the Company's Eagan operating segment.

On September 19, 2025, the Company's stockholders approved a one-for-fifteen (1-for-15) reverse stock split of the Company's common stock, which became effective at 12:01 a.m. on Tuesday, September 30, 2025.

On October 8, 2025, the Company announced the closing of two previously announced private investment in public equity transactions ("PIPEs") totaling approximately $343.5 million to support the Company's adoption of a digital asset treasury strategy focused on ATH, the native utility token of the Aethir ecosystem. The Company raised an aggregate of approximately $343.5 million in the PIPEs from the purchase and sale of (i) an aggregate of approximately 4.4 million shares of common stock (or pre-funded warrants to purchase shares of common stock in lieu thereof) for a purchase price of $11.6265 per share (the "Offering Price") of common stock (or per pre-funded warrant in lieu thereof) for aggregate cash gross proceeds of approximately $50.8 million (the "Cash PIPE"), and (ii) pre-funded warrants to purchase up to approximately 14.9 million shares of common stock for a purchase price of $11.6165 per pre-funded warrant in exchange for approximately $292.7 million in notional value representing approximately $173.3 million in discounted value of in-kind contributions of locked and unlocked ATH (the "Crypto PIPE"). The pre-funded warrants issued in the Crypto PIPE became exercisable immediately following the Company's receipt of shareholder approval for the exercise of such pre-funded warrants. The PIPEs closed concurrently on October 7, 2025. The Company has used the cash and in-kind contribution of ATH to fund the Company's digital asset treasury strategy as well as for working capital and general corporate purposes.

On December 1, 2025, we received formal notice from the Nasdaq Hearings Panel (the "Panel") of The Nasdaq Stock Market LLC ("Nasdaq") notifying us that we were in compliance with the stockholders' equity requirement set forth in Nasdaq Listing Rule 5550(b)(1) (the "Stockholders' Equity Requirement"). Accordingly, the previously disclosed listing matter has been closed. Nasdaq's notice further stated that pursuant to Listing Rule 5815(d)(4)(B), the Company will be subject to a mandatory panel monitor for a period of one year from December 1, 2025. If, within that one-year monitoring period, the Nasdaq Listing Qualification Staff (the "Staff") finds the Company again out of compliance with the Stockholders' Equity Requirement, notwithstanding Rule 5810(c)(2), the Company will not be permitted to provide the Staff with a plan of compliance with respect to that deficiency and Staff will not be permitted to grant additional time for the Company to regain compliance with respect to that deficiency, nor will the Company be afforded an applicable cure or compliance period pursuant to Nasdaq Listing Rule 5810(c)(3). Instead, the Staff will issue a delist determination letter and the Company will have an opportunity to request a new hearing with the initial Panel or a newly convened hearings panel if the initial Panel is unavailable.

On December 11, 2025, we changed our corporate name from Predictive Oncology Inc. to Axe Compute Inc. following the filing of a Certificate of Amendment to our Certificate of Incorporation with the Secretary of State of the State of Delaware (the "Name Change"). Beginning on December 12, 2025, our common stock began trading on the Nasdaq Capital Market under the ticker symbol "AGPU." In connection with the Name Change, we announced an expansion of our business strategy to include high-performance enterprise artificial intelligence infrastructure. Our historical oncology drug discovery and biomedical research operations, or Legacy Business, includes our AI-driven tumor drug-response prediction platforms, proprietary tumor biobank and related laboratory and biomarker testing services, and were developed under our prior Predictive Oncology business model. We intend to evaluate opportunities for the Legacy Business, including the potential use of the data assets and predictive models developed through those operations in connection with our expanded artificial intelligence infrastructure strategy.

On February 6, 2026, our Board voted to terminate, without cause, the employment of Raymond F. Vennare as Chief Executive Officer, effective February 9, 2026. Mr. Vennare also resigned as Chairman and a member of the Board effective the same date. In connection with his termination, Mr. Vennare entered into a separation agreement providing for severance and other benefits. The Board appointed Chuck Nuzum, an existing member of the Board, as Chairman effective February 9, 2026. In addition, the Board appointed Christopher Miglino as Chief Executive Officer and as a member of the Board effective February 9, 2026. In connection with his appointment, we entered into an employment agreement with Mr. Miglino and granted him stock options to purchase 500,000 shares of our common stock as an inducement award.

On February 24, 2026, we announced that we engaged Cardiff Advisory LLC to assist in exploring strategic alternatives for our Legacy Business. The strategic review process, which is being conducted under the oversight of our Board, may include a potential sale, partnership, licensing arrangement, joint venture or other transaction involving the Company's biobank platform and related operations. The review reflects our continued focus on advancing our artificial intelligence compute infrastructure strategy while evaluating opportunities to maximize value from non-core legacy assets. There can be no assurance that the strategic review process will result in any transaction.

On March 3, 2026, we announced that our Board appointed Dr. Theodore Zhu and Thorsten Dirks as members of the Board.

Our Business

As of December 31, 2025, we operated in two business areas: (1) the Compute Services and Treasury Management segment, which provides services that include access to GPU compute capacity and manages the Company's ATH Treasury Strategy; and (2) the Drug Discovery Services segment, which provides services that include the application of AI using its proprietary biobank of 150,000+ tumor samples, as well as creation of proprietary 3D culture models used in drug development.

The Compute Services and Treasury Management segment is the priority of the Company and remains Management's focus. In regards to the Drug Discovery Services segment, in February 2026, the Company announced that it is exploring strategic alternatives for the business; however, the Company's Board has not committed to a specific course of action and, as such, does not meet the criteria under FASB ASC 205-20, Discontinued Operations, to be classified as discontinued operations and held for sale. We sometimes also refer to the Drug Discovery Services segment as our "Legacy Business".

Compute Services and Treasury Management

Compute Services

Through our Compute Services segment, we provide enterprises, AI developers, and large-scale workload operators with on-demand access to high-performance GPU compute infrastructure. Our network encompasses global locations and over 435,000 GPUs capable of supporting a broad range of artificial intelligence, machine learning, and high-performance computing workloads. We deliver compute capacity to customers through a managed infrastructure model, typically within 48 hours of customer engagement, without requiring customers to make capital investments in physical hardware or data center facilities.

Our infrastructure is designed to serve both traditional enterprise AI workloads and participants in decentralized physical infrastructure networks. We operate on an asset-light model—we do not own or operate physical data centers—which allows us to scale compute capacity in response to customer demand without material capital expenditure. Revenue from Compute Services is generated primarily through reserved GPU capacity contracts, under which customers commit to capacity on a prepaid basis, typically under 12- to 36 -month terms. Pricing is structured on a per-GPU per-hour basis and is positioned competitively relative to centralized hyperscale cloud providers. We also offer ancillary storage and CPU services billed alongside GPU compute under the same contractual arrangements.

Through the use of ATH tokens as a settlement mechanism, we integrate our Compute Services with our Treasury Strategy. Under this model, Axe Compute may settle our compute obligations using ATH. When we purchase new ATH in the open market, we earn an additional 20% revenue in the form of additional ATH. We believe this integration creates a compounding economic relationship between our compute revenue and our token treasury position that is differentiated from the revenue models of traditional GPU cloud providers.

Treasury Management

On September 29, 2025, we adopted a digital asset Treasury Strategy focused on ATH, the native utility token of the Aethir network. Aethir is a decentralized physical infrastructure network developed by DCI Foundation, a Panama foundation company ("DCI"), that supports GPU compute workloads. ATH is used within the Aethir ecosystem for functions including GPU rentals, staking, validation and network incentives. On December 31, 2025, we held approximately 2.837 billion unlocked ATH with a fair market value of $24.4 million, and a right to receive 3.511 billion locked ATH that are subject to vesting and/or transfer restrictions with a fair market value of $15.5 million after applying a discount for lack of transferability and control. Together, the Company's treasury included 6.348 billion ATH and future rights thereto which, multiplied by the closing price of $0.0086 per ATH on December 31, 2025, represents a market value of approximately $54.6 million, on an as if vested and claimed basis, that can be deployed to access compute.

The Company intends to continue acquiring additional ATH in the open market and to earn yield on its ATH treasury holdings by engaging in ATH staking and other activities. As a holder of ATH, the Company accrues unrealized gains or losses from any appreciation or depreciation, as applicable, in the value of ATH tokens, which trade on various cryptocurrency exchanges. With the Company focusing its resources on the Treasury Strategy, a significant portion of its balance sheet will be allocated to holding ATH.

Currently, the Treasury Strategy is primarily dedicated to ATH, and the Company does not intend to allocate treasury assets to other digital assets in the near term. As a result, the Company's assets will be highly concentrated in a single digital asset. Adverse developments specific to ATH, its protocol, or its network could have a disproportionate impact on the Company's financial condition and results of operations.

The Company's Treasury Strategy is intended to bring value to its stockholders through the following:

- utilizing proceeds from equity and debt financings to purchase and hold ATH;
- staking the majority of the ATH in the Company's treasury to earn a staking yield and turn the treasury into a productive asset;
- purchasing locked ATH at a discount to the current spot price; and
- selling the Company's ATH holdings, whether on the open market, through block trades, or other negotiated transactions, for various reasons and at various times, including, in order to fund its working capital and general corporate needs.

Drug Discovery Services / Legacy Business

Drug Discovery Solutions – PEDAL

Patient-centric Drug Discovery using Active Learning ("PEDAL"™), our proprietary AI-driven platform, offered by our Drug Discovery Services segment, is designed to provide high-confidence drug-response predictions. This platform combines our biobank of samples with a one-of-a-kind database of historical tumor data, and the power of AI to efficiently build predictive models of tumor drug response. Our PEDAL asset is a unique technology that combines one of the largest privately held commercial biobanks of tumor samples, AI active machine learning, and multi-omic historical tumor data – complete with on-site Clinical Laboratory Improvement Amendments ("CLIA") certified lab testing capabilities to inform drug/tumor model predictions. PEDAL offers researchers the opportunity to incorporate patient diversity early, efficiently, and cost-effectively into the drug discovery process by using data from hundreds of patient samples. PEDAL works by iterative cycles of active learning to guide the testing of patient samples against specific compounds. This results in PEDAL efficiently building comprehensive predictive models of patient drug response in a matter of weeks. This predictive model can rank compounds against tumor samples of certain profiles that respond to specific drugs and can also predict the set of compounds that provide the best coverage across patient tumor samples.

We believe leveraging our unique, historical database of tumor drug responses, genomics, biomarkers, digitized pathology slides, and histopathology data with over 150,000 patient tumor samples to efficiently build AI driven predictive models of tumor drug response will provide actionable insights critical to new drug development. Through the course of over 15 years of clinical testing of patient tumor responses to drugs, our Pittsburgh lab has amassed a huge proprietary knowledgebase of data. To provide for our patient-centric approach, this dataset has been rigorously de-identified and aggregated to inform our proprietary process to create models of tumor drug response.

PEDAL can significantly increase the probability of clinical success by introducing patient diversity early in the development process, while also decreasing the time and cost of oncology drug discovery programs. Our large knowledgebase of tumor drug response and other data, together with proven AI, has created a unique capability for oncology drug discovery, utilizing this highly efficient screening of drug responses against thousands of diverse, well-characterized patient primary tumor samples. With each iteration of a PEDAL campaign, the program learns, predicts, and then directs the most informative wet lab experimentation, while building the predictive model. This allows for a unique and streamlined approach in which AI-driven predictions are tested against samples from this expansive and diverse biobank to more efficiently and effectively narrow down viable drug-tumor pairings. This novel disruptive approach is ideally suited to the early part of drug discovery while also being highly customizable to meet the needs of our collaborators. Our patient-centric drug discovery approach provides for the prioritization of drug compound candidates while accounting for patient tumor diversity. This should dramatically improve the chances of successfully translating discoveries into successful therapies, while simultaneously lowering costs through shortened development timelines, and most importantly, enhanced "speed-to-patient" for new therapies.

A key part of our commercialization strategy has been the understanding that our AI-driven models of tumor drug response serve a key unmet need of pharmaceutical, diagnostic, and biotech industries for actionable multi-omic insights into cancer. In collaboration with these companies, using the predictive models, we will accelerate the search for more effective cancer treatments through biomarker discovery, drug screening, drug repurposing, and ultimately clinical trials with higher probability of success.

PEDAL, which incorporates CORE™, our active machine learning program, with tumor profile data and human tumor samples, provides optimized, efficient, high-confidence drug-response predictions. Our platform is designed to move molecules forward with a higher probability of clinical success. The focus of our business strategy is to leverage and expand our portfolio of proprietary solutions to advance drug discovery and enable oncology drug development for our biopharma partners.

3D Modeling

Our Drug Discovery Services segment also develops tumor-specific in vitro models for oncology drug discovery and research. Our 3D tumor-specific models accelerate the drug development process for our clients and partners by providing drug response predictions with high correlation to clinical response, enabling our biopharma clients to manage pipeline prioritization more efficiently.

The 3D models incorporate tissue-specific extracellular matrices and tumor-specific medium supplements allowing for a true reconstruction of tumor microenvironment. Our approach is compatible with multiple classes of immuno-oncology agents from antibody and antibody-drug conjugates to bi- and tri-specific compounds and CAR-T cells. The organ-specific disease models provide 3D reconstruction of human tissues accurately representing each disease state and mimicking drug response.

Our 3D platform maintains tumor-tumor and tumor-stroma interactions and incorporates both cellular and extracellular elements of tissue microenvironment including soluble factors in an organ- and disease-specific manner. It is compatible with multiple cell types, drug classes, and downstream analysis methods. Our models support proliferation of malignant and non-malignant cellular components of tissues.

Applications include providing efficacy screening of anticancer compounds, evaluation of mechanisms of drug resistance, identification of new drug combinations, rescue of failed drug candidates, assessment of off-target toxicity, target discovery and biomarker discovery. Product offerings include preclinical testing services based on our proprietary models directly to clients in the biopharmaceutical industry.

Clinical Testing

Through our wholly owned subsidiary, Helomics Corporation ("Helomics"), reported under our Drug Discovery Services segment, we offer a group of clinically relevant, cancer-related tumor profiling and biomarker tests for gynecological cancers that determine how likely the patient is to respond to various types of available chemotherapy treatments and which therapies might be indicated by relevant tumor biomarkers.

Clinical diagnostic testing is comprised of our Tumor Drug Response Testing (ChemoFx™), Genomic Profiling Testing (BioSpeciFx), and other biomarker tests. The Tumor Drug Response Testing test determines how a patient's tumor specimen reacts to a panel of various chemotherapy drugs, while the Genomic and biomarker profiling evaluates the expression and/or status of a particular gene or protein related to a patient's tumor specimen.

Testing involves obtaining tumor tissue during biopsy or surgery, which is then sent to our CLIA certified laboratory using a special collection kit. Tumor Drug Response Testing is a fresh tissue platform that uses the patient's own live tumor cells to help physicians identify effective treatment options for each gynecologic cancer patient.

Genomic Profiling offers a select group of clinically relevant protein expression and genomic mutation tests associated with drug response and disease prognosis. Physicians can select biomarkers for testing from carefully chosen panels of relevant tests, organized by cancer pathway and tumor type. Results for these tests are presented in a clear, easy to understand format, including summaries of the clinical relevance of each marker.

Industry and Market Background and Analysis

Compute Services and Treasury Management

The global compute infrastructure market represents a significant and growing opportunity. The global cloud computing market— which encompasses the infrastructure-as-a-service and platform-as-a-service segments most relevant to GPU compute— is estimated at approximately $1 trillion in 2026 and is projected to reach approximately $2.4 to $3.3 trillion by 2030 to 2033, representing compound annual growth rates of approximately 16% to 20%, according to multiple independent market research firms. When focused specifically on AI-related computing, worldwide AI spending is forecast to total $2.52 trillion in 2026, a 44% increase year-over-year, according to Gartner. Building AI foundations alone is expected to drive a 49% increase in spending on AI-optimized servers in 2026, representing 17% of total AI spending. McKinsey & Company estimated in 2025 that over 50% of all data center capacity was already dedicated to AI workloads, an amount they expect to grow by a factor of approximately 3.5 times by 2030, and that approximately $6.7 trillion will be spent on data centers globally between 2025 and 2030. Notwithstanding this level of investment, demand continues to outpace supply. As of early 2026, North American data center vacancy rates reached a record low of 1.6% and data center demand increased approximately 24% in 2025, and average GPU procurement lead times stand at 36 to 52 weeks, according to CBRE Investment Management. We believe this supply-demand imbalance creates a significant opportunity for our GPU compute business, which provides distributed GPU compute capacity for AI and other high-performance computing workloads.

Drug Discovery Services

The growing demand for the improvement in the discovery and development process of novel drug therapies is driving the demand for AI-empowered solutions. Growing partnerships and cooperation are expected to fuel global market for AI in drug development. The adoption of AI solutions in the drug development process increases efficiency, reduces cycle time, and increases the productivity and accuracy of the risky and long process. Due to these advantages, the importance of AI in drug discovery and development is expected to drive the global market. AI-powered drug discovery is an emerging approach that considers individual variability in multi-omics, including genes, disease and environment to develop effective therapies. This approach predicts more accurately which treatment, dose, and therapeutic regimen could provide the best possible clinical outcome. Biopharmaceutical companies, contract research organizations, academia, and other stakeholders began integrating AI-based solutions in their drug development processes to enhance outcomes and curb costs.

We believe we are uniquely positioned with our PEDAL platform to provide early insights that clients can use to prioritize drugs for development and identify patient-centric indications. In addition, the PEDAL platform can be used to re-purpose previously failed drug compounds. We aim to leverage the PEDAL platform for our biopharma clients and help them prioritize their oncology portfolio. The PEDAL platform supports a biopharma client's decision on the drug molecules with a higher likelihood of clinical success. With PEDAL, we look to improve/enhance the way that the biopharma industry carries out the development of oncology drugs. We believe our platform provides unique financial- and time-saving advantages for pharmaceutical companies.

We believe the passage of the FDA Modernization Act 2.0 will increase the use of non-animal methods to study the mechanisms of diseases and to test the effectiveness of new drugs. The FDA Modernization Act 2.0 allows for alternatives to animal-testing requirements for the development of drugs and allows drug manufacturers to opt out of animal testing while utilizing other testing methods to develop drugs, such as cell-based assays, organ-on-a-chip technology, computer models, and other human biology-based test methods. We expect the market to continue to grow due to a shift towards more efficient, accurate and predictive models.

Competition and Competitive Advantages

Compute Services and Treasury Management

The market for GPU compute infrastructure and AI cloud services is competitive and rapidly evolving. Our principal competitors include specialized GPU cloud platforms, operators of dedicated AI data center infrastructure, and distributed GPU infrastructure providers. We also compete indirectly with major public hyperscale cloud providers, which offer GPU compute capacity as part of a broader portfolio of cloud services. Many of these competitors have substantially greater financial, technical, sales, and marketing resources than we do, and some have longer operating histories and broader customer relationships in the enterprise market.

We believe our competitive position is supported by several key factors. First, our globally distributed network provides geographic diversity and access to compute resources across multiple regions that we believe is difficult to replicate at speed. Second, our 48-hour provisioning capability and flexible contract structures allow customers to scale GPU capacity in response to near-term workload demands without the multi-month lead times typically associated with dedicated data center deployments. Third, our asset-light operating model—under which we do not own physical data center facilities—allows us to grow our addressable footprint without the capital intensity that characterizes many of our competitors. Fourth, our integration of ATH token settlement creates an additional economic incentive structure that we believe differentiates our offering for customers participating in decentralized infrastructure ecosystems. We believe these factors, together with our pricing model, differentiate us from both hyperscale cloud providers and dedicated AI infrastructure operators. However, there can be no assurance that we will be able to maintain or improve our competitive position, and competitive pressures could materially and adversely affect our revenue, margins, and results of operations.

Drug Discovery Services

On average, new oncology drug compounds take 10-12 years to become approved for use, from discovery to commercial launch. Identifying those compounds is a difficult process with a significant majority of compounds failing. This failure is costly in time and resources, particularly when the compounds fail during the clinical trial stages. It is estimated that 90-95% of compounds fail between first human dose and launch. One of the reasons for this high failure rate is the inability of oncology drug compounds in clinical trials to meet the therapeutic end points in a large population.

AI companies addressing the needs in the drug discovery market are looking at the drug discovery and development challenges from different angles. However, we believe no other company has access to a comparable privately held biobank with tumor drug responses, genomics, biomarkers, digitized pathology slides, and histopathology data. The ability to pair AI with our biobank provides us with a competitive advantage and creates a barrier to entry for competitors in the drug response prediction space.

We believe this patient-derived, highly curated, multi-omic tumor model offers a better chance of generating predictive models of drug-response and outcomes than competitive approaches in the market today. The information embodied in the AI-driven predictive model provides insights into each tumor's response to different therapeutic options, resulting in the ability to provide actionable insights critical to new drug development, individualizing patient treatment, drug repurposing, and biomarker development. Identifying cohorts of patient tumors most responsive to candidate drugs informs the early drug candidate selection process in a patient-centric manner that we do not believe is offered elsewhere. The tumor cohorts identified by our models can also be analyzed and stratified to optimize patient selection criteria for improved clinical trials. A deeper analysis of these same tumor cohorts found to be highly responsive to a particular drug candidate can be further utilized for targeted biomarker development and/or targeted assay development.

We also fulfill unmet needs in the drug discovery market with the next-generation technology of our 3D models, based on extensive knowledge of the human tumor microenvironment creating accurate reconstruction of the organ-specific 3D tissue microenvironment enabling evaluation of therapeutic agents under conditions mimicking human physiology. The main competitive advantage of our technology is the tumor-specific nature of its systems. 3D models replicate tissue heterogeneity and provide maintenance of primary human cells, organoids, and cell lines under the native conditions of human disease. The 3D models are formulated to mimic the tissue and/or disease of interest instead of pursuing a one-size-fits-all approach taken by other companies. Recreating specific tumor microenvironments enables more reliable prediction of tissue response to drugs with varying mechanisms of action. This same technology can also be used to demonstrate potential toxic drug effect on normal tissues by maintaining an accurate reconstruction of cellular and extracellular compartments of human tissues.

Suppliers

Compute Services and Treasury Management

Our Compute Services segment depends on the availability of high-performance GPU hardware and the underlying data center and network infrastructure required to operate it. We source GPU hardware primarily from NVIDIA Corporation, which is currently the dominant supplier of GPUs used for artificial intelligence training and inference workloads. We do not manufacture any hardware ourselves. Our ability to expand compute capacity depends on our ability to procure sufficient quantities of GPU hardware and supporting infrastructure on commercially acceptable terms and within time frames consistent with customer demand.

GPU supply has at times been constrained due to strong global demand from AI developers, hyperscale cloud providers, and other large-scale compute operators. We work to maintain relationships with multiple hardware and infrastructure providers across our network of over 200 locations, and our distributed, multi-location model is intended to partially mitigate single-supplier and single-facility concentration risk relative to operators that depend on a smaller number of large data center facilities. However, the loss of or significant disruption to our access to NVIDIA GPU supply, or material price increases or extended delivery lead times from key hardware or infrastructure suppliers, could materially delay our ability to fulfill customer orders, reduce our available capacity, and materially and adversely affect our business, results of operations, and financial condition. We cannot guarantee that we will be able to secure GPU hardware in the quantities or on the timelines required to meet customer demand or execute our growth strategy.

Drug Discovery Services

We buy our raw materials from several suppliers and, except as set forth below, the loss of any one supplier would not materially adversely affect our business. We rely on sole suppliers for certain materials used to perform our molecular diagnostic tests. We also purchase reagents used in our molecular diagnostic tests from sole-source suppliers. While we have developed alternate sourcing strategies for these materials and vendors, we cannot be certain that these strategies will be effective or that the alternative sources will be available in a timely manner. If our current suppliers can no longer provide us with the materials that we need to perform molecular diagnostic tests, if the materials do not meet our quality specifications, or if we cannot obtain acceptable substitute materials, there could be an interruption in molecular diagnostic test processing. In the event of the loss of these suppliers, we could experience delays and interruptions that might adversely affect the financial performance of our business. We have existing and good relationships with our service vendors.

Intellectual Property

So long as our Legacy Business is a part of Axe Compute, we will continue to invest appropriately in intellectual property in order to maintain a competitive advantage in the marketplace. Our Legacy Business relies on a combination of patent, trade secret intellectual property rights, and other measures to protect our intellectual property. We seek to protect our trade secrets and proprietary know-how, in part, with confidentiality agreements with employees, although we cannot be certain that the agreements will not be breached, or that we will have adequate remedies if a breach were to occur.

Government Regulation

Both our Legacy Business and our Treasury Strategy are subject to or impacted by extensive and frequently changing laws and regulations in the United States (at both the federal and state levels) and the other jurisdictions in which we conduct business, including some specific to our business, some specific to our industry, and others relating to conducting business generally (e.g., U.S. Foreign Corrupt Practices Act). We also are subject to inspections and audits by governmental agencies.

Employees and Human Capital Resources

We had 13 full-time employees and 1 part-time employee as of December 31, 2025. None of our employees are subject to a collective bargaining agreement and we believe our relations with our employees are satisfactory. Our human capital resources objectives include identifying, recruiting, retaining, incentivizing and integrating our existing and new employees, and we recruit people for positions regardless of gender, ethnicity or other protected traits.

Executive Offices

Our principal executive offices are located at 91 43rd Street, Suite 110, Pittsburgh, Pennsylvania and our telephone number is (412) 432-1500.

Corporate History

We were originally incorporated in Minnesota on April 23, 2002, and reincorporated in Delaware in 2013. We changed our name from Skyline Medical Inc. to Precision Therapeutics Inc. on February 1, 2018, then to Predictive Oncology Inc. on June 13, 2019, and finally to Axe Compute Inc. on December 11, 2025.

Available Information

Our website address is https://axecompute.com/. Information contained on our website is not incorporated by reference into this Annual Report on Form 10-K unless expressly noted.

We file reports with the Securities and Exchange Commission ("SEC"), which we make available on our website free of charge at https://investors.axecompute.com/financial-information. These reports include Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, each of which is provided on our website as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the SEC. We also make, or will make, available through our website other reports filed with or furnished to the SEC under the Securities Exchange Act of 1934, as amended, including our proxy statements and reports filed by officers and directors under Section 16(a) of that Act. In addition, the SEC maintains a website (https://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us.

ITEM 1A. RISK FACTORS.

You should carefully consider the risks described below before making an investment decision. Our business could be harmed by any of these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. The risks described below are not the only ones that we may face. Additional risks that are not currently known to us or that we currently consider immaterial may also impair our business, financial condition or results of operations. In assessing these risks, you should also refer to the other information contained in this Form 10-K, including our financial statements and related notes.

Risk Factors Related to Our Business

We have adopted a digital asset treasury strategy with a focus on ATH, and we may be unable to successfully implement this new strategy.

We have adopted a digital asset treasury primarily dedicated to ATH, including potential acquisitions through staking and other decentralized finance and compute activities. There is no assurance that we will be able to successfully implement this new strategy or operate network-related activities at the scale or profitability currently anticipated. This strategic shift requires specialized employee skillsets and operational, technical and compliance infrastructure to support ATH and related staking activities. This also requires that we implement internal processes related to overall security of assets and treasury management practices. Further, there is ongoing scrutiny and limited formal guidance from regulatory agencies, including Nasdaq and the SEC, with respect to the treatment of public company cryptocurrency strategies. There is no assurance that we will be able to execute this strategy by building out the needed infrastructure within the timeframe that we currently anticipate. The success of our digital asset treasury strategy will depend in part upon the efforts, processes, technology and intellectual property of third parties outside of our control, including, without limitation, the developers of Aethir and any asset managers or custodians retained in connection with the strategy. As a result, our shift towards ATH could have a material adverse effect on our business and financial condition.

Our shift towards an Aethir-focused strategy requires substantial changes in our day-to-day operations and exposes us to significant operational risks.

Our shift towards an ATH treasury-focused strategy, potentially including staking, enterprise compute sales and other decentralized finance activities, exposes us to significant operational risks. The Aethir network evolves rapidly, and frequent upgrades and protocol changes may require significant adjustments to our operational setup in order to participate in ATH's various yield generating protocols. The upgrades and protocol changes may require that we incur unanticipated costs and could cause temporary service disruptions to the Aethir network. We also need to engage additional third-party service providers in our operations, which may introduce risks outside of our control, including significant cybersecurity risks. Additionally, if we stake our digital assets, those assets may be subject to lock-up or illiquidity periods during which they cannot be transferred or sold. This may materially reduce our immediate access to liquidity and could adversely affect our ability to meet operational requirements or respond to adverse market conditions. Any of these operational risks could materially and adversely affect our ability to execute our Treasury Strategy and may prevent us from realizing positive returns and could severely hurt our financial condition.

The concentration of our ATH holdings enhances the risks inherent in our Aethir-focused strategy.

We have purchased and intend to purchase ATH and increase our overall holdings of ATH in the future. The intended concentration of our ATH holdings limits the risk mitigation that we could achieve if we were to purchase a more diversified portfolio of treasury assets, and the absence of diversification enhances the risks inherent in our Aethir-focused strategy. The price of ATH has experienced a significant decline in recent periods, from a high of $0.067072 on September 17, 2025, to a price of $0.004919 on February 6, 2026, and any similar future significant declines in the price of ATH could have a more pronounced impact on our financial condition than if we used our cash to purchase a more diverse portfolio of assets.

The price of ATH is highly volatile and unpredictable, and fluctuations in the price of ATH will directly affect our reported financial results.

ATH has experienced extreme price volatility since its launch and may continue to do so. The price of ATH may be influenced by a wide range of factors, many of which are beyond our control, including: general cryptocurrency market sentiment; macroeconomic conditions such as inflation, interest rates, and risk appetite; regulatory announcements or enforcement actions targeting digital assets or cryptocurrency exchanges; the volume and liquidity of ATH trading on cryptocurrency exchanges; actual or perceived competition from other digital asset projects or GPU compute networks; developments within the Aethir ecosystem, including upgrades, partnerships, or technical failures; and large-scale sales of ATH by significant holders. Because we account for our ATH holdings at fair value under ASU 2023-08, with changes in fair value recognized in net income each reporting period, significant declines in the price of ATH will produce substantial non-cash losses in our financial statements that are wholly unrelated to our operational performance, and significant increases in the price of ATH will produce non-cash gains. These fair value fluctuations may make our financial results difficult to predict and period-to-period comparisons unreliable. Investors should not rely on any single reporting period's results as indicative of our underlying business performance. A sustained decline in the price of ATH could have a material adverse effect on our financial condition, liquidity, and results of operations, and could require us to raise additional capital on unfavorable terms or curtail our operations.

ATH may have limited liquidity, which could impair our ability to sell ATH holdings at favorable prices or at all, particularly when market conditions are adverse.

ATH trades on a limited number of cryptocurrency exchanges and may not benefit from the depth of liquidity available to larger, more established digital assets such as Bitcoin or Ethereum. The total market capitalization of ATH may be significantly smaller, and average daily trading volumes may be lower, than major cryptocurrencies, increasing the risk that large selling activity — including any disposal of ATH by us or our Asset Manager — could materially depress the market price of ATH and result in proceeds substantially below the fair value reflected on our balance sheet. Additionally, a significant portion of our ATH holdings are locked and subject to vesting and/or transfer restrictions, which further limits our ability to liquidate positions rapidly in response to adverse price movements or liquidity needs. During periods of market stress or exchange outages, liquidity for ATH could effectively disappear entirely, preventing us from selling or transferring ATH at any price. If we are unable to sell ATH at anticipated prices or within anticipated timeframes, our ability to fund operations and meet financial obligations could be materially and adversely affected.

The price of ATH is correlated with broader cryptocurrency market conditions and macroeconomic factors outside our control, and adverse developments in the broader digital asset market may disproportionately harm our financial position.

Digital assets, including ATH, do not trade in isolation. Historically, the prices of digital assets have shown significant correlation with one another, particularly during periods of market stress. A broad-based decline in cryptocurrency markets — including declines in the price of Bitcoin or Ethereum — has historically resulted in widespread declines across all digital assets, including those with distinct underlying use cases such as ATH. Such correlated declines may occur regardless of the specific performance or developments within the Aethir ecosystem. Macroeconomic factors that may trigger broad cryptocurrency market selloffs include, without limitation: increases in interest rates or tightening of monetary policy; banking sector stress or credit market disruptions; negative regulatory developments, including exchange enforcement actions or restrictions on cryptocurrency trading in major markets; geopolitical instability; and shifts in institutional investor sentiment toward risk assets. Because our treasury is concentrated in ATH rather than a diversified portfolio of assets, any such broad-based market decline is likely to have a disproportionate adverse impact on the value of our treasury assets compared to companies that hold diversified or more liquid asset portfolios. This correlation risk, combined with the concentrated and partially illiquid nature of our ATH holdings, significantly amplifies our exposure to macroeconomic and market-wide risks.

If the Aethir network is disrupted or encounters any unanticipated difficulties or otherwise does not perform as expected, fails or experiences any other adverse consequences, the value of ATH could be negatively impacted.

If the Aethir network is disrupted or encounters any unanticipated difficulties, then the processing of transactions on the Aethir network may be disrupted, which in turn may prevent us from depositing or withdrawing ATH from our accounts with our custodian or otherwise affecting ATH transactions. Such disruptions could include, for example: the insolvency, business failure, interruption, default, failure to perform, security breach, or other problems of participants, custodians, or others; the closing of ATH trading platforms due to fraud, failures, security breaches or otherwise; or network outages or congestion, power outages, or other problems or disruptions affecting the Aethir network. The implementation of material network upgrades could result in unintentional degradation of performance. Any disruption of the Aethir network could materially impact the operation of the Aethir network, resulting in our inability to transfer or sell ATH, and could adversely impact the price of ATH.

In addition, as the market for Graphics Processing Unit (GPU) hosting services grows, we anticipate that competition among providers of GPU hosting will intensify, potentially affecting the Aethir network. Similarly, if the market for GPU hosting services does not grow as anticipated, the Aethir network could be adversely affected. Any diminution in the value of the Aither network GPU-as-a-Service business could adversely impact the price of ATH and result in our inability to transfer or sell ATH.

ATH and other digital assets are novel assets, and are subject to significant legal, commercial, regulatory and technical uncertainty, which could materially adversely affect the Company's financial position, operations and prospects.

ATH and other digital assets, as well as applications on networks such as Aethir, are relatively novel and are subject to significant uncertainty, which could adversely impact their price. The application of state and federal securities laws and other laws and regulations to digital assets and blockchain-based applications is unclear in certain respects, and it is possible that regulators in the United States or foreign countries may interpret or apply existing laws and regulations in a manner that adversely affects the price of ATH or other digital assets, or the ability of blockchain-native applications to operate.

The U.S. federal government, states, regulatory agencies, and foreign countries or regulatory jurisdictions may also enact new laws and regulations, or pursue regulatory, legislative, enforcement or judicial actions, that could materially impact the price of ATH or the ability of individuals or institutions such as us to own or transfer ATH and utilize blockchain-based applications on networks such as Aethir. For example, the U.S. executive branch, the SEC, the European Union's Markets in Crypto Assets Regulation, among others, have been active in recent years, and in the United Kingdom, the Financial Services and Markets Act 2023, or FSMA 2023, became law. It is not possible to predict whether, or when, any of these developments will lead to the U.S. Congress granting additional authorities to the SEC, Commodity Futures Trading Commission ("CFTC"), or other regulators, or whether, or when, any other federal, state or foreign legislative or regulatory bodies will take any similar actions. It is also not possible to predict the nature of any such additional authorities, how additional legislation or regulatory oversight might impact the ability of digital asset markets to function or the willingness of financial and other institutions to continue to provide services to the digital assets industry, nor how any new regulations or changes to existing regulations might impact the value of digital assets generally and ATH specifically. The consequences of increased regulation of digital assets and digital asset activities could adversely affect the market price or liquidity of ATH and in turn adversely affect the market price of our common stock and our financial condition and results of operations.

Moreover, the risks of engaging in a digital asset treasury strategy are relatively novel and have created, and could continue to create, complications due to the lack of experience that third parties have with companies engaging in such a strategy, such as increased costs of director and officer liability insurance or the potential inability to obtain such coverage on acceptable terms in the future.

The growth of the digital assets industry in general, and the use and acceptance of ATH in particular, may also impact the price of ATH and is subject to a high degree of uncertainty. The pace of worldwide growth in the adoption and use of the Aethir network and ATH may depend, for instance, on public familiarity with digital assets, ease of buying, accessing or gaining exposure to ATH, institutional demand for ATH as an investment asset, the participation of traditional financial institutions and compute power providers in the digital assets industry, consumer and business demand for ATH as a means of payment, and the availability and popularity of alternatives to ATH. Even if growth in ATH adoption occurs in the near or medium-term, there is no assurance that ATH and Aethir network usage will continue to grow over the long term.

Because ATH tokens have no physical existence beyond the record of transactions on the layer 1 blockchains, a variety of technical factors related to the Aethir network could also impact the price of ATH. For example, malicious attacks against the network and related applications, difficulties with upgrades to the ATH network, and advances in computing technology could undercut the integrity of the ATH network and negatively affect the price of ATH. The liquidity of ATH may also be reduced and damage to the public perception of Aethir may occur if financial institutions were to deny or limit banking services to businesses that hold ATH, provide Aethir-related services or accept ATH as payment, which could also decrease the price of ATH. Additionally, any failure to properly monitor and upgrade the Aethir network could adversely affect the Aethir network and negatively affect the price of ATH.

The liquidity of ATH may also be impacted to the extent that changes in applicable laws and regulatory requirements negatively impact the ability of exchanges and trading venues to provide services for ATH and other digital assets.

In connection with our Treasury Strategy, we expect to interact with various smart contracts deployed on the Aethir network, which may expose us to risks and technical vulnerabilities.

In connection with our Treasury Strategy, including staking and other decentralized finance and decentralized compute activities, we expect to interact with various smart contracts deployed on the Aethir network in order to optimize our strategy and generate income. Smart contracts are self-executing code that operate without human intervention once deployed. Although smart contracts are integral to the functionality of the Aethir Network, they are subject to many known risks such as technical vulnerabilities, coding errors, security flaws, and exploitation attacks. Any vulnerability in a smart contract we interact with could result in the loss or theft of ATH or other digital assets, which could have a materially adverse impact on our business. In addition, certain smart contracts are upgradable or subject to certain governance controls which could result in unforeseen code errors, asset or account freezing, or the loss of digital assets. A vulnerability in a smart contract could create an unintended and unforeseeable consequence that has adverse financial consequences, such as the loss of or inability to access funds. There is no agreed upon framework for third-party assurance that the smart contracts we integrate with or rely upon will function as intended or remain secure. Exploitation of such vulnerabilities could have a material adverse effect on our business and financial condition.

Advances in AI model efficiency could reduce demand for GPU compute, adversely affecting the Aethir network and the value of our compute business.

A key driver of demand for GPU compute is the scale required to train and run AI models, where greater computational resources have historically produced more capable models. However, consistent advances in AI model efficiency — such as new architectures, training techniques, or algorithmic improvements that achieve equivalent or superior results using significantly less compute — could substantially reduce demand for raw GPU compute capacity. For example, if model developers are able to achieve frontier AI capabilities with materially fewer GPUs, the near-term demand forecasts underpinning current data center investment and GPU pricing could prove overstated. A significant and sustained reduction in GPU compute demand could adversely affect the utilization of the Aethir network, the demand for compute services we offer through that network, and consequently the value of our ATH treasury holdings. Such developments could have a material adverse effect on our business, financial condition, and results of operations.

Geopolitical tensions and trade restrictions, particularly between the United States and China, could disrupt GPU supply chains and limit our addressable market.

The global GPU compute market depends heavily on complex international supply chains, including semiconductor manufacturing concentrated in Taiwan and South Korea, and significant end-market demand in China and other regions that are subject to evolving trade restrictions. Geopolitical tensions between the United States and China have already resulted in restrictions on the export of advanced semiconductors, including certain NVIDIA GPU products, to China. Further escalation of such restrictions, retaliatory trade actions, or broader geopolitical instability could disrupt GPU supply chains, increase the cost or lead times of GPUs, limit the markets in which compute services may be offered, and create regulatory uncertainty for companies operating distributed compute networks such as Aethir. Any such disruptions could materially and adversely affect our compute business and our ability to execute our strategy.

The energy and environmental demands of data centers and GPU compute infrastructure may constrain the growth of the compute market and result in increased regulatory costs or operational limitations.

Data centers are significant consumers of electrical power. According to McKinsey & Company (2025), data centers were responsible for over 5% of total U.S. energy consumption in 2025, a figure expected to approximately double within the next five years as AI workloads proliferate. This level of energy consumption has attracted increasing scrutiny from regulators, utilities, and environmental groups, and may result in additional restrictions, permitting requirements, carbon reporting obligations, or energy surcharges that increase the cost of GPU compute infrastructure. Constraints on available power capacity in key data center markets may limit the ability of compute providers to expand capacity in response to demand. Additionally, reputational and ESG concerns relating to the energy footprint of AI compute infrastructure could adversely affect our business relationships and access to capital. Although we operate through the Aethir distributed network rather than owning data centers directly, these energy constraints affect the broader ecosystem on which our compute business depends.

Demand for GPU compute is highly concentrated among a small number of large technology companies and governments, and any reduction in their expenditures could have a disproportionate adverse effect on the compute market and our business.

A substantial portion of current and projected demand for GPU compute infrastructure is driven by a small number of large technology companies — including Google, Amazon, Microsoft, Meta, and Apple — as well as government-sponsored AI programs. According to industry estimates, these organizations collectively spend hundreds of billions of dollars annually on AI infrastructure, and the United States government alone has announced a $500 billion commitment to AI infrastructure investment. This concentration of demand means that any significant reduction in capital expenditure by these organizations — whether driven by macroeconomic conditions, shifting strategic priorities, regulatory constraints, or technological developments that reduce their need for external compute — could have a disproportionately negative impact on the broader GPU compute market, including demand for compute services offered through decentralized networks such as Aethir. A slowdown in enterprise and government AI infrastructure spending could materially and adversely affect our compute business and the value of our ATH treasury holdings.

Part of our future business strategy may include acquisitions and investments in companies with Aethir-focused or blockchain strategies, and there are risks associated with the integration of any assets or operations acquired and our ability to manage those risks. In addition, we may be unable to make attractive acquisitions or successfully integrate acquired businesses, assets or properties, and any inability to do so may disrupt our business and hinder our ability to grow.

We intend to pursue a strategy focused on both ATH accumulation and future acquisitions. Accordingly, in the future we may make acquisitions of businesses or assets that we expect to complement or expand our current assets. However, we may not be able to identify attractive acquisition opportunities in the future. Even if we do identify attractive acquisition opportunities, we may not be able to complete the acquisition or do so on commercially acceptable terms. No assurance can be given that we will be able to identify additional suitable acquisition opportunities, negotiate acceptable terms, obtain financing for acquisitions on acceptable terms or successfully acquire identified targets.

The success of any acquisition will depend on our ability to integrate effectively the acquired business or asset into our existing operations. The process of integrating acquired businesses and assets may involve unforeseen difficulties and may require a disproportionate amount of our managerial and financial resources. The integration of acquisitions is a complex, costly and time-consuming process, and our management may face significant challenges in such process. Some of the factors affecting integration will be outside of our control, and any one of them could result in increased costs and diversion of management's time and energy, as well as decreases in the amount of expected revenue.

Our failure to achieve consolidation savings, to incorporate the acquired businesses and assets into our existing operations successfully or to minimize any unforeseen operational difficulties could have a material and adverse effect on our financial condition and results of operations.

Additional ability to achieve the objectives of our business strategy depends in significant part on our ability to obtain equity and debt financing. If we are unable to obtain equity or debt financing on favorable terms or at all, we may not be able to successfully execute on our business strategy.

Changes in regulatory interpretations could require us to register as a money services business or money transmitter, leading to increased compliance costs or operational shutdowns.

The regulatory regime for digital assets in the U.S. and elsewhere is uncertain. The Company may be unable to effectively react to proposed legislation and regulation of digital assets, which could adversely affect its business.

If regulatory changes or interpretations require us to register as a money services business with The Financial Crimes Enforcement Network (FinCEN) under the U.S. Bank Secrecy Act, or as a money transmitter under state laws, we may be subject to extensive regulatory requirements, resulting in significant compliance costs and operational burdens. In such a case, we may incur extraordinary expenses to meet these requirements or, alternatively, may determine that continued operations are not viable. If we decide to cease certain operations in response to new regulatory obligations, such actions could occur at a time that is unfavorable to investors.

Multiple states have implemented or proposed regulatory frameworks for digital asset businesses, and digital asset regulation continues to be a focus of foreign regulatory bodies, notably in the European Union. Compliance with such jurisdiction-specific regulations may increase costs or impact our business operations. Further, if we or our service providers are unable to comply with evolving federal, state or foreign regulations, we may be forced to dissolve or liquidate certain operations, which could materially impact our investors.

The sale of our Legacy Business may not be completed on favorable terms, or at all, which could adversely affect our business and financial condition.

We are actively engaged in a process to sell our Legacy Business operated through Helomics Holding Corporation ("Helomics"). There can be no assurance that this process will result in a completed transaction, that any transaction will be completed on a timely basis, or that the terms of any transaction will be favorable to the Company or its stockholders. The process may be affected by a number of factors outside our control, including the availability of financing for potential buyers, market conditions, regulatory requirements, competing transactions, and the due diligence findings of prospective purchasers. If the sale process is prolonged or unsuccessful, we will continue to incur the costs of operating the Helomics business, which could divert management attention and financial resources from our compute business. Even if a sale is completed, the proceeds may be less than the carrying value of the Helomics assets on our balance sheet, which could result in an impairment charge or loss on sale that adversely affects our reported financial results.

The Helomics business may experience disruption during the sale process, which could reduce its value and adversely affect our results of operations.

The announcement and ongoing conduct of a sale process for the Helomics business may create uncertainty among Helomics employees, customers, and suppliers, which could result in the loss of key Helomics personnel, cancellation or non-renewal of customer contracts, or deterioration of supplier relationships. Any such disruption could reduce the operating performance and value of the Helomics business, which could reduce the proceeds we receive in a sale transaction or make it more difficult to complete the sale. In addition, management time and attention devoted to the Helomics sale process may detract from the Company's ability to execute on its Axe Compute business strategy.

We may be subject to liabilities, indemnification obligations, or transition costs in connection with the sale of the Helomics business that could adversely affect our financial condition.

Any definitive agreement for the sale of the Helomics business is likely to include representations, warranties, and indemnification obligations that could expose us to liability after the closing of a sale transaction. We may also be required to provide transition services to the buyer following closing, which could require the dedication of management time and resources. In addition, the Helomics business may have liabilities that are not identified prior to the closing of a sale, including environmental liabilities, employment claims, or regulatory compliance matters, some of which we may retain following the sale. Any retained or assumed liabilities, indemnification claims, or transition service obligations could have a material adverse effect on our financial condition and results of operations following the divestiture.

Risk Factors Related to Regulation

Changes in regulatory interpretations could require us to register as a money services business or money transmitter, leading to increased compliance costs or operational shutdowns.

The regulatory regime for digital assets in the U.S. and elsewhere is uncertain. The Company may be unable to effectively react to proposed legislation and regulation of digital assets, which could adversely affect its business.

If regulatory changes or interpretations require us to register as a money services business with The Financial Crimes Enforcement Network (FinCEN) under the U.S. Bank Secrecy Act, or as a money transmitter under state laws, we may be subject to extensive regulatory requirements, resulting in significant compliance costs and operational burdens. In such a case, we may incur extraordinary expenses to meet these requirements or, alternatively, may determine that continued operations are not viable. If we decide to cease certain operations in response to new regulatory obligations, such actions could occur at a time that is unfavorable to investors.

Multiple states have implemented or proposed regulatory frameworks for digital asset businesses, and digital asset regulation continues to be a focus of foreign regulatory bodies, notably in the European Union. Compliance with such jurisdiction-specific regulations may increase costs or impact our business operations. Further, if we or our service providers are unable to comply with evolving federal, state or foreign regulations, we may be forced to dissolve or liquidate certain operations, which could materially impact our investors.

Risk Factors Related to the Securities Markets and Ownership of Our Common Stock

Our certificate of incorporation, as amended, provides that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware will be the exclusive forum for certain legal actions between us and our stockholders, which could limit our stockholders' ability to obtain a judicial forum viewed by the stockholders as more favorable for disputes with us or our directors, officers, or employees.

Our certificate of incorporation, as amended, provides that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the corporation, (2) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the corporation to the corporation or the corporation's stockholders, (3) any action asserting a claim against the corporation arising pursuant to any provision of the General Corporation Law or the corporation's certificate of incorporation or bylaws, or (4) any action asserting a claim against the corporation governed by the internal affairs doctrine. This exclusive forum provision does not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934. It could apply, however, to a suit that falls within one or more of the categories enumerated in the exclusive forum provision and asserts claims under the Securities Act, as amended, inasmuch as Section 22 of the Securities Act creates concurrent jurisdiction for Federal and State courts over all suits brought to enforce any duty or liability created by the Securities Act or the rule and regulations thereunder. There is uncertainty as to whether a court would enforce such provision with respect to claims under the Securities Act, and our stockholders will not be deemed to have waived our compliance with the Federal securities laws and the rules and regulations thereunder.

Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. These exclusive-forum provisions may limit a stockholder's ability to bring a claim in a judicial forum of their choosing for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees.

If a court were to find the choice of forum provision contained in our certificate of incorporation, as amended, to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition, and results of operations. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to our management team.

Our common stock could be delisted from the Nasdaq Capital Market, which delisting could hinder your ability to obtain accurate quotations on the price of our common stock or dispose of our common stock in the secondary market.

On May 13, 2022, we received a letter from the Listing Qualifications Department of Nasdaq (the "Staff") informing us that because the closing bid price for our common stock listed on Nasdaq was below $1.00 for 30 consecutive trading days, we did not comply with the minimum closing bid price requirement for continued listing under Nasdaq Listing Rule 5550(a)(2), requiring a minimum bid price of $1.00 per share (the "Minimum Bid Price Requirement"). The letter stated that we had 180 days, or until November 9, 2022, to regain compliance by maintaining a closing bid price of at least $1.00 for a minimum of 10 consecutive trading days. This deadline was subsequently extended by Nasdaq to May 8, 2023.

On April 23, 2023, we effected a 20-for-1 reverse stock split to cure this deficiency. As a result, our stock price increased significantly, and we regained compliance with the Minimum Bid Price Requirement.

After a subsequent decline in our stock price, on September 19, 2024, we received another letter from the Staff informing us that did not meet the Minimum Bid Price Requirement. The letter stated that we had 180 days, or until March 18, 2025, to regain compliance by maintaining a closing bid price of at least $1.00 for a minimum of 10 consecutive trading days. We have regained compliance with the Minimum Bid Price Requirement, as since January 3, 2025, our stock price has traded above the minimum requirement.

On November 20, 2024, we received a letter from the Listing Qualifications Department of Nasdaq (the "Staff") notifying us that we were not in compliance with the minimum stockholders' equity requirement for continued listing as set forth in Nasdaq Listing Rule 5550(b)(1) (the "Stockholders' Equity Requirement"), because our stockholders' equity of $1,966,969, as reported in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024, was below the required minimum of $2.5 million, and because, as of the date of the notice, we did not meet either of the alternative compliance standards, relating to market value of listed securities of at least $35 million or net income from continuing operations of $500,000 in the most recently completed fiscal year or in two of the last three most recently completed fiscal years. Under Nasdaq rules and as specified in the notice, we had until Monday, January 6, 2025 to submit to Nasdaq a plan to regain compliance with the Stockholders' Equity Requirement and we submitted our plan on January 6, 2025, citing the Company's then proposed merger with Renovaro, and requested a 180-day extension to regain compliance with the Stockholders' Equity Requirement. As a result of the termination of negotiations with Renovaro, we were unable to complete the previously submitted plan.

On June 9, 2025, we received a letter from the Staff notifying us that because the Company had not regained compliance with the Stockholders' Equity Requirement, the Staff determined to delist the Company's securities from The Nasdaq Capital Market. On June 11, 2025, we submitted a hearing request to Nasdaq's Hearings Panel (the "Panel"), which stayed the suspension of the Company's securities and the filing of the Form 25-NSE pending the Panel's decision. On June 12, 2025, we were notified that the Panel agreed to consider our appeal at an oral hearing, which the Panel scheduled for July 17, 2025.

On July 8, 2025, we received a letter from the Staff informing us that because the closing bid price for our common stock listed on Nasdaq was below $1.00 for 30 consecutive trading days, we did not comply with the minimum closing bid price requirement for continued listing under Nasdaq Listing Rule 5550(a)(2), requiring a minimum bid price of $1.00 per share (the "Minimum Bid Price Requirement"). The notification had no immediate effect on the listing of the Company's common stock.

On July 17, 2025, we attended an oral hearing with the Panel, where we presented plans for coming into compliance with the continued listing standards, which included, but were not limited to, continued sales of common stock pursuant to our at-the-market offering, sales of common stock pursuant to the SEPA, expanding availability of our live cell ChemoFx drug response assay and business collaborations, as well as a potential reverse stock split. We also requested an exception from the continued listing standards through December 8, 2025, to provide us the ability to evidence compliance with the standards.

On July 23, 2025, we were notified by Nasdaq that the Panel had granted our request for continued listing on The Nasdaq Capital Market pursuant to an extension through December 8, 2025, to demonstrate compliance with all continued listing requirements, including the Stockholders' Equity Requirement and Minimum Bid Price Requirement.

On September 29, 2025, we completed the Reverse Stock Split, which was effective for trading purposes on September 30, 2025. As a result, our stock price increased significantly, and we regained compliance with the Minimum Bid Price Requirement as confirmed by the Staff via a letter dated October 14, 2025.

On December 2, 2025, we announced that we received notice from Nasdaq confirming that we had regained compliance with the minimum stockholders' equity requirement under Nasdaq Listing Rule 5550(b)(1), allowing our common stock to continue trading on the Nasdaq Capital Market.

For additional information regarding the actions we have taken to satisfy the terms of the Panel's decisions related to the Stockholders' Equity Requirement, refer to the heading above titled "Recent Developments - September 2025 Private Placements" containing details regarding the private placements that closed in October 2025.

There can be no assurances that we will be able to comply with the Nasdaq requirements for continued listing in the future. In the event our common stock is delisted from the Nasdaq Capital Market and we are also unable to maintain listing on another alternate exchange, trading in our common stock could thereafter be conducted through one or more over-the-counter markets. In such event, the liquidity of our common stock would likely be impaired, not only in the number of shares which could be bought and sold, but also through delays in the timing of the transactions, and there would likely be a reduction in our coverage by security analysts and the news media, thereby resulting in lower prices for our common stock than might otherwise prevail.

If we subsequently fail to meet any of the requirements for continued listing on Nasdaq, we could be delisted.

In the event our common stock is delisted from the Nasdaq Capital Market and we are also unable to maintain listing on another alternate exchange, trading in our common stock could thereafter be conducted through one or more over-the-counter markets. In such event, the liquidity of our common stock would likely be impaired, not only in the number of shares which could be bought and sold, but also through delays in the timing of the transactions, and there would likely be a reduction in our coverage by security analysts and the news media, thereby resulting in lower prices for our common stock than might otherwise prevail.

Limitations on director and officer liability and indemnification of our officers and directors by us may discourage stockholders from bringing a suit against a director.

Our certificate of incorporation and bylaws provide, with certain exceptions as permitted by governing state law, that a director or officer shall not be personally liable to us or our stockholders for breach of fiduciary duty as a director, except for acts or omissions that involve intentional misconduct, fraud, knowing violation of law, or unlawful payments of dividends. These provisions may discourage stockholders from bringing a suit against a director for breach of fiduciary duty and may reduce the likelihood of derivative litigation brought by stockholders on our behalf against a director. In addition, our certificate of incorporation and bylaws may provide for mandatory indemnification of directors and officers to the fullest extent permitted by governing state law.

You may experience dilution as a result of future equity offerings.

We may in the future offer additional shares of our common stock or other securities convertible into or exchangeable for our common stock. Although no assurances can be given that we will consummate a future financing, in the event we do, or in the event we sell shares of common stock or other securities convertible into shares of our common stock in the future, additional and potentially substantial dilution could occur. See the Risk Factor titled "*There is substantial doubt about our ability to continue as a going concern. We require significant additional funding to maintain operations and implement our business plan. the financing we have obtained to date has been dilutive, and any additional financing, if available, may also be dilutive.*" and the Management's Discussion and Analysis of Financial Condition and Results of Operations section of this Annual Report on Form 10-K for information regarding recent equity offerings.

The exercise of outstanding warrants, and issuance of equity awards may have a dilutive effect on our stock, and negatively impact the price of our common stock.

As of December 31, 2025, we had 1,623,179 warrants to purchase Common Stock outstanding at a weighted average exercise price of $17.39 per share. We are able to grant stock options, restricted stock, restricted stock units, stock appreciation rights, bonus stock, and performance awards under our 2024 Equity Incentive Plan (the "2024 Plan"), which was approved by our stockholders on December 30, 2024 ("Effective Date") as a successor to our Amended and Restated 2012 Stock Incentive Plan (the "2012 Plan"). The 2024 Plan authorizes 1,000,000 shares of Common Stock for issuance, plus the number of shares subject to outstanding awards under the 2012 Plan as of the Effective Date that are forfeited, expire or otherwise terminate without the issuance of shares after the Effective Date. At December 31, 2025, 43,595 shares of Common Stock were issuable under outstanding incentive awards under the 2012 Plan. Additionally, the Company had 16,119,095 pre-funded warrants outstanding. The exercise of outstanding instruments, and issuance of equity awards may have a dilutive effect on our stock, and negatively impact the price of our common stock.

Shares eligible for future sale may adversely affect the market.

From time to time, certain stockholders may be eligible to sell some or all of their shares of common stock pursuant to Rule 144, promulgated under the Securities Act, subject to certain limitations. In general, pursuant to Rule 144 as in effect as of the date of this filing, a stockholder (or stockholders whose shares are aggregated) who has satisfied the applicable holding period and is not deemed to have been one of our affiliates at the time of sale, or at any time during the three months preceding a sale, may sell their shares of common stock. Any substantial sale, or cumulative sales, of our common stock pursuant to Rule 144 or pursuant to any resale prospectus may have a material adverse effect on the market price of our securities.

We do not expect to pay cash dividends for the foreseeable future, and we may never pay dividends; investors must rely on stock appreciation, if any, for any return on investment in our common stock.

We currently intend to retain any future earnings to support the development and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. Our payment of any future dividends will be at the discretion of our board of directors after considering various factors, including but not limited to, our financial condition, operating results, cash needs, growth plans, and the terms of any credit agreements that we may be a party to at the time. In addition, our ability to pay dividends on our common stock is limited by the Delaware General Corporation Law, which provides that dividends may only be lawfully paid out of a corporation's "surplus," which is generally defined as the amount by which total assets exceed total liabilities. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, and the availability of a liquid trading market in our shares as the only way to realize certain returns on their investment.

Our board of directors' ability to issue undesignated preferred stock and the existence of anti-takeover provisions may depress the value of our common stock.

Our authorized capital includes 20 million shares of preferred stock. Of this amount, 2,300,000 shares have been designated as Series B Convertible Preferred Stock, of which 79,246 shares were outstanding as of the date of this report. The remaining authorized shares are undesignated preferred stock. Our board of directors has the power to issue any or all of the shares of undesignated preferred stock, including the authority to establish one or more series and to fix the powers, preferences, rights, and limitations of such class or series, without seeking stockholder approval. Further, as a Delaware corporation, we are subject to provisions of the Delaware General Corporation Law regarding business combinations. We may, in the future, consider adopting additional anti-takeover measures. The authority of our board of directors to issue undesignated stock and the anti-takeover provisions of Delaware law, as well as any future anti-takeover measures adopted by us, may, in certain circumstances, delay, deter, or prevent takeover attempts and other changes in control not approved by our board of directors. As a result, our stockholders may lose opportunities to dispose of their shares at favorable prices generally available in takeover attempts or that may be available under a merger proposal and the market price, voting, and other rights of the holders of common stock may also be affected.

Our stock price may be volatile, and you could lose all or part of your investment.

The trading price of our common stock may fluctuate substantially and will depend on several factors, including those described in this "Risk Factors" section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our securities.

In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors, as well as general economic, political and market conditions such as recessions or interest rate changes, may seriously affect the market price of our common stock, regardless of our actual operating performance.

Further, in the past, following periods of volatility in the overall market and the market prices of particular companies' securities, securities class action litigations have often been instituted against these companies. Litigation of this type, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources. Any adverse determination in any such litigation or any amounts paid to settle any such actual or threatened litigation could require that we make significant payments.

General Risk Factors

Business disruptions could harm our operations, lead to a decline in revenue and increase our costs.

Our operations could be disrupted by political and/or civil unrest, acts of war or other military actions, such as recent and ongoing conflicts in Iran and other Middle Eastern countries and Ukraine, epidemics or pandemics, such as a potential resurgence of the COVID-19 pandemic, and other natural or man-made disasters and catastrophic events. Geopolitical and domestic political developments and other events beyond our control, can increase economic volatility globally and disrupt supply chains we rely on. Our operations could be harmed and our costs could increase if manufacturing, logistics or other operations are disrupted for any reason, including economic, business, labor, environmental, public health, or political issues. We monitor and act as necessary to mitigate potential risks of shortages and delays that may impact our ability to obtain new contracts, fulfill product demands and meet our contract obligations. The extent to which business disruptions may impact our financial condition and results of operations remains uncertain and is dependent on numerous evolving factors.

Our success is dependent on our ability to attract and retain technical personnel, sales and marketing personnel, and other skilled management.

Our success depends to a significant degree on our ability to attract, retain, and motivate highly skilled and qualified personnel. Failure to attract and retain necessary technical, sales and marketing personnel, and skilled management could adversely affect our business. If we fail to attract, train, and retain sufficient numbers of these highly qualified people, our business, financial condition, and results of operations could be materially and adversely affected.

Our ability to use net operating loss and tax credit carryforwards and certain built-in losses to reduce future tax payments is limited by provisions of the Internal Revenue Code and may be subject to further limitation because of prior or future offerings of our stock or other transactions.

Sections 382 and 383 of the United States Internal Revenue Code of 1986, as amended (the "Code") contain rules that limit the ability of a company that undergoes an ownership change, which is generally an increase in the ownership percentage of certain stockholders in the stock of a company by more than 50% over a three-year period, to utilize its net operating loss and tax credit carryforwards and certain built-in losses recognized in years after the ownership change. These rules generally operate by focusing on ownership changes involving stockholders owning directly or indirectly 5% or more of the stock of a company and any change in ownership arising from a new issuance of stock by that company. Generally, if an ownership change, as defined by Section 382 of the Code, occurs, the yearly taxable income limitation on the use of net operating loss and tax credit carryforwards and certain built-in losses is equal to the product of the applicable long-term tax-exempt rate and the value of stock immediately before the ownership change. The Company previously performed a Section 382 analysis as of December 31, 2023, and updated the analysis in the year ended December 31, 2025, which resulted in the limitation and expiration of a substantial portion of the Company's loss carryforwards. In addition, the current net operating loss ("NOL") carryforwards might be further limited by future issuances of our common stock.

Costs incurred because we are a public company may affect our profitability.

As a public company, we incur significant legal, accounting, and other expenses and are subject to the SEC's rules and regulations relating to public disclosure that generally involve a substantial expenditure of financial resources. In addition, the Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC, require changes in corporate governance practices of public companies. Full compliance with such rules and regulations requires significant legal and financial compliance costs and makes some activities more time-consuming and costlier, which may negatively impact our financial results. To the extent our earnings suffer as a result of the financial impact of our SEC reporting or compliance costs, our ability to develop an active trading market for our securities could be harmed.

Acquisitions involve risks that could result in adverse changes to operating results, cash flows, and liquidity.

We may desire to make strategic acquisitions in the future. However, we may not be able to identify suitable acquisition opportunities, or we may be unable to obtain the consent of our stockholders and therefore, may not be able to complete such acquisitions. We may pay for acquisitions with our common stock or with convertible securities, which may dilute stockholders' investment in our common stock, or we may decide to pursue acquisitions that our investors may not agree with. In connection with potential acquisitions, we may agree to substantial earn-out arrangements. To the extent we defer the payment of the purchase price for any acquisition through a cash earn-out arrangement, cash flows could be reduced in subsequent periods.

In addition, acquisitions may expose us to operational challenges and risks, including:

- the ability to profitably manage acquired businesses or successfully integrate the operations of acquired businesses, as well as the acquired business's financial reporting and accounting control systems into our existing platforms;
- increased indebtedness and contingent purchase price obligations associated with an acquisition;
- the ability to fund cash flow shortages that may occur if anticipated revenue is not realized or is delayed, whether by general economic or market conditions, or unforeseen internal difficulties;
- the availability of funding sufficient to meet increased capital needs;
- diversion of management's time and attention from existing operations; and
- the ability to retain or hire qualified personnel required for expanded operations

Completing acquisitions may require significant management time and financial resources because we may need to assimilate widely dispersed operations with different corporate cultures. In addition, acquired companies may have liabilities that we failed to or were unable to discover in the course of performing due diligence investigations. Also, the indemnification granted by sellers of acquired companies may not be sufficient in amount, scope, or duration to fully offset the possible liabilities associated with businesses or properties we assume upon consummation of an acquisition. We may learn additional information about our acquired businesses that could have a material adverse effect on us, such as unknown or contingent liabilities and liabilities related to compliance with applicable laws. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business. Failure to successfully manage the operational challenges and risks associated with, or resulting from, acquisitions could adversely affect our results of operations, cash flows, and liquidity. Borrowings or issuances of convertible securities associated with these acquisitions may also result in higher levels of indebtedness, which could adversely impact our ability to service our debt within the scheduled repayment terms.

Security breaches, loss of data, and other disruptions to our business or the business of our third-party service providers could compromise sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and reputation.

Our business requires that we collect and store sensitive data, including protected health and credit card information and proprietary business and financial information. We face a number of risks relative to the protection of, and the service providers' protection of, this critical information, including loss of access, inappropriate disclosure, and inappropriate access, as well as risks associated with our ability to identify and audit such events. The secure processing, storage, maintenance, and transmission of this critical information are vital to our operations and business strategy, and we devote significant resources to protecting such information. Although we take measures to protect sensitive information from unauthorized access or disclosure, our information technology and infrastructure are susceptible to attacks by hackers or viruses, or otherwise may be breached due to employee error, malfeasance, or other activities. We have experienced cybersecurity attacks and incidents in the past, though we do not believe that any of them have been material to our business. If a cybersecurity attack or breach were to occur, it could cause interruptions in our operations, our networks could be compromised and the information we store on those networks could be accessed by unauthorized parties, publicly disclosed, lost, or stolen. Unauthorized access, loss, or dissemination could disrupt our operations, including collecting, processing, and preparing company financial information, managing the administrative aspects of our business, damaging our reputation, and subjecting us to litigation or fines and penalties, any of which could adversely affect our business. In addition, the interpretation and application of consumer, health-related, and general data protection laws in the United States are often uncertain, contradictory, and in flux. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices. If so, this could result in government-imposed fines or orders requiring that we change our practices, which could adversely affect our business. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices, systems, and compliance procedures in a manner adverse to our business. Additionally, many of our employees have the ability to work remotely, which may increase the risk of security breaches, loss of data, and other disruptions as a consequence of more employees accessing sensitive and critical information from remote locations.

If we are unable to prevent such security breaches or privacy violations or implement satisfactory remedial measures in connection with security incidents, we may suffer loss of reputation, financial loss, and civil or criminal fines or other penalties. In addition, these breaches and other forms of inappropriate access can be difficult to detect, and any delay in identifying them may lead to increased harm of the type described above.

If our information technology and communications systems fail or we experience a significant interruption in our operations, our reputation, business, and results of operations could be materially and adversely affected.

The efficient operation of our business is dependent on information technology and communications systems. The failure of these systems to operate as anticipated could disrupt our business and result in decreased revenue and increased overhead costs. In addition, we do not have complete redundancy for all of our systems and our disaster recovery planning cannot account for all eventualities. Our information technology and communications systems, including the information technology systems and services that are maintained by third-party vendors, are vulnerable to damage or interruption from natural disasters, fire, terrorist attacks, malicious attacks by computer viruses or hackers, and power loss or failure of computer systems, Internet, telecommunications or data networks. If these systems or services become unavailable or suffer a security breach, we may expend significant resources to address these problems, and our reputation, business, and results of operations could be materially and adversely affected.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 1C. CYBERSECURITY.

Our Board recognizes the critical importance of maintaining the trust and confidence of our customers, clients, business partners and employees. The Board exercises oversight of our risk management program, and cybersecurity represents an important component of our overall approach to enterprise risk management ("ERM"). Our cybersecurity policies, standards, processes, and practices are integrated into our ERM program and are based on frameworks established by the National Institute of Standards and Technology ("NIST") and other applicable industry standards. In general, we seek to address cybersecurity risks through a cross-functional approach that is focused on preserving the confidentiality, security, and availability of the information that we collect and store by identifying, preventing, and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur.

Risk Management and Strategy

As one of the critical elements of our overall ERM approach, our cybersecurity program is focused on the following key areas:

- **Governance.** As discussed in more detail under the heading "Governance," the Board maintains an active role concerning cybersecurity risk management including oversight of the Company's employee personnel with extensive experience in the field.

- **Technical Safeguards and Risk Management Processes.** We have implemented a risk management framework to identify, evaluate, and address cybersecurity risks. This framework includes the deployment of tools to detect potential threats, the maintenance of detailed incident logs, and the development of risk mitigation strategies. Our cybersecurity measures and policies are subject to regular testing and continuous improvement to adapt to new threats as they arise.

- **Education and Incident Reporting.** We have instituted a company-wide security awareness training program to educate employees about cybersecurity risks and their role in maintaining our security posture. Continuous education and testing support our workforce in remaining knowledgeable and vigilant to cybersecurity threats. Employees are instructed to report all cybersecurity concerns directly to our internal information technology ("IT") team for immediate assessment and response.

- **Cybersecurity Incident Response Plan.** We maintain a comprehensive incident response plan designed to mitigate the impact of a cybersecurity incident. This plan includes protocols for internal response, external communication, and remediation efforts to minimize the impact on our operations and stakeholders.

- **Third-Party Risk Management.** We maintain a risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers and other external users of our systems, as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems.

We engage in the periodic assessment and testing of our policies, standards, processes, and practices that are designed to address cybersecurity threats and incidents. These efforts include a range of activities, including audits, assessments, vulnerability testing, and other exercises focused on evaluating the effectiveness of our cybersecurity measures and planning. We engage third parties to perform assessments on our cybersecurity measures, including information security maturity assessments, audits, and independent reviews of our information security control environment and operating effectiveness. The results of such assessments, audits, and reviews are reported to the Board, and we adjust our cybersecurity policies, standards, processes, and practices as necessary based on the information provided by these assessments, audits, and reviews.

Governance

The Board oversees the Company's ERM process, including the management of risks arising from cybersecurity threats. The Board receives reports on cybersecurity risks, which address a wide range of topics including recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technological trends, and information security considerations arising with respect to the Company's peers and third parties. The Board also receives prompt and timely information regarding any cybersecurity incident that meets established reporting thresholds, as well as ongoing updates regarding any such incident until it has been addressed.

The Senior Director of IT and Cybersecurity, in coordination with our executive officers, work collaboratively across the Company to implement a program designed to protect the Company's information systems from cybersecurity threats and to promptly respond to any cybersecurity incidents in accordance with the Company's incident response plan. To facilitate the Company's cybersecurity risk management program, the Company's internal IT team is deployed to work with business functions across the Company to address cybersecurity threats and to respond to cybersecurity incidents. The Senior Director of IT and Cybersecurity, as leader of the internal IT team, monitors the prevention, detection, mitigation, and remediation of cybersecurity threats and incidents in real time, and reports such threats and incidents to the executive officers and Board when appropriate.

The Senior Director of IT and Cybersecurity has served in various roles in information technology and information security for more than two decades with a track record of managing systems compliant with relevant security standards. The Senior Director of IT and Cybersecurity has industry experience and education aligned with the Company's work and the data we maintain. The Senior Director of IT and Cybersecurity's expertise is complemented by that of the Company's CEO and CFO, each with degrees in their respective fields and extensive leadership experience including experience managing risks at similar companies.

We face a number of cybersecurity risks in connection with our business. Such risks have not materially affected us, including our business strategy, results of operations or financial condition, to date. For more information about the cybersecurity risks we face, see the risk factor entitled "*Security breaches, loss of data, and other disruptions to our business or the business of our third-party service providers could compromise sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and reputation.*" in Item 1A. Risk Factors.

ITEM 2. PROPERTIES.

Our corporate offices are in Pittsburgh, Pennsylvania. We have leases for office and laboratory space that are effective through February 29, 2028.

We expect that the current space will be adequate for our current office and laboratory needs.

ITEM 3. LEGAL PROCEEDINGS.

In the ordinary course of business, we may periodically become subject to legal proceedings and claims arising in connection with ongoing business activities from time to time. The results of litigation and claims cannot be predicted with certainty, and unfavorable resolutions are possible and could materially affect our results of operations, cash flows or financial position. In addition, regardless of the outcome, litigation could have an adverse impact on us because of defense costs, diversion of management attention and resources and other factors.

Information regarding our legal proceedings can be found in Note 9, Contingencies, to the consolidated financial statements of this Annual Report on Form 10-K.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Market Information

Effective December 12, 2025 our common stock was listed on the NASDAQ Capital Market under the symbol "AGPU". From June 13, 2019 to December 11, 2025, our common stock was listed on the NASDAQ Capital Market under the symbol "POAI". From February 2, 2018 to June 12, 2019, our common stock was listed on the NASDAQ Capital Market under the symbol "AIPT". Prior to February 2, 2018, our common stock was listed on The NASDAQ Capital Market under the symbol "SKLN".

Holders

As of March 31, 2026, there were approximately 171 stockholders of record of our common stock.

Dividend Policy

We follow a policy of retaining earnings, if any, to finance the expansion of our business. We have not paid, nor do we expect to declare or pay, cash dividends on common stock in the foreseeable future.

ITEM 6. [RESERVED]

Not required.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Overview

Axe Compute Inc. is a technology company focused on providing high-performance computing infrastructure for artificial intelligence workloads by enabling enterprise access to large-scale GPU capacity through the decentralized Aethir network. The company plans to operate as an infrastructure provider that secures compute resources, including bare-metal GPUs, through digital assets tied to AI infrastructure and deploys those resources to enterprise customers under service agreements to support AI model training and production workloads. Axe Compute emerged from the rebranding of the Company's Legacy Business and continues to operate certain AI-driven drug discovery activities developed by the Legacy Business while shifting its strategic focus toward scalable compute infrastructure and digital asset-enabled access to distributed GPU networks. As part of this transition, the company is evaluating strategic alternatives for non-core assets of the Legacy Business, including its Helomics biobank business, which contains a large collection of oncology research materials and historical drug response data.

The Compute Industry

We embarked upon this direction because the global compute market represents a significant and rapidly growing commercial opportunity. According to Research and Markets (2026), the global compute market is estimated to be valued at over $1 trillion in 2026, with a compound annual growth rate of approximately 9.9%, and is expected to nearly double in value by 2032. When focused specifically on AI-related computing services, many forecasters estimate growth rates exceeding 30% annually, with the AI compute market anticipated to reach a total value in excess of $1 trillion by 2034 (Cognitive Market Research; Statifacts, 2025). McKinsey & Company estimated in 2025 that over 50% of all data center capacity was already dedicated to AI workloads, an amount they expect to grow by a factor of 3.5 times by 2030, and that approximately $6.7 trillion will be spent on data centers globally between 2025 and 2030, of which approximately 65.7% will be GPU-related. Gartner estimates worldwide AI spending will total $2.5 trillion in 2026 alone. Despite this unprecedented level of investment, demand continues to significantly outpace supply: as of early 2026, North American data center vacancy rates reached a record low of 1.6%, data center demand increased 24% in 2025, and average lead times for data center GPUs stand at 36 to 52 weeks (CBRE Investment Management, 2026). The Company believes this supply-demand imbalance creates a significant opportunity for its GPU compute business, which operates through the Aethir network to provide distributed GPU compute capacity for AI and other high-performance computing workloads.

Our ATH Treasury Strategy

On September 29, 2025, the Company announced the launch of its Treasury Strategy focused on ATH. Aethir is a leading decentralized physical infrastructure network developed by DCI, that provides a decentralized GPU network, connecting producers and consumers of GPU compute power at enterprise scale, supporting applications such as artificial intelligence computation, gaming and cloud workloads. ATH functions as a proxy for a unit of GPU compute power and serves as a medium of exchange and unit of incentives for participants in the Aethir network. Participants in the Aethir network can generate yield or other rewards by staking or lending ATH or by otherwise serving as a source of ATH liquidity.

Pursuant to the Treasury Strategy, the Company intends to continue acquiring additional ATH in the open market and to earn yield on its ATH treasury holdings by engaging in ATH staking and other activities. As a holder of ATH, the Company accrues unrealized gains or losses from any appreciation or depreciation, as applicable, in the value of ATH tokens, which trade on various cryptocurrency exchanges.

The Company's management is focusing its resources on the Treasury Strategy, and a significant portion of the Company's balance sheet will be allocated to holding ATH pursuant to its Treasury Strategy.

Currently, the Treasury Strategy is primarily dedicated to ATH, and the Company does not intend to allocate treasury assets to other digital assets in the near term. As a result, the Company's assets will be highly concentrated in a single digital asset. Adverse developments specific to ATH, its protocol, or its network could have a disproportionate impact on the Company's financial condition and results of operations.

The Company's Treasury Strategy is intended to bring value to its stockholders through the following:

- utilizing proceeds from equity and debt financings to purchase and hold ATH;
- staking the majority of the ATH in the Company's treasury to earn a staking yield and turn the treasury into a productive asset;
- purchasing locked ATH at a discount to the current spot price; and
- selling the Company's ATH holdings, whether on the open market, through block trades, or other negotiated transactions, for various reasons and at various times, including, in order to fund its working capital and general corporate needs.

Axe Compute also continues to operate its Legacy Business, which is designed to support the discovery and development of optimal cancer therapies. In the Legacy Business, the Company uses AI and its proprietary biobank of 150,000+ tumor samples, categorized by tumor type, to provide actionable insights about drug compounds to improve the drug discovery process and increase the probability of drug compound success. The Company also creates and develops tumor-specific 3D cell culture models mimicking the physiological environment of human tissue, enabling better-informed decision-making during drug development. In February 2026, the Company announced that it is exploring strategic alternatives for this oncology drug discovery solutions business, but the Company's Board of Directors has not committed to a specific course of action. Accordingly, the oncology drug discovery solutions business did not meet the criteria under FASB ASC 205-20, Discontinued Operations to be classified as discontinued operations and held for sale, and therefore is reflected as continuing operations within these consolidated financial statements.

ATH and the Aethir Network

Listed on June 12, 2024, ATH is the native cryptocurrency of the Aethir network. It is a core component of the Aethir ecosystem, serving as the primary medium of exchange for transactions within the network. There is a fixed, total supply of 42 billion ATH tokens.

Key Functions of ATH:

- Facilitating Payments - ATH is used to pay for various services on the Aethir network, such as renting GPU resources for AI applications, cloud gaming, and other computational tasks.
- Governance - ATH holders have the right to participate in the governance of the Aethir network by voting on proposals and decisions that affect the future of the platform.
- Staking - Users can stake their ATH tokens to support the security and operation of the network, and in return, they earn rewards in the form of additional ATH tokens.
- Security and Quality Assurance - ATH is used to incentivize participants in the network to maintain the security and quality of the services provided.

Government Regulation

Both our business segments are subject to or impacted by extensive and frequently changing laws and regulations in the United States (at both the federal and state levels) and the other jurisdictions in which we conduct business, including some specific to our business, some specific to our industry, and others relating to conducting business generally (e.g., U.S. Foreign Corrupt Practices Act). We also are subject to inspections and audits by governmental agencies

The laws and regulations applicable to ATH and other digital assets are evolving and subject to interpretation and change.

Governments around the world have reacted differently to digital assets. Certain governments have deemed them illegal, and others have allowed their use and trade without restriction, while in some jurisdictions, such as the U.S., digital assets are subject to overlapping, uncertain and evolving regulatory requirements.

As digital assets have grown in both popularity and market size, the U.S. Executive Branch, Congress and a number of U.S. federal and state agencies, including the Financial Crimes Enforcement Network, the Commodity Futures Trading Commission ("CFTC"), the SEC, the Financial Industry Regulatory Authority, the Consumer Financial Protection Bureau, the Department of Justice, the Department of Homeland Security, the Federal Bureau of Investigation, the IRS, and state financial regulators, have been examining the operations of digital asset networks, digital asset users and digital asset exchanges, with particular focus on the extent to which digital assets can be used to violate state or federal laws, including to facilitate the laundering of proceeds of illegal activities or the funding of criminal or terrorist enterprises, and the safety and soundness and consumer-protective safeguards of exchanges or other service-providers that hold, transfer, trade or exchange digital assets for users. Many of these state and federal agencies have issued consumer advisories regarding the risks posed by digital assets to investors. In addition, federal and state agencies, and other countries have issued rules or guidance regarding the treatment of digital asset transactions and requirements for businesses engaged in activities related to digital assets.

Depending on the regulatory characterization of ATH, the markets for ATH and cryptocurrency in general, and our activities in particular, our business and inter-connectivity with Aethir may be subject to regulation by one or more regulators in the United States and globally. Ongoing and future regulatory actions may alter, to a materially adverse extent, the nature of digital assets markets, the participation of industry participants, including service providers and financial institutions in these markets, and our ability to pursue our business strategy utilizing Aethir. Additionally, U.S. state and federal and foreign regulators and legislatures have taken action against industry participants, including digital assets businesses, and enacted restrictive regimes in response to adverse publicity arising from hacks, consumer harm, or criminal activity stemming from digital assets activity.

The CFTC takes the position that some digital assets fall within the definition of a "commodity" under the Commodities Exchange Act of 1936, as amended (the "CEA"). Under the CEA, the CFTC has broad enforcement authority to police market manipulation and fraud in spot digital assets markets in which we may transact. Beyond instances of fraud or manipulation, the CFTC generally does not oversee cash or spot market exchanges or transactions involving digital asset commodities that do not utilize margin, leverage, or financing. In addition, CFTC regulations and CFTC oversight and enforcement authority apply with respect to futures, swaps, other derivative products and certain retail leveraged commodity transactions involving digital asset commodities, including the markets on which these products trade.

The SEC and its staff have taken the position that certain other digital assets fall within the definition of a "security" under the U.S. federal securities laws. Public statements made by senior officials and senior members of the staff at the SEC indicate that the SEC does not consider specific digital assets, like Bitcoin, to be a security under the federal securities laws. However, such statements are not official policy statements by the SEC and reflect only the speakers' views, which are not binding on the SEC or any other agency or court and cannot be generalized to any other digital assets.

In addition, because transactions in ATH provide a degree of anonymity, they are susceptible to misuse for criminal activities, such as money laundering. This misuse, or the perception of such misuse, could lead to greater regulatory oversight of ATH and Aethir networks, and there is the possibility that law enforcement agencies could close or blacklist such Aethir networks or other Aethir-related infrastructure with little or no notice and prevent users from accessing or retrieving ATH held via such platforms or infrastructure. For example, the U.S. Treasury Department's Office of Foreign Assets Control has issued updated advisories regarding the use of virtual currencies, added a number of digital asset exchanges and service providers to the Specially Designated Nationals and Blocked Persons list and engaged in several enforcement actions, including a series of enforcement actions that have either shut down or significantly curtailed the operations of several smaller digital asset exchanges associated with Russian and/or North Korean nationals. Additionally, in January 2025, the Consumer Financial Protection Bureau announced that it is seeking public input on privacy protections and surveillance in digital payments, particularly those offered through large technology platforms.

As noted above, activities involving ATH and other digital assets may fall within the jurisdiction of more than one financial regulator and various courts and such laws and regulations are rapidly evolving and increasing in scope. In the U.S., regulation on stablecoins was recently signed into U.S. federal law through the GENIUS Act which established the first comprehensive regulatory framework specifically for "payment stablecoins" - digital assets designed to maintain a stable value pegged to a fiat currency (typically the U.S. dollar) and intended for use in payments or transfers. The GENIUS Act aims to foster innovation in the stablecoin sector while ensuring financial stability, consumer protection, and compliance with anti-money laundering standards.

The regulatory landscape for digital assets continues to evolve rapidly across different jurisdictions, and we may become subject to new laws and regulations that could materially affect our business operations, compliance obligations, and financial performance. For a comprehensive discussion of the risks that existing and future regulations pose to our business, including specific regulatory developments that may materially affect our operations, see the section entitled "Risk Factors" in this Report.

Recent Developments

On March 20, 2025, the Company completed the sale of assets related to its wholly owned subsidiary, Skyline Medical Inc., to DeRoyal Industries, Inc., a global manufacturer and supplier of medical products. Skyline Medical produced the FDA-cleared STREAMWAY System and associated products for automated medical fluid waste management and patient-to-drain medical fluid disposal and was previously classified as the Company's Eagan operating segment.

On September 19, 2025, the Company's stockholders approved a one-for-fifteen (1-for-15) reverse stock split of the Company's common stock, which became effective at 12:01 a.m. on Tuesday, September 30, 2025.

On October 8, 2025, the Company announced the closing of two previously announced private investment in public equity transactions ("PIPEs") totaling approximately $343.5 million to support the Company's adoption of a digital asset treasury strategy focused on ATH, the native utility token of the Aethir ecosystem. The Company raised an aggregate of approximately $343.5 million in the PIPEs from the purchase and sale of (i) an aggregate of approximately 4.4 million shares of common stock (or pre-funded warrants to purchase shares of common stock in lieu thereof) for a purchase price of $11.6265 per share (the "Offering Price") of common stock (or per pre-funded warrant in lieu thereof) for aggregate cash gross proceeds of approximately $50.8 million (the "Cash PIPE"), and (ii) pre-funded warrants to purchase up to approximately 14.9 million shares of common stock for a purchase price of $11.6165 per pre-funded warrant in exchange for approximately $292.7 million in notional value representing approximately $173.3 million in discounted value of in-kind contributions of locked and unlocked ATH (the "Crypto PIPE"). The pre-funded warrants issued in the Crypto PIPE became exercisable immediately following the Company's receipt of shareholder approval for the exercise of such pre-funded warrants. The PIPEs closed concurrently on October 7, 2025. The Company has used the cash and in-kind contribution of ATH to fund the Company's digital asset treasury strategy as well as for working capital and general corporate purposes.

On December 1, 2025, we received formal notice from the Nasdaq Hearings Panel (the "Panel") of The Nasdaq Stock Market LLC ("Nasdaq") notifying us that we were in compliance with the stockholders' equity requirement set forth in Nasdaq Listing Rule 5550(b)(1) (the "Stockholders' Equity Requirement"). Accordingly, the previously disclosed listing matter has been closed. Nasdaq's notice further stated that pursuant to Listing Rule 5815(d)(4)(B), the Company will be subject to a mandatory panel monitor for a period of one year from December 1, 2025. If, within that one-year monitoring period, the Nasdaq Listing Qualification Staff (the "Staff") finds the Company again out of compliance with the Stockholders' Equity Requirement, notwithstanding Rule 5810(c)(2), the Company will not be permitted to provide the Staff with a plan of compliance with respect to that deficiency and Staff will not be permitted to grant additional time for the Company to regain compliance with respect to that deficiency, nor will the Company be afforded an applicable cure or compliance period pursuant to Nasdaq Listing Rule 5810(c)(3). Instead, the Staff will issue a delist determination letter and the Company will have an opportunity to request a new hearing with the initial Panel or a newly convened hearings panel if the initial Panel is unavailable.

On December 11, 2025, we changed our corporate name from Predictive Oncology Inc. to Axe Compute Inc. following the filing of a Certificate of Amendment to our Certificate of Incorporation with the Secretary of State of the State of Delaware (the "Name Change"). Beginning on December 12, 2025, our common stock began trading on the Nasdaq Capital Market under the ticker symbol "AGPU." In connection with the Name Change, we announced an expansion of our business strategy to include high-performance enterprise artificial intelligence infrastructure. Our historical oncology drug discovery and biomedical research operations, or Legacy Business, includes our AI-driven tumor drug-response prediction platforms, proprietary tumor biobank and related laboratory and biomarker testing services, and were developed under our prior Predictive Oncology business model. We intend to evaluate opportunities for the Legacy Business, including the potential use of the data assets and predictive models developed through those operations in connection with our expanded artificial intelligence infrastructure strategy.

On February 6, 2026, our Board voted to terminate, without cause, the employment of Raymond F. Vennare as Chief Executive Officer, effective February 9, 2026. Mr. Vennare also resigned as Chairman and a member of the Board effective the same date. In connection with his termination, Mr. Vennare entered into a separation agreement providing for severance and other benefits. The Board appointed Chuck Nuzum, an existing member of the Board, as Chairman effective February 9, 2026. In addition, the Board appointed Christopher Miglino as Chief Executive Officer and as a member of the Board effective February 9, 2026. In connection with his appointment, we entered into an employment agreement with Mr. Miglino and granted him stock options to purchase 500,000 shares of our common stock as an inducement award.

On February 24, 2026, we announced that we engaged Cardiff Advisory LLC to assist in exploring strategic alternatives for our Legacy Business. The strategic review process, which is being conducted under the oversight of our Board, may include a potential sale, partnership, licensing arrangement, joint venture or other transaction involving the Company's biobank platform and related operations. The review reflects our continued focus on advancing our artificial intelligence compute infrastructure strategy while evaluating opportunities to maximize value from non-core legacy assets. There can be no assurance that the strategic review process will result in any transaction.

On March 3, 2026, we announced that our Board appointed Dr. Theodore Zhu and Thorsten Dirks as members of the Board.

Capital Requirements

Since inception, we have been unprofitable. For the year ended December 31, 2025, our cash used in continuing operations was $9.876,039 and for the year ended December 31, 2024, was $10,103,084. We incurred losses from continuing operations of $232,853,647 and $10,224,655 for the years ended December 31, 2025, and December 31, 2024, respectively. As of December 31, 2025, and December 31, 2024, we had an accumulated deficit of $413,521,474 and $180,426,271, respectively.

We have never generated sufficient revenues to fund our capital requirements. We have funded our operations through a variety of debt and equity instruments. Since 2023, we have monetized certain assets and curtailed expenses. In September 2025, we adopted the Treasury Strategy, providing new sources of capital and creating additional capital needs. See "Liquidity and Capital Resources - Liquidity and Plan of Financing" and "Liquidity and Capital Resources - Financing Transactions" below.

As of December 31, 2025, the Company had approximately $10.8 million of cash and cash equivalents. Additionally, the Company has significant holdings in ATH digital assets that serve as potential sources of liquidity for the Company. However, management notes the market price has exhibited substantial volatility over the trailing 3-, 6-, and 9-month periods and acknowledges that ATH prices are subject to rapid fluctuations due to a myriad of factors including market sentiment, regulatory developments, network adoption, Aethir Foundation governance decisions, and broader crypto-asset market conditions.

Additional sources of liquidity could include the Company's ATM facility, of which $18.3 million remains available pursuant to the prospectus supplement filed on October 29, 2025, and the SEPA facility against which the Company could sell $10 million of shares of its common stock, each subject to certain limitations and conditions associated with the respective facilities.

Our future cash requirements and the adequacy of available funds depend on our ability to generate income from our compute services and Treasury Strategy, and the availability of future financing to fulfill our business plans. Management expects operating losses to continue in the near term while the Company scales its compute services and Treasury Strategy. See "Liquidity and Capital Resources - Liquidity and Plan of Financing" below. Our recent strategic pivot into compute services and adoption of the Treasury Strategy make prediction of future operating results difficult. We believe that period-to-period comparisons of our operating results should not be relied on as predictive of our future results.

Results of Operations

Comparison of Year Ended December 31, 2025, with Year Ended December 31, 2024

	2025	2024	Difference
Revenue	$ 125,284	$ 84,812	$ 40,472
Gains (losses) on digital assets	(152,490,550)	-	(152,490,550)
Cost of revenues	72,622	78,285	5,663
General and administrative expenses	25,924,358	7,235,797	(18,688,561)
Research and development	2,147,222	2,241,461	94,239
Sales and marketing expenses	406,247	833,199	426,952
Total operating gain (loss)	(180,915,715)	(10,303,930)	(170,611,785)
Other income (expense)	(51,937,932)	79,275	(52,017,207)
Income (loss) from continuing operations	(232,853,647)	(10,224,655)	(222,628,992)
Income (loss) from discontinued operations	(241,556)	(2,439,733)	2,198,177
Net income (loss)	$ (233,095,203)	$ (12,664,388)	$ (220,430,815)

Revenue. We recorded revenue of $125,284 in 2025, compared to $84,812 in 2024. Revenues for the years ended December 31, 2025, and 2024, were derived from the Drug Discovery Services business. The increase in revenue from the comparative period was primarily due to completion of a tumor-specific 3D model in the 2025 period, which was not present in 2024.

Gains (losses) on digital assets. We recorded a loss on digital assets of $152,490,550 in the year ended December 31,2025, with no such losses recorded in the comparative period. The losses in the 2025 period are derived from the losses on digital assets. This primarily represents the change in fair value of the Company's ATH holdings, which were not present in the comparative period.

Cost of revenues. Cost of revenues was $72,622 and $78,285 for the years ended December 31, 2025, and 2024, respectively. Cost of revenues for the year ended December 31, 2025, was relatively flat from the comparative period in 2024.

General and administrative expenses. General and administrative expenses primarily consist of management salaries, professional fees, consulting fees, depreciation and amortization, office rents, and general office expenses. General and administrative expenses increased by $18,688,561 to $25,924,358 in 2025 from $7,235,797 in 2024. The increase was primarily due to an increase in stock-based compensation for employees and non-employees of $16.5 million, $15.4 million of which relates to warrants issued as compensation pursuant to the Strategic Advisor Agreement in connection with the Company's Treasury Strategy, and an increase in professional service fees of $1.0 million. The Company incurred additional professional service fees in the current year in conjunction with the adoption of the Treasury Strategy.

Research and development expenses. Research and development expenses primarily consist of expenses related to product development, prototyping and testing. Research and development expenses decreased by $94,239 to $2,147,222 in 2025 compared to $2,241,461 in 2024. Research and development expenses were largely unchanged from the comparative period in 2024.

Sales and marketing expenses. Sales and marketing expenses consist of expenses required to market and sell our products. Sales and marketing expenses decreased by $426,952 to $406,247 in 2025 compared to $833,199 in 2024. The decrease in 2025 was primarily due to there no longer being staff-related expenses for sales and marketing and severance expenses incurred in the year ended December 31, 2024.

Other income (expense). In the year ended December 31, 2025, the Company incurred other expenses of $51,937,932, which primarily consists of a loss related to the change in the fair value of the derivative related to the Crypto PIPE. Comparatively, in the year ended December 31, 2024, the Company earned other income of $79,275, primarily consisting of interest income.

Income Taxes. We incurred zero income tax expense from continuing operations in 2025 and 2024 due to losses in both years.

Liquidity and Capital Resources

Cash Flows

On December 31, 2025, we had $10,790,850 in cash and cash equivalents. Cash and cash equivalents increased by $10,179,028 from the prior year due to the following factors.

Net cash used in operating activities of continuing operations was $9,876,039 in 2025, compared to $10,103,084 in 2024. Cash used in operating activities of continuing operations decreased in 2025 primarily due to lower cash operating losses and decreases in cash used in working capital. Changes in cash used in working capital included increases in accounts payable and accrued expenses, offset by a decrease in operating lease liability.

Net cash used in investing activities of continuing operations was $32,616,819 in 2025, compared to $9,510 in 2024. Cash used in investing activities of continuing operations increased in 2025 due to digital asset purchases related to the Treasury Strategy adopted in the year ended December 31, 2025.

Net cash provided by financing activities of continuing operations was $52,006,573 in 2025 compared to $3,939,194 in 2024. Cash provided by financing activities of continuing operations in 2025 was primarily related to the Cash PIPE Offering, related to proceeds from the exercise of warrants to purchase common stock, proceeds from the issuance of common stock pursuant to the ATM offering, proceeds from the issuance of common stock pursuant to the Extension Agreement with Renovaro, proceeds from the issuance of common stock pursuant to a Registered Direct Offering, and proceeds from private placements of common stock with accredited investors in May and August, while the cash provided in 2024 was primarily proceeds from the issuance of common stock pursuant to the ATM offering completed in May 2024 and proceeds from the exercise of warrants into common stock pursuant to the Warrant Inducement Transaction in July 2024.

Net cash provided by (used in) discontinued operations was $542,462 in 2025, compared to $(1,820,587) in 2024. Net cash used in operating activities of discontinued operations was $82,538 and $1,852,587 for the years ended December 31, 2025, and 2024, respectively. This change primarily relates to decreased cash losses due to ceasing the discontinued operations. Net cash provided by investing activities of discontinued operations was $625,000 and $32,000 for the years ended December 31, 2025, and 2024, respectively. There was no cash provided by or used in financing activities of discontinued operations in either period presented.

Liquidity and Plan of Financing

We have incurred significant and recurring losses from operations for the past several years and, as of December 31, 2025, had an accumulated deficit of $413,521,474. We had cash and cash equivalents of $10,790,850 as of December 31, 2025. We had short-term obligations of $4,266,896 and long-term operating lease obligations of $904,495 as of December 31, 2025. During the year ended December 31, 2025, we incurred negative cash flows from continuing operating activities of 9,876,039.

A significant portion of the negative cash flows from continuing operating activities relates to the loss from continuing operations, which arose due to the large unrealized losses on digital assets that were recorded along with the loss on derivative instruments.

To meet its short-term liquidity needs in the next twelve months, which are primarily comprised of working capital requirements, the Company has access to various sources of short-term liquidity including cash and cash equivalents and ATH tokens in its treasury. These include approximately 2.8 billion ATH tokens held as of December 31, 2025, and an additional 2.0 billion ATH tokens expected to vest over the subsequent twelve-month period. Although we do not anticipate needing to use our ATH to meet our short-term liquidity needs, to the extent necessary, we may seek to use proceeds from the sale of our ATH to meet such needs. Additional sources of liquidity could include the Company's ATM facility and the SEPA facility, subject to certain limitations and conditions associated with the respective facilities.

Management considers the ATM facility to be a viable source of incremental liquidity during fiscal year 2026, subject to market conditions. Management does not assume immediate or full utilization of the ATM facility in its base-case liquidity forecast. Rather, ATM proceeds are considered a discretionary funding source that could be accessed opportunistically during periods of sufficient market liquidity and pricing stability. Based on current market conditions, management believes that any ATM issuances, if undertaken, would likely have potential to occur in the latter portion of fiscal year 2026.

Beyond the next twelve months, our long-term liquidity needs are primarily for obligations related to working capital requirements. Our ability to meet these needs and the adequacy of available funds depend on our ability to generate income from our compute services and Treasury Strategy, and the availability of future financing to fulfill our business plans. The Company will also have access to an additional 1.5 billion ATH tokens expected to vest beyond twelve months from December 31, 2025.

Management notes that a significant portion of the Company's liquidity is held in ATH, a digital asset, the market price of which has exhibited substantial volatility over the trailing 3-, 6-, and 9-month periods. Management acknowledges that ATH prices are subject to rapid fluctuations due to a myriad of factors including market sentiment, regulatory developments, network adoption, Aethir Foundation governance decisions, and broader crypto-asset market conditions.

Management has considered downside price scenarios in which the market price of ATH declines materially over the 12-month period following the balance sheet date. Under these scenarios, the U.S. dollar value of the Company's ATH holdings available for liquidity purposes would be reduced, which has the potential to pressure the Company's ability to fund operating expenses.

Management has incorporated these possible scenarios when determining the Company's liquidity, however, management believes the Company has access to sufficient alternative liquidity sources, as noted above, to weather adverse ATH market price conditions.

Financing Transactions

We have primarily funded our operations through a combination of debt and equity instruments including short-term borrowings, and a variety of debt and equity offerings. We have no off-balance sheet transactions.

Registered Direct Offering

On February 18, 2025, we entered into a Securities Purchase Agreement (the "Purchase Agreement") with several institutional and accredited investors for the sale by us of 24,223 shares (the "Registered Direct Offering Shares") of our common stock, par value $0.01 per share, at a purchase price of $22.50 per share, in a registered direct offering. The offering closed on February 19, 2025. Our gross proceeds from the offering were approximately $545,000, before deducting the placement agent's fees and other offering expenses. We offered and sold the Registered Direct Offering Shares pursuant to an effective shelf registration statement on Form S-3, which was filed with the SEC on May 21, 2024, and subsequently declared effective on May 21, 2024 (File No. 333-279123), and a related prospectus supplement filed on February 19, 2025.

We agreed to pay Wainwright, as placement agent, an aggregate fee equal to 7.0% of the gross proceeds we received from the sale of the securities in the offering as well as a management fee equal to 1.0% of such gross proceeds, and $15,000 for fees and expenses of legal counsel. We also issued to Wainwright, or its designees, warrants to purchase up to 7.0% of the aggregate number of shares of our common stock sold in the transactions, or warrants to purchase up to an aggregate of 1,698 shares of our common stock (the "Registered Direct Offering Placement Agent Warrants"). The Registered Direct Offering Placement Agent Warrants are exercisable for five years from the commencement of sales in the offering and have an exercise price equal to 125% of the purchase price of shares of our common stock sold in the offering, or $28.13 per share. The Registered Direct Offering Placement Agent Warrants and the shares issuable upon exercise of the Registered Direct Offering Placement Agent Warrants were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act as transactions not involving a public offering and in reliance on similar exemptions under applicable state laws.

Renovaro Subscription Agreement

On March 13, 2025, we executed a share subscription agreement with Renovaro, pursuant to the Extension Agreement dated February 28, 2025, that amended the previous LOI between the parties. Pursuant to the share subscription agreement, Renovaro subscribed to purchase and we agreed to sell 31,153 unregistered shares of our common stock at a price of $16.05 per share for a total purchase price of $500,000. The closing of this share issuance occurred on March 17, 2025.

May 2025 Private Placement

On May 13, 2025, we executed a share subscription agreement with an institutional and accredited investor for the sale, in a private placement, by the Company of 18,692 shares of our common stock at a price of $16.05 per share for a total purchase price of $300,000. The closing of this share issuance occurred on June 3, 2025.

At The Market Offering

On May 3, 2024, we entered into an ATM Sales Agreement (the "Sales Agreement") with Wainwright, pursuant to which we may offer and sell, from time to time, through Wainwright, shares of our common stock through an "at the market offering" program pursuant to which Wainwright will act as sales agent. Subject to the terms and conditions of the Sales Agreement, Wainwright is permitted to sell the shares by methods deemed to be an "at the market offering" as defined in Rule 415(a)(4) promulgated under the Securities Act of 1933, as amended. The Sales Agreement provides that Wainwright will be entitled to compensation for its services of 3.0% of the gross sales price of all shares sold through Wainwright under the Sales Agreement. We are subject to certain restrictions on our ability to offer and sell shares of our common stock under the Sales Agreement.

On May 6, 2024, following execution of the Sales Agreement, we filed with the SEC a shelf registration statement on Form S-3 (the "May 2024 Shelf Registration Statement"). The May 2024 Shelf Registration Statement, as amended, was declared effective by the SEC on May 21, 2024 and included a prospectus supplement (the "Initial ATM Prospectus Supplement") to the base prospectus related to the offering of up to $3,696,000 of shares of our common stock under the Sales Agreement. As of May 31, 2024, we had offered and sold 107,140 shares of common stock under the Initial ATM Prospectus Supplement for gross proceeds of approximately $3,696,000. The net proceeds from the shares offered and sold in May 2024, after deducting commissions and offering expenses, were approximately $3,122,000.

On April 18, 2025, in accordance with the terms of the Sales Agreement, we filed a prospectus supplement to the May 2024 Shelf Registration Statement relating to the offer and sale of up to an additional $1,491,000 of shares of our common stock.

On June 2, 2025, in accordance with the terms of the Sales Agreement, we determined to further increase the number of shares we may sell under the Sales Agreement, from the approximately $1,352,000 remaining as of May 31, 2025 up to an aggregate of $3,398,000, and we filed an additional prospectus supplement with the SEC on June 2, 2025.

On October 29, 2025, in accordance with the terms of the Sales Agreement, we determined to further increase the number of shares we may sell under the Sales Agreement, from the approximately $2,292,000 remaining as of September 30, 2025 up to an aggregate of $18,330,000, and we filed an additional prospectus supplement with the SEC on October 29, 2025.

As of December 31, 2025, approximately $18,330,000 remained available to us for sales of our common stock under the Sales Agreement.

During the year ended December 31, 2025, we issued and sold 139,680 shares of common stock under the Sales Agreement resulting in net proceeds to the Company of approximately $1,530,000 after deducting approximately $342,000 in issuance costs.

Standby Equity Purchase Agreement

On July 1, 2025, the Company entered into a standby equity purchase agreement (the "SEPA") with YA II PN, LTD., a Cayman Islands exempt limited company ("Yorkville"). Pursuant to the SEPA, the Company has the right to sell to Yorkville up to $10 million in shares of its common stock, subject to certain limitations and conditions set forth in the SEPA, from time to time during the term of the SEPA. Sales of the shares of common stock to Yorkville under the SEPA, and the timing of any such sales, are at the Company's option, and the Company is under no obligation to sell any shares of common stock to Yorkville under the SEPA. In connection with the execution of the SEPA, the Company issued 8,033 shares of its common stock to Yorkville as consideration for its commitment to purchase the Company's common stock pursuant to the SEPA.

The Company has the right, but not the obligation, from time to time at its discretion until the first day of the month following the 36-month period after the date of the SEPA, to direct Yorkville to purchase a specified number of shares of the Company's common stock (each such sale, an "Advance") by delivering written notice to Yorkville (each, an "Advance Notice"). The per share purchase price for the shares of common stock, if any, that the Company elects to sell to Yorkville in an Advance pursuant to the SEPA will be determined by reference to the volume weighted average price of the Company's common stock (the "VWAP") and calculated in accordance with the SEPA, less a discount of 4.0%. The Company filed a registration statement on Form S-1 for the resale of up to 128,114 shares by Yorkville on July 18, 2025, which was declared effective by the SEC on July 28, 2025.

On September 19, 2025, the Company received approval from its stockholders to issue shares of its common stock to Yorkville under the SEPA in excess of 19.99% of the number of shares of common stock outstanding as of the date of the SEPA (the "Exchange Cap"). Yorkville is not obligated to purchase or acquire, and shall not purchase or acquire, any shares of common stock under the SEPA which, when aggregated with all other shares of the Company's common stock then beneficially owned by Yorkville and its affiliates (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder), would result in the beneficial ownership by Yorkville and its affiliates exceeding 4.99% of the then outstanding voting power or number of shares of the Company's common stock.

As of December 31, 2025, the Company had sold no shares pursuant to the SEPA.

August 2025 Private Placement

On August 26, 2025, we entered into a securities purchase agreement with an accredited investor pursuant to which we sold and issued 36,237 shares of our common stock, at a purchase price of $11.40 per share, in a private placement transaction. This issuance closed on August 26, 2025.

September 2025 Private Placements

On September 29, 2025, we entered into two securities purchase agreements, as further described above under "Recent Developments - September 2025 Private Placements."

In the Cash PIPE Offering, we sold an aggregate of 4,366,703 shares of our common stock (or pre-funded warrants at a nominal $0.01 exercise price per share to purchase shares of common stock, in lieu thereof) to certain accredited investors for $11.6265 per share. Aggregate Cash PIPE Offering proceeds were $50.8 million before issuance fees and expenses.

In the Crypto PIPE, we sold the Crypto PIPE Warrants to purchase up to 14,903,393 shares of our common stock at a nominal $0.01 exercise price per share. As consideration for the Crypto PIPE Warrants, we received locked and unlocked ATH from purchasers with an aggregate notional value and discounted value of $292.7 million and $173.3 million, respectively. The September Private Placements closed on October 7, 2025.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our audited consolidated Financial Statements, which have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"). The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of our financial statements, the reported amounts of revenues and expenses during the reporting periods presented, as well as our disclosures of contingent assets and liabilities. We evaluate our estimates and assumptions on an on-going basis.

We base our estimates and assumptions on our historical experience and on various other information available to us at the time that these estimates and assumptions are made. We believe that these estimates and assumptions are reasonable under the circumstances and form the basis for our making judgments about the carrying values of our assets and liabilities that are not readily apparent from other sources. Actual results and outcomes could differ from our estimates.

Our significant accounting policies are described in *Note 2 - Summary of Significant Accounting Policies* in Notes to Consolidated Financial Statements of this Annual Report on Form 10-K. We believe that the following discussion addresses our critical accounting estimates and reflects those areas that require more significant judgments and use of estimates and assumptions in the preparation of our audited consolidated Financial Statements.

Fair Value of Digital Asset Receivable

The Digital asset receivable is a hybrid financial instrument containing an embedded derivative that must be bifurcated and remeasured at fair value each reporting period in accordance with ASC 815, *Derivatives and Hedging* ("ASC 815"). Because there is no directly observable market for illiquid, contractually restricted ATH tokens subject to a time-based vesting schedule, the embedded derivative is classified as Level 3. The key unobservable input is the discount applied to reflect the lack of transferability and control during the restriction period. The fair value of this instrument is highly sensitive to changes in the market price of ATH and to changes in the assumed liquidity discount inputs, and materially different outcomes are reasonably possible if those assumptions were to change. See *Note 5 —Digital Assets* and *Note 6 — Fair Value Measurements* in Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further detail.

Fair Value of Derivative Instrument — Side Letter

The Company accounts for the Side Letter with DCI Foundation as a derivative instrument. This classification requires judgment because the Side Letter contains multiple features whose combined economics cause the instrument to meet the derivative definition rather than to be assessed as an executory arrangement or a series of discrete transactions. The fair value of any outstanding Side Letter derivative is classified as Level 3 that incorporates unobservable inputs including expected open market purchase volumes, ATH forward prices, probability of timely delivery, and DCI's counterparty credit risk. As of December 31, 2025, no derivative asset was outstanding because the Company had received all Bonus ATH due under the Side Letter for purchases made through year-end; however, the classification and measurement of this instrument in future periods will continue to require significant judgment as the Company's Treasury Strategy and open market purchasing activity evolves. See *Note 5 —Digital Assets* in Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further detail.

Fair Value of Derivative Instrument – Crypto SPA

The Company determined that the Crypto SPA met the definition of a derivative in accordance with ASC 815, because the economic value of the arrangement was indexed to the USD price of ATH while requiring the issuance of a fixed number of shares. Accordingly, the Company recognized a derivative liability at fair value on September 29, 2025, and remeasured the liability through earnings until settlement on October 7, 2025.

The fair value of the derivative liability was estimated using a Monte Carlo simulation model designed to project the expected settlement value of the instrument as of the closing date. The fair value measurement required significant judgment due to the use of unobservable inputs, including expected volatility of ATH and the Company's stock and the appropriate discount applied to restricted ATH holdings. Small changes in these assumptions, particularly volatility and ATH pricing, could have resulted in materially different fair value measurements.

From inception through settlement, the fair value of the derivative liability decreased by approximately $52.7 million, and this change was recognized as a loss within "Gain (loss) on derivative instruments" in the consolidated statements of net loss. Upon settlement, the derivative liability was extinguished when investors tendered ATH and the Company issued warrants. See *Note 11 —Stockholders' Equity* in Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further detail.

Revenue Recognition

We generate revenues from Contract Research Organization ("CRO") services related to the development of 3D tumor-specific in vitro models for oncology drug discovery and research. The specific pattern of revenue recognition for CRO services is determined on a case-by-case basis according to the facts and circumstances applicable to a given contract. We evaluate each product or service promised in a contract to determine whether it represents a distinct performance obligation. Determining whether services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. Contracts for CRO services generally contain one performance obligation to perform research and deliver appropriate data or reporting. Revenues from CRO services are generally recognized at the point in time when data and reports are provided to customers. See *Note 2 - Summary of Significant Accounting Policies* in Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further details of our revenue recognition policies.

We also have a collaboration arrangement, under which we have utilized our active learning technology, proprietary biobank, and know-how to provide predictive models of tumor responses to various drug compounds. This collaboration arrangement includes sales-based royalties, under which our collaboration partner is obligated to pay us revenue sharing fees that are based on the net revenue from the collaboration partner's commercialized drugs. The percentage of net revenue varies depending on the stage of development. The revenue sharing fees represent variable consideration, which requires us to estimate the expected value of revenue sharing fees and extent to which those estimates are constrained. These estimates are reassessed at each reporting period. To date, we have not recognized revenues related to revenue sharing fees pursuant to our collaboration arrangement. See *Note 4 - Contracts with Customers* in Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further details of our collaboration arrangement.

Stock-Based Compensation

We account for stock-based compensation under the fair value recognition and measurement provisions for share-based payments of U.S. GAAP. We recognize compensation expense for these service-based equity-classified awards over their requisite service period and adjust for forfeitures as they occur. We estimate the fair value of stock-based payment awards on the date of grant using the Black-Scholes option-pricing model which requires the input of significant assumptions including an estimate of the average period of time employees and directors will retain vested stock options before exercising them, the estimated volatility of our common stock price over the expected term, and the risk-free interest rate.

When an option or warrant is granted in place of cash compensation for services, we deem the value of the service rendered to be the value of the option or warrant. In most cases, however, an option or warrant is granted in addition to other forms of compensation and its separate value is difficult to determine without utilizing an option pricing model. For that reason, we also use the Black-Scholes option-pricing model to value options and warrants granted to non-employees, which requires the input of significant assumptions including an estimate of the average period that investors or consultants will retain vested stock options and warrants before exercising them, the estimated volatility of our common stock price over the expected term, and the risk-free interest rate. In the case of options to employees, we estimated the life to be the legal term.

Changes in the assumptions can materially affect the estimate of fair value of stock-based compensation and, consequently, the related expense recognizes that. We have been traded on the NASDAQ Capital Market exchange since 2015 and have experienced significant volatility in our stock price. The assumptions we use in calculating the fair value of stock-based payment awards represent our best estimates, which involve inherent uncertainties and the application of management's judgment. As a result, if factors change and we use different assumptions, our stock-based compensation expense could be materially different in the future. See *Note 12 – Stock-Based Compensation* in Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further details of our stock-based compensation.

Long-lived Asset Impairment

We review long-lived assets, including finite-lived intangible assets and long-lived tangible assets, for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Identifying and evaluating such events or changes in circumstances involves judgment. Events or changes in circumstances that indicate the carrying amount may not be recoverable include, but are not limited to, a significant change in the medical device marketplace and a significant adverse change in the business climate in which we operate.

The recoverability of an asset to be held and used is determined by comparing the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated undiscounted future cash flows, we record an impairment charge in the amount by which the carrying amount of the asset exceeds its fair value, which is determined by either a quoted market price, if any, or a value determined utilizing discounted cash flow techniques. See *Note 7 - Property and Equipment, Net* in Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further details.

Income Taxes

Deferred income taxes are provided on a liability method, whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards. Deferred tax liabilities are recognized for taxable temporary differences, which are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred income taxes are subject to certain limitations under Section 382. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. See *Note 14 - Income Taxes* in Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further details.

Recent Accounting Developments

See “Recent Accounting Pronouncements” and “Recently Adopted Accounting Standards” under *Note 2 - Summary of Significant Accounting Policies* in Notes to Consolidated Financial Statements of this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not required.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Our financial statements and supplementary data are included beginning on pages F-1 of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act), defines the term “disclosure controls and procedures” as those controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of December 31, 2025. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective as of December 31, 2025.

Management's Report on Internal Control Over Financial Reporting

We are responsible for establishing and maintaining adequate internal control over financial reporting. As defined in the securities laws, internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officer and effected by our Board, management, and other personnel, 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 and includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the acquisitions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we carried out an evaluation of the effectiveness of our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) as of December 31, 2025 based on the criteria in "Internal Control - Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in 2013. Based upon this evaluation, we concluded that our internal control over financial reporting was effective as of December 31, 2025.

The rules of the SEC do not require, and this Annual Report on Form 10-K does not include, an attestation report of an independent registered public accounting firm regarding internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the three months ended December 31, 2025, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Executive Officers and Directors of the Registrant

The following table identifies the individuals who serve as our executive officers and directors as of March 31, 2026:

Name	Age	Position Held
Christopher Miglino	57	Chief Executive Officer and Director
Josh Blacher	53	Chief Financial Officer
Chuck Nuzum	77	Chairman of the Board of Directors Member of the Audit, Compensation and Nominating and Governance Committees
Daniel E. Handley, Ph.D.	66	Director Member of the Nominating and Governance Committee
Gregory S. St. Clair, Sr.	60	Director Member of the Audit and Compensation Committees
Theodore Zhu, Ph.D.	66	Director
Matthew J. Hawryluk, Ph.D.	48	Director Member of the Compensation Committees
Thorsten Dirks	62	Director Member of the Audit Committee

Business Experience

Christopher Miglino. has more than 25 years of experience building and operating public and private companies across technology, fintech, media, and digital assets. Since March 2010, Mr. Miglino has served and continues to serve as the Chief Executive Officer and Co-Founder of SRAX, Inc., a fintech and data company, where he led the company through its NASDAQ listing and multiple capital raises, and oversaw all SEC reporting and compliance obligations. During his tenure at SRAX, Mr. Miglino launched and later sold a pharmaceutical advertising division for approximately $50 million and built investor intelligence and communications SaaS platforms used by hundreds of public companies. From January 2024 to January 2026, Mr. Miglino served as President and Co-Founder of DNA Holdings Venture Inc., a blockchain and Web3-focused investment firm, where he oversaw fund operations, strategic partnerships, and capital deployment. Previously, Mr. Miglino founded Conscious Enlightenment, a multi-media company he sold to Gaiam (NASDAQ: GAIA) in 2007, and co-founded Centerlinq, an interactive kiosk and loyalty platform company he sold to a public company. Mr. Miglino holds a Bachelor of Science in Finance from the University of Southern California

Josh Blacher. Mr. Blacher was appointed as our Chief Financial Officer effective September 30, 2023. Mr. Blacher has served as a consultant with Danforth Advisors, LLC since September 2022 and as Managing Partner of Columbus Circle Capital LLC (“Columbus Circle Capital”) since August 2019. During his tenure at Columbus Circle Capital, Mr. Blacher has served as CFO at several public and private companies. Prior to his tenure at Columbus Circle Capital, Mr. Blacher served as Chief Business Officer at Inmed Pharmaceuticals (Nasdaq: INM) from April 2018 to August 2019, as Chief Financial Officer of Therapix Biosciences (Nasdaq: TRPX) from April 2017 to April 2018, and as Chief Financial Officer at Galmed Pharmaceuticals (Nasdaq: GLMD) from October 2014 to March 2017. Mr. Blacher holds a Bachelor of Arts from Yeshiva University and a Master of Business Administration from Columbia Business School.

Daniel E. Handley M.S., Ph.D. Dr. Handley was appointed to the Board on February 19, 2020. Since April 15, 2019, he serves as a Professor and Program Director of Human Genetics and Genomics Graduate Education at Southern California University of Health Sciences, a 501(3) educational non-profit institution. Previously, he was the Chief Scientific Officer of the Clinical and Translational Genome Research Institute, a Florida 501(c)3 non-profit corporation. During that time, he also held a courtesy faculty appointment in the Department of Biological Sciences at Florida Gulf Coast University. He previously served as the Chief Scientific Officer for Advanced Healthcare Technology Solutions, Inc., Life-Seq, LLC, as a senior researcher at the Procter & Gamble Co., a senior administrator, researcher, and laboratory manager at the David Geffen UCLA School of Medicine, and as a founding biotechnology inventor for the National Genetics Institute. He holds a B.A. in Biophysics from Johns Hopkins University, an M.S. in Logic and Computation from Carnegie Mellon University, a Ph.D. in Human Genetics from the University of Pittsburgh. He completed his post-doctoral training at Magee-Women's Research Institute researching advanced genomic technologies applied to fetal and maternal health. He is a veteran of the U.S. Navy, having served as a nuclear propulsion instructor and a submarine nuclear reactor operator.

Chuck Nuzum. Mr. Nuzum was appointed to the Board on July 9, 2020, and subsequently appointed Chairman of the Board of Directors on February 6, 2026. He has extensive experience as a CFO that ranges from private start-ups to large publicly traded companies. Mr. Nuzum presently provides financial consulting services on a project basis to companies such as McKesson, BioMarin, AutoDesk and Squire Patton Boggs, a financial services company and a company employing advanced technology to construct affordable homes and mentors start-up companies. Previously he was co-founder and CFO of the Tyburn Group, a financial services company that creates and delivers prepaid payroll and general-purpose card programs for customers. For the four years prior, Mr. Nuzum served as the Controller of Dey, L.P., a large pharmaceutical manufacturing subsidiary of Merck KGaA. Prior to that he was co-founder, Executive Vice President and CFO of SVC Financials Services, one of the first companies in the field to integrate a mobile money solution for global distribution, Vice President of Finance and Administration at Tiburon, Inc., a leader in public safety and justice information systems, and CFO of Winebid.com the world's leading e-commerce wine auction company. For more than two decades, Mr. Nuzum was CFO of Loomis Fargo & Co., the well-known international provider of ATM systems, armored cars and other security services. Mr. Nuzum, a Certified Public Accountant, earned his BA at the University of Washington at Seattle.

Gregory S. St. Clair, Sr. Mr. St. Clair was appointed to the Board on July 9, 2020. He is the Founder and Managing Member of SunStone Consulting, LLC, a healthcare consulting firm that has served healthcare providers throughout the United States since 2002. As frequently sought experts on issues related to compliance, reimbursement and revenue integrity, Mr. St. Clair and his team are constantly on-call to assist clients as they address financial challenges through creative solutions to the nation's health systems. He is a nationally recognized expert by government regulators and health law attorneys regarding reimbursement and compliance matters. Previously, Mr. St. Clair worked as a national vice president for CGI, ImrGlobal, and Orion Consulting and as national director for Coopers & Lybrand. He holds a B.S. in Accounting and Finance from Juniata College in Huntington, Pennsylvania.

Theodore Zhu, Ph.D. Dr. Zhu, has served as the Founder and Chairman of Iotelligent Technology since 2011, where he focuses on developing neural network-based solutions for mobile Internet-of-Things applications. Dr. Zhu previously served as President and Chief Operating Officer of Celestial Semiconductor, where he led the turnaround of the fabless semiconductor and software company and oversaw its sale to Cavium Networks for $55 million in 2011. Earlier in his career, Dr. Zhu co-founded Jazz Semiconductor and served in several senior roles including Chief Marketing Officer, Vice President of Worldwide Sales, and China Operations, helping grow revenue significantly and playing a key role in the company's IPO and subsequent sale to Acquicor Technology. Dr. Zhu has also held senior leadership and technical roles at BitShield Corporation, Conexant Systems, Honeywell, and Motorola, and started in academia as an Assistant Professor of Physics at Brown University. Dr. Zhu holds a Ph.D. in Solid State Physics from Purdue University and a B.S. in Physics from Shanghai Jiao Tong University, and is the author of numerous scientific publications and holder of more than 85 U.S. patents.

Matthew J. Hawryluk, Ph.D. Dr. Hawryluk was appointed to the Board on November 29, 2022 and was appointed to the Board as a Class II director. Dr. Hawryluk has served as Chief Business Officer of Prime Medicine, Inc. (Nasdaq: PRME) since November 2025. Before joining Prime Medicine, Dr. Hawryluk served as Chief Business Officer at AIRNA Corporation from January 2025 to June 2025. Prior to AIRNA, Dr. Hawryluk served as Executive Vice President and Chief Business Officer of Gritstone bio, Inc. from November 2015 to December 2024. Prior to Gritstone, from April 2011 to October 2015, Dr. Hawryluk held positions of increasing responsibility at Foundation Medicine, Inc., then a public molecular diagnostics company (subsequently acquired by Roche), most recently serving as Vice President, Corporate and Business Development. Previously, he held roles in business development, marketing, and product management across multiple divisions of Thermo Fisher Scientific, Inc. Dr. Hawryluk received a B.S. from the University of Notre Dame, a Ph.D. in cell biology and protein biochemistry from the University of Pittsburgh School of Medicine and an M.B.A. at Carnegie Mellon University's Tepper School of Business as a Swartz Entrepreneurial Fellow.

Thorsten Dirks. Mr. Dirks, is a seasoned international executive with nineteen years of board-level experience, including approximately fifteen years serving as Chief Executive Officer. Mr. Dirks has held senior leadership positions across the telecommunications and aviation industries, including Chief Executive Officer of E-Plus Group, Chief Executive Officer of Telefónica Deutschland, and Chief Executive Officer of Deutsche Glasfaser, an EQT portfolio company. He has also served as an Executive Board Member of Deutsche Lufthansa AG and KPN N.V., and as a member of the Group Executive Committee of Telefónica S.A.. Earlier in his career, Mr. Dirks held executive roles including Chief Technical Officer and Chief Operating Officer at KPN Mobile International and served as President of the BitKom. He is also a former officer in the German Air Force and has extensive experience in corporate transformation, mergers and acquisitions, post-merger integration, digitalization strategy, governance and compliance, and crisis management.

There are no family relationships among our directors and executive officers. Our executive officers are appointed by our Board of Directors and serve at the Board's discretion.

Board of Directors

Our Board presently consists of seven directors. The size of the Board may be increased or decreased from time to time by resolution of the stockholders or the Board. Each director shall serve until his or her term expires, his or her earlier death, or a successor is elected and qualified or until the director resigns or is removed. Directors are elected by a plurality of votes cast at a meeting at which a quorum is present. Any vacancies may be filled by the vote of a majority of the Board of Directors, although less than a quorum, and any such person elected to fill a vacancy shall serve as a director for a term that coincides with the term of the class to which such director shall have been elected.

Our Certificate of Incorporation and Bylaws provide for the division of the members of our Board of Directors into three classes, with the term of each class expiring in different years. The term of our Class I directors expires in 2028, the term of our Class II directors expires in 2026, and the term of our Class III directors expires in 2027. The class of directors up for election or reelection will be elected to three-year terms. The current directors are divided into classes as follows:

CLASS I (term expiring in 2028)	**CLASS II** (term expiring in 2026)	**CLASS III** (term expiring in 2027)
Chuck Nuzum	Matthew J. Hawryluk	Thorsten Dirks
Daniel E. Handley	Gregory S. St. Clair, Sr.	
	Theodore Zhu	

Christopher Miglino is not assigned to a class, but was appointed to the Board to serve until the next annual meeting of stockholders and until his successor is duly elected and qualified or until his earlier resignation, removal, or death.

The Board met five times in fiscal year 2025. All of our directors attended at least 75% of the meetings of the Board and committees on which they served. The Company does not have a policy with respect to the attendance of directors at the Company's annual meeting of stockholders.

Director Nomination Process

The Nominating and Governance Committee of the Board is responsible for reviewing candidates for Board membership consistent with the Committee's criteria for selecting new directors or as recommended by our stockholders. Annually, the Committee recommends a slate of nominees to the Board for consideration at our annual stockholders' meeting. The processes followed by the Nominating and Governance Committee are contained in the Committee charter, which is posted on our website. The Committee will consider candidates for the Board recommended by a stockholder, and its process and criteria for analyzing such a candidate do not differ from that applied when a candidate is recommended by another source. To submit a candidate for consideration for nomination, stockholders must submit such recommendation in writing to our Board Secretary, Mr. Nuzum, at 91 43rd Street, Suite 110, Pittsburgh, Pennsylvania 15201.

Board Committees

The Board has a standing Audit Committee, Compensation Committee, and Nominating and Governance Committee.

Below is a description of each committee of the Board as such committees are presently constituted.

Audit Committee; Audit Committee Financial Expert

The Audit Committee of the Board of Directors oversees the Company's corporate accounting and financial reporting processes and audits of its financial statements.

The functions of the Audit Committee, as governed by its charter, include, among other things:

- serving as an independent and objective party to monitor the Company's financial reporting process and internal control system;
- coordinating, reviewing and appraising the audit efforts of the Company's independent auditors and management and, to the extent the Company has an internal auditing or similar department or persons performing the functions of such department ("internal auditing department" or "internal auditors"), the internal auditing department; and
- Communicating directly with the independent auditors, financial and senior management, the internal auditing department, and the Board regarding the matters related to the committee's responsibilities and duties.

Both our independent registered public accounting firm and management periodically meet privately with the Audit Committee. Our Audit Committee currently consists of Mr. Nuzum, as the chairperson, Mr. St. Clair, and Mr. Dirks. Each Audit Committee member is a non-employee director of the Board. The Board reviews the definition of independence for Audit Committee members under the applicable rules of the Nasdaq Stock Market (the "Nasdaq Rules") on an annual basis and has determined that all current members of our Audit Committee meet the heightened independence requirements under applicable Nasdaq Rules and Rule 10A-3(b)(1) under the Exchange Act. The Board has determined that Mr. Nuzum meets the criteria as an "audit committee financial expert," as defined in Item 407(d)(5)(ii) of Regulation S-K under the Securities Act of 1933, as amended, and that all members of the Audit Committee have the financial literacy required by the Nasdaq Rules. The Audit Committee met four times in fiscal year 2025.

Compensation Committee

The Compensation Committee of the Board of Directors currently consists of three directors: Mr. Nuzum, as the chairperson, Mr. St. Clair and Dr. Hawryluk. All members of the Compensation Committee are "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act and "independent directors," as such term is defined by the Nasdaq Rules.

The functions of the Compensation Committee include, among other things:

- approving the annual compensation packages, including base salaries, incentive compensation, deferred compensation and stock-based compensation, for our executive officers;
- administering our stock incentive plans, and subject to Board approval in the case of executive officers, approving grants of stock, stock options and other equity awards under such plans;
- approving the terms of employment agreements for our executive officers;
- developing, recommending, reviewing and administering compensation plans for members of the Board of Directors;
- reviewing and discussing the Company's compensation discussion and analysis with management; and
- preparing any compensation committee report required to be included in the annual proxy statement.

All Compensation Committee approvals regarding compensation to be paid or awarded to our executive officers are rendered with the full power of the Board, though not necessarily reviewed by the full Board.

Our Chief Executive Officer may not be present during any Board or Compensation Committee voting or deliberations with respect to his compensation. Our Chief Executive Officer may, however, be present during any other voting or deliberations regarding compensation of our other executive officers but may not vote on such items of business.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee who served as such during the year ended December 31, 2025, has been an executive officer or employee of ours while serving on the Committee or had a relationship requiring disclosure under Item 404 of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended. None of our officers currently serves, or has served during the last completed year, on the Compensation Committee or the Board of any other entity that has one or more officers serving as a member of the Board or the Compensation Committee.

Nominating and Governance Committee

The Nominating and Governance Committee of the Board of Directors currently consists of Dr. Handley, as the chairperson, and Mr. Nuzum. All members of the Nominating and Governance Committee are "independent directors," as such term is defined by the Nasdaq Rules, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

In furtherance of its purpose, the Nominating and Governance Committee:

- evaluates the composition, organization and governance of the Board, determines future requirements and make recommendations to the Board for approval;
- determines desired Board and committee skills and attributes and criteria for selecting new directors;
- reviews candidates for Board membership consistent with the Committee's criteria for selecting new directors or as recommended by our stockholders. Annually, the Committee recommends a slate of nominees to the Board for consideration at our annual stockholders' meeting;
- develops a plan for, and consults with the Board regarding, management succession; and
- advises the Board generally on corporate governance matters.

In addition, the Committee, if and when deemed appropriate by the Board or the Committee, develops and recommends to the Board a set of corporate governance principles applicable to the Company, and reviews and reassesses the adequacy of such guidelines annually and recommends to the Board any changes deemed appropriate. The Committee also advises the Board on (1) committee member qualifications, (2) appointments, removals and rotation of committee members, (3) committee structure and operations (including authority to delegate to subcommittees), and (4) committee reporting to the Board. Finally, the Committee performs any other activities consistent with its charter, our Certification of Incorporation, Bylaws and governing law as the Committee or the Board deems appropriate.

The Committee has the authority to obtain advice and seek assistance from internal or external legal, accounting or other advisors. The Committee has the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve such search firm's fees and other retention terms.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership of such securities with the Securities and Exchange Commission. Based solely on review of the copies of Forms 3 and 4 and amendments thereto filed with the SEC during the fiscal year ended December 31, 2025 and Forms 5 and amendments thereto filed with the SEC with respect to such fiscal year, or written representations that no Forms 5 were required, we believe that there were no instances where our officers, directors and greater than ten percent beneficial owners failed to file on a timely basis all Section 16(a) filing requirements during the fiscal year ended December 31, 2025.

Code of Ethics

We have adopted a Code of Ethics that applies to all directors, officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions), and employees of the Company. Our Code of Ethics satisfies the requirements of Item 406(b) of Regulation S-K and is included as an exhibit to this Annual Report on Form 10-K.

Recoupment of Incentive Compensation Policy

We have adopted a Recoupment of Incentive Compensation Policy that applies to certain executive compensation in the event of an accounting restatement to correct a material error. Our policy satisfies the requirements as defined in Rule 5608(d) of the Nasdaq Marketplace Rules and is included as an exhibit to this Form 10-K.

Insider Trading Policy

We have adopted a Policy on Avoidance of Insider Trading, applicable to our directors, employees (including officers) and consultants, that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations and applicable listing standards. Our Insider Trading Policy is included as an exhibit to this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION.

Overview

This section describes the material elements of the compensation awarded to, earned by or paid to (i) each individual who served as our principal executive officer during 2025, (ii) our two most highly compensated other executive officers who were serving as executive officers at the end of 2025 and who received more than $100,000 in the form of salary and bonus during such year, and (iii) up to two additional individuals for whom disclosure would have been provided pursuant to (ii) above but for the fact that the individual was not serving as an executive officer at the end of 2025. We refer to these individuals as our "Named Executive Officers." During 2025, Messrs. Vennare and Blacher were our only executive officers. Our Named Executive Officers are:

- Raymond F. Vennare, former Chief Executive Officer;
- Josh Blacher, Chief Financial Officer; and
- Christopher Miglino, Chief Executive Officer and Director

Summary Compensation Table for Fiscal 2025 and 2024

The following table provides information regarding the compensation awarded to or earned by each of the Named Executive Officers during the fiscal years ended December 31, 2025, and December 31, 2024:

Name and Principal Position	Year	Salary	Stock Awards	All Other Compensation	Total Compensation
Raymond F. Vennare, Chief Executive Officer	2025	$ 682,486	245,858 (a)	$ 287,500	$ 1,215,844
	2024	$ 525,000	$ -	$ -	$ 525,000
Josh Blacher, Chief Financial Officer	2025	$ -	98,940 (b)	$ 404,995	$ 503,935
	2024	$ -		$ 453,940	$ 453,940

(a) Represents the grant-date fair value of RSUs granted to Mr. Vennare, 8,331 RSUs were granted on September 9, 2025 and 20,000 RSUs were granted on December 10, 2025.
(b) Represents the grant-date fair value of RSUs granted to Mr. Blacher, 6,467 RSUs were granted on September 9, 2025.

Newly Appointed Chief Executive Officer

On February 6, 2026, the Board appointed Christopher Miglino as Chief Executive Officer to succeed Mr. Vennare, and as a member of the Board to fill the vacancy created by Mr. Vennare's resignation, effective as of February 9, 2026. In connection with Mr. Miglino's appointment as Chief Executive Officer of the Company, the Company and Mr. Miglino entered into an employment agreement, dated February 9, 2026 (the "Employment Agreement"), which provides for, among other things, payment to Mr. Miglino of an annual base salary equal to $575,000, and at the discretion of the Board's Compensation Committee (the "Committee"), to receive grants of stock options or other equity awards. Mr. Miglino will also be eligible to participate in the Company's (i) bonus program with annual cash bonus equal up to 50% of his salary or at the discretion of the Committee, a higher percentage based on his and the Company's performance, (ii) long-term incentive plan to be adopted and maintained by the Compensation Committee, and (iii) standard employee benefit plans generally available to executive employees of the Company.

In addition, as a material inducement to Mr. Miglino's appointment as Chief Executive Officer, on February 9, 2026 (the "Grant Date") the Company granted Mr. Miglino stock options (the "Options") to purchase 500,000 shares of the Company's common stock at an exercise price equal to the closing price of the Company's common stock on the Grant Date, pursuant to a Stock Option Inducement Award Agreement (the "Option Agreement") between Mr. Miglino and the Company. One-third of the Options will vest on the first anniversary of the Grant Date with the remaining two-thirds of the Options vesting in equal monthly installments over the following twenty-four months, in each case subject to Mr. Miglino's continued employment with or service to the Company through each applicable vesting date.

Outstanding Equity Awards at Fiscal Year-end for Fiscal 2025

On September 9, 2025, the Company granted 8,331 RSUs to Mr. Vennare and 6,467 RSUs to Mr. Blacher. These RSUs vested on October 31, 2025. There were no other outstanding equity awards held by the named executive officers as of December 31, 2025.

Executive Compensation Components for Fiscal 2025

Base Salary. Base salary is an important element of our executive compensation program as it provides executives with a fixed, regular, non-contingent earnings stream to support annual living and other expenses. As a component of total compensation, we generally set base salaries at levels believed to attract and retain an experienced management team that will successfully grow our business and create stockholder value. We also utilize base salaries to reward individual performance and contributions to our overall business objectives but seek to do so in a manner that does not detract from the executives' incentive to realize additional compensation through our bonus and equity incentive programs.

The Compensation Committee may recommend adjustments to the Chief Executive Officer's base salary based upon the Compensation Committee's review of his current base salary, incentive cash compensation and equity-based compensation, as well as his performance and comparative market data. The Compensation Committee also reviews other executives' salaries throughout the year, with input from the Chief Executive Officer. The Compensation Committee may recommend adjustments to other executives' base salary based upon the Chief Executive Officer's recommendation and the reviewed executives' responsibilities, experience, and performance, as well as comparative market data.

In utilizing comparative data, the Compensation Committee seeks to recommend salaries for each executive at a level that is appropriate after giving consideration to experience for the relevant position and the executive's performance. The Compensation Committee reviews performance for both our Company (based upon achievement of strategic initiatives) and each individual executive. Based upon these factors, the Compensation Committee may recommend adjustments to base salaries to better align individual compensation with comparative market compensation, to provide merit-based increases based upon individual or company achievement, or to account for changes in roles and responsibilities.

Bonuses. Bonuses may be paid at the discretion of the Compensation Committee and as approved by the Board of Directors based on the Compensation Committee's determination of the performance of the executive officer.

Stock Options and Other Equity Grants. Consistent with our compensation philosophies related to performance-based compensation, long-term stockholder value creation and alignment of executive interests with those of stockholders, we may make periodic grants of long-term incentive compensation in the form of stock options or other equity-based incentive awards to our executive officers, directors, and others in the organization.

Stock options provide executive officers, directors, and other employees with the opportunity to purchase common stock at a price fixed on the grant date regardless of future market price. A stock option becomes valuable only if the common stock price increases above the option exercise price and the holder of the option remains employed or appointed during the period required for the option shares to vest. This provides an incentive for an option holder to remain employed or appointed by us. In addition, stock options link employees' compensation to stockholders' interests by providing an incentive to increase stockholder value. Under our 2024 Equity Incentive Plan (the "2024 Plan"), which was approved by our stockholders on December 30, 2024 as a successor to our Amended and Restated 2012 Stock Incentive Plan, and which was amended by our Board of Directors and approved by our stockholders on November 25, 2025 to increase the number of shares authorized for issuance thereunder, we may also make grants of common stock, restricted stock, restricted stock units, performance awards, and stock appreciation rights to employees (including officers), directors, consultants, or other independent contractors who provide services to the Company or its subsidiaries. Restricted stock units represent the right to receive shares of our common stock (or, in some cases, the value thereof in cash) upon vesting, with vesting generally being time-based, based on achievement of certain performance metrics, or both. We adopted the 2024 Plan to give us flexibility in the types of awards that we could grant to individuals providing services to the Company. As amended, the 2024 Plan authorizes up to 1,066,667 shares for issuance, plus the number of shares subject to outstanding awards under the 2012 Plan as of December 30, 2024, that are forfeited, expire or otherwise terminate without the issuance of shares after December 30, 2024. As of December 31, 2025, there were stock options to purchase 43,595 shares of common stock outstanding under the 2012 Plan. 980,030 shares remain available for future equity awards.

While we have not adopted a formal policy regarding the timing of stock option grants, we do not time the disclosure of material nonpublic information for the purposes of affecting the value of executive compensation and our practice is that the timing of these grants is not scheduled in a manner that intentionally benefits our executive officers or employees.

Limited Perquisites; Other Benefits. We provide our employees, including our executive officers, with a full complement of employee benefits, including health and dental insurance, short term and long-term disability insurance, life insurance, a 401(k) plan, FSA flex plan and Section 125 plan.

Employment Contracts

Employment Agreement for Chief Executive Officer

On February 6, 2026, the Board appointed Christopher Miglino as Chief Executive Officer to succeed Mr. Vennare, and as a member of the Board to fill the vacancy created by Mr. Vennare's resignation, effective as of February 9, 2026.

Consulting Agreement for Chief Financial Officer Services

In August 2023, we entered into a consulting agreement with Danforth Advisors, LLC pursuant to which Mr. Blacher provides consulting services to us. Mr. Blacher does not receive compensation directly from us.

Potential Payments Upon Termination or Change of Control

Most of our stock option agreements provide for an acceleration of vesting in the event of a change in control as defined in the agreements and in the 2012 Plan under which they were previously issued. Also, see "Employment Contracts" above for a description of certain severance compensation arrangements.

Director Compensation

Effective January 25, 2023, the Board adopted an Amended and Restated Director Compensation Program (the "Compensation Program"). Director compensation under the Compensation Program is limited to non-employee directors (defined as directors who are not employees of Axe Compute or any subsidiary and who do not receive regular long-term cash compensation as consultants). Pursuant to the Compensation Program, non-employee directors receive a combination of quarterly and annual awards as compensation for their services as directors. During 2025, cash payments were made in lieu of certain quarterly awards of common stock due to limited availability of shares available for issuance under the 2024 Plan.

The compensation program pays all of the compensation in the form of stock and cash awards (with the cash component payable in additional shares at the election of the director). The cash component is approximately equal to 28% of the total value of the award (or 38.9% of the share component of the award), intended to pay taxes on the full award.

Each director receives a quarterly award of $8,333 payable on the last day of the quarter, consisting of (i) shares with a value of $6,000 and (ii) $2,333 in cash (or additional shares).

Each director who is continuing to serve as a director as of June 17 of a given year also receives an annual award of $10,000, consisting of (i) newly issued shares of common stock with a value of $7,000 and (ii) $3,000 in cash (or additional shares). The awards are payable on or about June 17 each year.

For each board committee, each director receives an additional annual award of $11,112, consisting of (i) shares with a value of $8,000 and (ii) $3,112 in cash (or additional shares), payable on December 31.

If the chairman of the Board is an independent director, the chairman receives an additional annual award of $20,835, consisting of (i) shares with a value of $15,000 and (ii) $5,835 in cash (or additional shares), payable on December 31.

The Lead Independent Director, as voted by the Board of Directors, also receives an annual award of $11,112, consisting of (i) shares with a value of $8,000 and (ii) $3,112 in cash (or additional shares).

Director Compensation Table for Fiscal 2025

The following table summarizes the compensation earned by or paid to each individual who served as a director during the fiscal year ended December 31, 2025:

	Fees Paid or Earned in Cash	Stock Awards (1)	Option Awards	Total
Charles Nuzum Sr. (2)	$ 52,892	$ 71,451	$ -	$ 124,343
Daniel Handley (3)	$ 40,444	$ 39,448	$ -	$ 79,892
Greg St. Clair Sr. (4)	$ 43,556	$ 47,449	$ -	$ 91,005
Nancy Chung-Welch (5)	$ 57,501	$ 25,441	$ -	$ 82,942
Matthew J. Hawryluk (6)	$ 43,556	$ 47,449	$ -	$ 91,005
Veena Rao (7)	$ 56,668	$ 55,449	$ -	$ 102,117
Shawn Matthews (8)	$ 2,333	$ 6,006	$ -	$ 8,339

(1) Represents grant date fair value of stock awards granted during 2025 as determined pursuant to FASB ASC 718, *Stock Compensation*.
(2) Reflects 10,747 shares of common stock received in 2025 for serving on the Board.
(3) Reflects 5,152 shares of common stock received in 2025 for serving on the Board.
(4) Reflects 5,152 shares of common stock received in 2025 for serving on the Board.
(5) Reflects 4,312 shares of common stock received in 2025 for serving on the Board.
(6) Reflects 5,152 shares of common stock received in 2025 for serving on the Board.
(7) Reflects 5,152 shares of common stock received in 2025 for serving on the Board.
(8) Reflects 840 shares of common stock received in 2025 for serving on the Board.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Equity Compensation Plan Information

The following table presents the equity compensation plan information as of December 31, 2025:

	Number of securities to be issued upon exercise of outstanding restricted stock units, warrants and options (a)(1)	Weighted-average exercise price of outstanding options, warrants (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders (2)	1,646,104	$ 17.39	980,030
Equity compensation plans not approved by security holders	-	$ -	-

(1) Consists of outstanding awards under the 2024 Equity Incentive Plan and 2012 Stock Incentive Plan.
(2) Equity compensation plans approved by security holders include our 2024 Equity Incentive Plan and former 2012 Stock Incentive Plan, under which certain stock options remain outstanding.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth as of March 27, 2026, certain information regarding beneficial ownership of our common stock by:

- each person, or group of affiliated persons, who are known by us to beneficially own more than 5% of the outstanding shares of common stock;
- each of our directors and director nominees;
- each of the Named Executive Officers, as identified in this Annual Report on Form 10-K; and
- all of our current executive officers (as that term is defined under the rules and regulations of the SEC) and directors as a group.

We have determined beneficial ownership in accordance with Rule 13d-3 under the Exchange Act. Beneficial ownership generally means having sole or shared voting or investment power with respect to securities. We are not aware of any beneficial owners of more than 5% of our issued and outstanding common stock as of March 27, 2026.

Unless otherwise indicated in the footnotes to the table, each stockholder named in the table has sole voting and investment power with respect to the shares of common stock set forth opposite the stockholder's name. We have based our calculation of the percentage of beneficial ownership on 5,539,267 shares of our common stock outstanding on March 27, 2026. Unless otherwise noted below, the address for each person or entity listed in the table is c/o Axe Compute Inc., 91 43rd Street, Suite 110 Pittsburgh, Pennsylvania 15201.

Name of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent of Class
Raymond F. Vennare (2)	19,677	*%
Christopher Miglino	-	*%
Josh Blacher	6,467	*%
Chuck Nuzum (3)	15,379	*%
Gregory St. Clair Sr. (4)	10,091	*%
Daniel E. Handley (5)	7,518	*%
Matthew J. Hawryluk	8,023	*%
Theodore Zhu	-	*%
Thorsten Dirks	-	*%
All directors and executive officers as a group (9 persons)	67,155	1.21%
Other Affiliates		
DNA Holdings Venture Inc. (6)	276,409	4.99%
All affiliates	343,564	6.20%

*Less than one percent.

(1) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (1) voting power, which includes the power to vote, or to direct the voting of shares; and (2) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the number of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding.

(2) Based on the most recently available Form 4 filed with the SEC on February 9, 2026 prior to Mr. Vennare's departure from the Company on February 9, 2026. The Company has no obligation to track changes in ownership following Mr. Vennare's departure and cannot confirm current holdings.

(3) Includes options to purchase 135 shares that are exercisable within 60 days of March 27, 2026.

(4) Includes options to purchase 89 shares that are exercisable within 60 days of March 27, 2026.

(5) Includes options to purchase 110 shares that are exercisable within 60 days of March 27, 2026.

(6) Address for DNA Holdings Venture Inc. ("DNA") is 151 Calle de San Francisco, Ste 200, San Juan, PR 00901-1607. DNA is currently known to the Company to hold 36,237 shares of the Company's outstanding common stock. Additionally, DNA holds (i) 294,447 pre-funded warrants which are fully vested and exercisable into shares of the Company's common stock within 60 days of March 27, 2026, and (ii) 1,348,906 Strategic Advisor Warrants which are fully vested and exercisable into shares of the Company's common stock within 60 days of March 27, 2026. Both the pre-funded warrants and Strategic Advisor Warrants contain a beneficial ownership limitation preventing DNA from exercising the instruments into shares of the Company's common stock to the extent that such exercise would result in DNA holding greater than 4.99% of the number of shares of the Company's common stock outstanding immediately after giving effect to the issuance of the underlying shares issuable upon exercise of the instrument.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The Audit Committee has the responsibility to review and approve all transactions to which a related party and we may be a party prior to their implementation, to assess whether such transactions meet applicable legal requirements. Pursuant to the Charter of the Audit Committee, every transaction that must be disclosed pursuant to Item 404(a) of Regulation S-K promulgated under the Exchange Act must be reviewed and approved by the Audit Committee.

See Note 2 – Related Parties in Notes to Consolidated Financial Statements of this Annual Report on Form 10-K for further discussion of related parties and transactions with such parties during the year ended December 31, 2025.

Information regarding director independence is disclosed under Item 10, above.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

In connection with the audit of the fiscal 2025 and 2024 financial statements, we entered into an engagement agreement with KPMG LLP for fiscal years 2025 and 2024, which sets forth the terms by which they performed audit services for us. Fees are approved by the Audit Committee on an engagement-by-engagement basis. All fees described in the tables below were approved by the Audit Committee.

The following tables represent aggregate fees billed to us by KPMG LLP ("KPMG"), the Company's independent public accounting firm for the fiscal years ended December 31, 2025 and 2024, for services rendered with respect to the fiscal years ended December 31, 2025 and 2024:

	2025	2024
Audit Fees (1)	$ 1,126,000	$ 593,000
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
	$ 1,126,000	$ 593,000

(1) Audit Fees were principally for services rendered for the audit and/or review of our consolidated financial statements. Also includes fees for services rendered in 2025 in connection with the filing of registration statements and other documents with the SEC, the issuance of accountant consents and comfort letters.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES.

The following exhibits and financial statements are filed as part of, or are incorporated by reference into, this report:

(1) Financial Statements

The following financial statements are filed with this Annual Report on Form 10-K and can be found beginning at page F-1 of this report:

- Reports of Independent Registered Public Accounting Firm (KPMG, LLP, Pittsburgh, PA (US Firm), PCAOB Firm ID #185);
- Consolidated Balance Sheets as of December 31, 2025, and December 31, 2024;
- Consolidated Statements of Net Loss for the Years Ended December 31, 2025, and December 31, 2024;
- Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2025, to December 31, 2024;
- Consolidated Statements of Cash Flows for the Years Ended December 31, 2025, and December 31, 2024; and
- Notes to Consolidated Financial Statements.

(2) Financial Statement Schedules

All schedules for which provision is made in the applicable accounting regulations of the SEC have been omitted because the information required to be shown in the schedules is not applicable or is included elsewhere in the financial statements and Notes to Consolidated Financial Statements.

(3) Exhibits

Exhibit Number	Description
3.1	Certificate of Incorporation (Filed on December 19, 2013 as an exhibit to our Current Report on Form 8-K, and incorporated herein by reference).
3.2	Certificate of Amendment to Certificate of Incorporation to effect reverse stock split and reduction in authorized share capital filed with the Delaware Secretary of State on October 20, 2014. (Filed on October 24, 2014 as an exhibit to our Current Report on Form 8-K, and incorporated herein by reference)
3.3	Certificate of Amendment to Certificate of Incorporation regarding increase in share capital, filed with the Delaware Secretary of State on July 24, 2015. (Filed on June 30, 2015 as an appendix to our Information Statement on Schedule 14C, and incorporated herein by reference).
3.4	Certificate of Amendment to Certificate of Incorporation to increase authorized share capital, filed with the Delaware Secretary of State on September 16, 2016. (Filed on September 16, 2016 as an exhibit to our Current Report on Form 8-K, and incorporated herein by reference).
3.5	Certificate of Amendment to Certificate of Incorporation to effect reverse stock split and reduction in authorized share capital, filed with the Delaware Secretary of State on October 26, 2016. (Filed on October 27, 2016 as an exhibit to our Current Report on Form 8-K, and incorporated herein by reference).
3.6	Certificate of Amendment to Certificate of Incorporation regarding increase in share capital, filed with the Delaware Secretary of State on January 26, 2017. (Filed on January 27, 2017 as an exhibit to our Current Report on Form 8-K, and incorporated herein by reference).
3.7	Certificate of Amendment to Certificate of Incorporation to effect reverse stock split, filed with the Delaware Secretary of State on January 2, 2018. (Filed on January 2, 2018 as an exhibit to our Current Report on Form 8-K, and incorporated herein by reference).
3.8	Certificate of Amendment to Certificate of Incorporation to effect name change, filed with the Delaware Secretary of State on February 1, 2018. (Filed on February 6, 2018 as an exhibit to our Current Report on Form 8-K, and incorporated herein by reference).

3.9	Form of Certificate of Designation of Preferences, Rights and Limitations of Series B Convertible Preferred Stock. (Filed on August 19, 2015 as an exhibit to our Registration Statement on Form S-1 (File No. 333-198962), and incorporated herein by reference.
3.10	Certificate of Designation of Preferences, Rights and Limitations of Series C Convertible Preferred Stock. (Filed on November 29, 2017 as an exhibit to our Current Report on Form 8-K, and incorporated herein by reference).
3.11	Certificate of Amendment to Certificate of Incorporation dated March 22, 2019. (Filed on March 22, 2019 as an exhibit to our Current Report on Form 8-K, and incorporated herein by reference).
3.12	Certificate of Designation Of Preferences, Rights And Limitations of Series D Convertible Preferred Stock. (Filed on April 1, 2020 as an exhibit to our Annual Report on Form 10-K, and incorporated herein by reference).
3.13	Certificate of Designation of Preferences, Rights and Limitations of Series E Convertible Preferred Stock Effective June 13, 2019. (Filed on June 19, 2019 as an exhibit to our Current Report on Form 8-K, and incorporated herein by reference).
3.14	Certificate of Amendment of Certificate of Incorporation, changing name from Precision Therapeutics Inc. to Predictive Oncology Inc. (Filed on June 13, 2019 as an exhibit to our Current Report on Form 8-K, and incorporated herein by reference).
3.15	Certificate of Amendment of Certificate of Incorporation, amending number of shares of common stock and preferred stock, effecting a reverse stock split. (Filed on October 28, 2019 as an exhibit to our Current Report on Form 8-K).
3.16	Certificate of Amendment to the Certificate of Incorporation, doubling number of shares of common stock and preferred stock due to stock split. (Filed on August 19, 2021 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
3.17	Certificate of Designation of Series F Preferred Stock (Filed on March 16, 2023 as an exhibit to the Form 8-A and incorporated herein by reference.)
3.18	Certificate of Amendment to Certificate of Incorporation (Filed on April 20, 2023 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
3.19	Certificate of Amendment of Certificate of Incorporation (Filed on September 25, 2025 as Exhibit 3.1 to our Current Report on Form 8-K and incorporated herein by reference.)
3.20	Second Amended and Restated Bylaws of the Company, effective as of September 9, 2022 (Filed on September 30, 2022 as an exhibit to our Registration Statement on Form S-1 (File No. 333-267689).
3.21	Amendment to Second Amended and Restated Bylaws (Filed on September 30, 2025 as Exhibit 3.1 to our Current Report on Form 8-K and incorporated herein by reference.)
4.1	Form of specimen certificate evidencing shares of Series B Convertible Preferred Stock. (Filed on August 10, 2015 as an exhibit to our Registration Statement on Form S-1/A (File No. 333-198962) and incorporated herein by reference.)
4.2	Form of Unit Purchase Option issued February 27, 2019. (Filed on March 1, 2019 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
4.3	Form of Unit Purchase Option for the Purchase of Units issued March 29, 2019. (Filed on April 2, 2019 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)

4.4	Form of Specimen Common Stock Certificate. (Filed on October 3, 2019 as an exhibit to our Registration Statement on Form S-3 (File No. 333-234073) and incorporated herein by reference.)
4.5	Form of Common Stock Purchase Warrant Issued on or about October 1, 2019. (Filed on October 10, 2019 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
4.6	Common Stock Purchase Warrant issued to Oasis Capital, LLC dated February 5, 2020. (Filed on February 7, 2020 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
4.7	Description of Registrant's Securities. (Filed on March 31, 2025 as an exhibit to our Annual Report on Form 10-K and incorporated herein by reference.)
4.8	Common Stock Purchase Warrant issued to Oasis Capital, LLC dated March 6, 2020. (Filed on April 6, 2020 as an exhibit to our Registration Statement on Form S-3 (File No. 333-237581) and incorporated herein by reference.)
4.9	Form of Helomics Common Stock Purchase Warrant issued April 4, 2019. (Filed on January 24, 2019 as Annex H to Amendment No. 2 to Form S-4 (File No. 333-228031) and incorporated herein by reference.)
4.10	Form of Common Stock Purchase Warrant issued January 12, 2021. (Filed on January 12, 2021 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
4.11	Form of Common Stock Purchase Warrant issued January 19, 2021. (Filed on January 21, 2021 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
4.12	Form of Placement Agent Warrant to H.C. Wainwright & Co., LLC or its designees in connection with certain financing transactions in 2020 and 2021. (Filed on January 29, 2021 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
4.13	Form of Common Stock Purchase Warrant dated February 10, 2021. (Filed on February 12, 2021 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
4.14	Form of Common Stock Purchase Warrant dated February 18, 2021. (Filed on February 22, 2021 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
4.15	Form of Common Stock Purchase Warrant dated June 14, 2021. (Filed on June 16, 2021 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
4.16	Form of Placement Agent Warrant dated June 14, 2021. (Filed on June 16, 2021 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
4.17	Form of Series B Warrant dated July 26, 2024. (Filed on July 29, 2024 as an exhibit to our Current Report on Form 8-K and incorporated by reference.)
4.18	Form of Placement Agent Warrant dated July 26, 2024. (Filed on July 29, 2024 as an exhibit to our Current Report on Form 8-K and incorporated by reference.)
10.1**	2024 Equity Incentive Plan (Filed on November 27, 2024 as an appendix to our definitive proxy statement on Schedule 14A and incorporated herein by reference.)
10.2**	Amended and Restated 2012 Stock Incentive Plan. (Filed on October 18, 2022 as an appendix to our definitive proxy statement on Schedule 14A and incorporated herein by reference.)

10.3**	Form of Stock Option Agreement for Employees under Amended and Restated 2012 Stock Incentive Plan (Filed on March 31, 2022 as an exhibit to our Annual Report on Form 10-K and incorporated herein by reference).
10.4**	Form of Stock Option Agreement for Executive Officers under Amended and Restated 2012 Stock Incentive Plan (Filed on March 31, 2022 as an exhibit to our Annual Report on Form 10-K and incorporated herein by reference).
10.5**	Form of Stock Option Agreement for Directors under Amended and Restated 2012 Stock Incentive Plan (Filed on March 31, 2022 as an exhibit to our Annual Report on Form 10-K and incorporated herein by reference).
10.6	Securities Purchase Agreement by and among the Company and the Investors dated March 15, 2020. (Filed on March 16, 2020 as an exhibit to our Current Report on Form 8-K and incorporated herein by reference.)
10.7**	Employment Offer Letter dated September 30, 2022, by and between the Company and Raymond F. Vennare. (Filed on October 20, 2022 as an exhibit to our Current Report on Form 8-K).
10.8**	Employment Agreement dated effective November 1, 2022, by and between the Company and Raymond F. Vennare. (Filed on October 20, 2022 as an exhibit to our Current Report on Form 8-K).
10.9	Separation Agreement dated February 9, 2026, by and between the Company and Raymond Vennare. (Filed on February 9, 2026 as an exhibit to our Current Report on Form 8-K).
10.10	Employment Agreement dated February 9, 2026, by and between the Company and Christopher Miglino. (Filed on February 9, 2026 as an exhibit to our Current Report on Form 8-K).
10.11	Form of Stock Option Inducement Award Agreement. (Filed on February 9, 2026 as an exhibit to our Current Report on Form 8-K).
14.1	Code of Ethics. (Filed on April 16, 2012 as an exhibit to our Annual Report on Form 10-K and incorporated herein by reference.)
19	Insider Trading Policy (Filed on March 31, 2025 as an exhibit to our Annual Report on Form 10-K and incorporated herein by reference.)
21.1*	Subsidiaries of the Registrant
23.1*	Consent of Independent Registered Public Accounting Firm: KPMG, LLP
31.1*	Certification of Principal Executive Officer required by Rule 13a-14(a)
31.2*	Certification of Principal Financial Officer required by Rule 13a-14(a)
32.1***	Section 1350 Certifications
97	Policy Relating to Recovery of Erroneously Awarded Compensation (Filed on March 28, 2024 as an exhibit to our Annual Report on Form 10-K and incorporated herein by reference.)
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Filed herewith.
**Compensatory Plan or arrangement
***Furnished herewith.

ITEM 16. FORM 10-K SUMMARY.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 31, 2026

Axe Compute Inc.

By /s/ Christopher Miglino
Christopher Miglino
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Title	
/s/ Christopher Miglino Christopher Miglino	Chief Executive Officer (Principal executive officer)	March 31, 2026
/s/ Josh Blacher Josh Blacher	Chief Financial Officer (Principal financial and accounting officer)	March 31, 2026
/s/ Chuck Nuzum Chuck Nuzum	Director	March 31, 2026
/s/ Daniel E. Handley, Ph.D. Daniel E. Handley, Ph.D.	Director	March 31, 2026
/s/ Gregory St. Clair Sr. Gregory St. Clair Sr.	Director	March 31, 2026
/s/ Theodore Zhu, Ph.D. Theodore Zhu, Ph.D.	Director	March 31, 2026
/s/ Matthew Hawryluk, Ph.D. Matthew Hawryluk, Ph.D.	Director	March 31, 2026
/s/ Thorsten Dirks Thorsten Dirks	Director	March 31, 2026

The audited consolidated financial statements for the periods ended December 31, 2025, and December 31, 2024, are included on the following pages:

INDEX TO FINANCIAL STATEMENTS

	Page
Financial Statements:	
Reports of Independent Registered Public Accounting Firm (KPMG, LLP, Pittsburgh, PA (US Firm), PCAOB Firm ID #185)	F-2
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To the Stockholders and Board of Directors
Axe Compute Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Axe Compute Inc. and subsidiaries (the Company) as of December 31, 2025 and December 31, 2024, the related consolidated statements of net loss, stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and December 31, 2024, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of audit evidence pertaining to the existence of and rights to digital assets and digital asset receivable

As discussed in Notes 1, 2, and 5 to the consolidated financial statements, the Company held digital assets and a digital asset receivable as part of its Treasury Strategy. The digital assets are held with a custodian that safeguards the Company's private keys. The Company accounts for its digital assets and digital asset receivable, net of the embedded derivative at fair value. As of December 31, 2025, the fair value of the Company's digital assets was $24.4 million and the digital asset receivable was $15.5 million.

We identified the evaluation of audit evidence pertaining to the existence of and rights to the Company's digital assets and digital asset receivable as a critical audit matter. A high degree of auditor judgment was involved in determining the nature and extent of the procedures performed and audit evidence obtained to assess the existence of and the Company's rights to the digital assets and digital asset receivable.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and implementation of certain internal controls over the existence of and rights to the digital assets and digital asset receivable, including certain controls over authorization of transactions, safeguarding of digital assets, and reconciliation of digital asset and digital asset receivable balances. We obtained confirmation of the Company's digital assets and digital asset receivable held with the third-party custodian and third-party contract administrator of December 31, 2025 and compared the confirmed balances to the Company's records. We compared the digital asset receivable's vesting terms to the terms of the related smart contracts and to the confirmation obtained from the contract administrator. We also compared the Company's record of digital asset holdings and transactions to the records on the public blockchain using a proprietary software audit tool. We obtained evidence that management maintains control and access to the digital assets by observing a sample transactional withdrawal of the digital assets subsequent to year-end using the related private keys. Additionally, we evaluated the reliability of audit evidence obtained from public blockchains.

/s/ KPMG LLP

We have served as the Company's auditor since 2024.

Pittsburgh, Pennsylvania
March 31, 2026

AXE COMPUTE INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,790,850	$ 611,822
Accounts receivable, net	32,120	34,154
Prepaid expense and other assets	280,904	318,539
Digital assets	24,439,598	-
Digital asset receivable	7,226,475	-
Current assets of discontinued operations	-	1,261,403
Total current assets	42,769,947	2,225,918
Digital asset receivable, net of current portion	8,258,681	-
Property and equipment, net	223,128	347,588
Lease right-of-use assets	1,487,703	2,047,241
Other long-term assets	148,887	149,433
Non-current assets of discontinued operations	-	202,337
Total assets	$ 52,888,346	$ 4,972,517
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current liabilities:		
Accounts payable	$ 1,840,608	$ 1,044,394
Note payable	107,951	-
Accrued expenses and other liabilities	1,520,518	1,236,378
Contract liabilities	144,076	224,076
Lease liability	653,743	555,169
Current liabilities of discontinued operations	-	533,384
Total current liabilities	4,266,896	3,593,401
Lease liability – net of current portion	904,495	1,558,239
Non-current liabilities of discontinued operations	-	23,487
Total liabilities	5,171,391	5,175,127
Contingencies (see Note 9)		
Stockholders' equity (deficit):		
Preferred stock, 20,000,000 shares authorized inclusive of designated below		
Series B Convertible Preferred Stock, $.01 par value, 2,300,000 shares authorized, 79,246 shares outstanding as of December 31, 2025, and December 31, 2024	792	792
Common stock, $.01 par value, 200,000,000 shares authorized, 4,083,173 and 444,475 shares outstanding as of December 31, 2025, and December 31, 2024, respectively	40,832	4,445
Additional paid-in capital	461,196,805	180,218,424
Accumulated deficit	(413,521,474)	(180,426,271)
Total stockholders' equity (deficit)	47,716,955	(202,610)
Total liabilities and stockholders' equity (deficit)	$ 52,888,346	$ 4,972,517

See accompanying notes to consolidated financial statements.

AXE COMPUTE INC.
CONSOLIDATED STATEMENTS OF NET LOSS

	Year Ended December 31,	
	2025	**2024**
Revenue	$ 125,284	$ 84,812
Gains (losses) on digital assets	(152,490,550)	-
Operating costs and expenses:		
Cost of revenues	72,622	78,285
General and administrative	25,924,358	7,235,797
Research and development	2,147,222	2,241,461
Sales and marketing	406,247	833,199
Total operating costs and expenses	28,550,449	10,388,742
Total operating loss	(180,915,715)	(10,303,930)
Other income	806,037	89,367
Other expense	(8,969)	(11,468)
Gain (loss) on derivative instruments	(52,735,000)	1,376
Loss from continuing operations	(232,853,647)	(10,224,655)
Loss from discontinued operations	(241,556)	(2,439,733)
Net loss	$ (233,095,203)	$ (12,664,388)
Loss per common share, basic and diluted:		
Loss from continuing operations	(13.36)	(28.12)
Loss from discontinued operations	(0.01)	(6.71)
Net loss per common share, basic and diluted	$ (13.37)	$ (34.83)
Weighted average shares used in computation – basic and diluted	17,429,861	363,583

See accompanying notes to consolidated financial statements.

AXE COMPUTE INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

	Series B Preferred		Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance at December 31, 2023	79,246	$ 792	270,863	$ 2,709	$ 176,030,162	$ (167,761,883)	$ 8,271,780
Issuance of shares to non-employees	-	-	2,597	26	99,227	-	99,253
Issuance of shares pursuant to At-The-Market financing, net of issuance costs	-	-	107,140	1,071	3,120,931	-	3,122,002
Issuance of shares pursuant to Warrant Inducement Transaction, net of issuance costs	-	-	63,875	639	966,961	-	967,600
Stock-based compensation, net of forfeitures	-	-	-	-	1,143	-	1,143
Net loss	-	-	-	-	-	(12,664,388)	(12,664,388)
Balance at December 31, 2024	79,246	$ 792	444,475	$ 4,445	$ 180,218,424	$ (180,426,271)	$ (202,610)
Issuance of common stock pursuant to warrant exercises	-	-	739,508	7,395	1,598,532	-	1,605,927
Issuance of common stock pursuant to Registered Direct Offering, net of issuance costs	-	-	24,223	242	465,063	-	465,305
Issuance of common stock pursuant to Renovaro Extension Agreement	-	-	31,153	312	499,688	-	500,000
Issuance of common stock to non-employees as compensation	-	-	6,667	67	99,933	-	100,000
Issuance of common stock pursuant to At The Market Offering, net of issuance costs	-	-	139,680	1,397	1,528,826	-	1,530,223
Issuance of common stock pursuant to May 2025 private placement	-	-	18,692	187	299,813	-	300,000
Issuance of common stock pursuant to Yorkville SEPA commitment fee	-	-	8,033	80	99,920	-	100,000
Issuance of common stock pursuant to August 2025 private placement	-	-	36,237	362	412,731	-	413,093
Round up of fractional shares pursuant to reverse stock split	-	-	72,745	727	(727)	-	-
Issuance of shares and pre-funded warrants pursuant to October 2025 private placements, net of issuance costs	-	-	2,511,552	25,116	259,650,812	-	259,675,928
Issuance of warrants to DNA Holdings Venture pursuant to Strategic Advisor Agreement	-	-	-	-	15,350,146	-	15,350,146
Issuance of common stock in connection with restricted stock units vesting	-	-	50,208	502	(58,871)	-	(58,369)
Stock-based compensation, net of forfeitures	-	-	-	-	1,032,515	-	1,032,515
Net loss	-	-	-	-	-	(233,095,203)	(233,095,203)
Balance at December 31, 2025	79,246	$ 792	4,083,173	$ 40,832	$ 461,196,805	$ (413,521,474)	$ 47,716,955

See accompanying notes to consolidated financial statements.

AXE COMPUTE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2025	**2024**
Cash flow from continuing operating activities:		
Net loss	$ (233,095,203)	$ (12,664,388)
Less: loss from discontinued operations	(241,556)	(2,439,733)
Net loss from continuing operations	(232,853,647)	(10,224,655)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	129,038	132,337
Amortization of operating lease right-of-use assets	559,538	495,869
Write off of aged accounts payable and accrued expenses	(676,678)	-
Vesting expense	1,032,515	906
Shares of common stock and warrants issued to nonemployees	15,550,146	99,253
(Gain) loss on derivative instruments	52,735,000	(1,376)
(Gain) loss on digital assets	152,490,550	-
Loss on disposal of property and equipment	-	803
Loss on disposal of intangible assets	-	4,738
Changes in assets and liabilities:		
Accounts receivable	2,034	45,795
Prepaid expense and other assets	33,603	119,687
Accounts payable	1,005,900	(169,105)
Accrued expenses and other	751,132	(154,521)
Contract liabilities	(80,000)	(45,755)
Operating lease liability	(555,170)	(407,060)
Net cash used in continuing operating activities:	(9,876,039)	(10,103,084)
Cash flow from continuing investing activities:		
Digital assets purchased	(32,616,819)	-
Purchase of property and equipment	-	(9,510)
Net cash used in continuing investing activities:	(32,616,819)	(9,510)
Cash flow from continuing financing activities:		
Proceeds from issuance of common stock and warrants	56,005,986	4,960,562
Costs to issue common stock and warrants	(4,048,995)	(870,960)
Proceeds from issuance of financing note payable	264,048	275,098
Repayment of note payable	(156,097)	(425,506)
Payments for taxes related to net share settlement of restricted stock units	(58,369)	-
Net cash provided by continuing financing activities	52,006,573	3,939,194
Discontinued operations:		
Net cash used in operating activities	(82,538)	(1,852,587)
Net cash provided by investing activities	625,000	32,000
Net cash provided by (used in) financing activities	-	-
Net cash provided by (used in) discontinued operations	542,462	(1,820,587)
Net increase (decrease) in cash	10,056,177	(7,993,987)
Cash and cash equivalents from continuing operations at beginning of period	611,822	8,357,294
Cash and cash equivalents from discontinued operations at beginning of period	122,851	371,366
Less: Cash from discontinued operations at end of period	-	(122,851)
Cash and cash equivalents from continuing operations at end of period	$ 10,790,850	$ 611,822
Supplemental disclosure for cash flow information:		
Cash payments for interest	$ 8,960	$ 11,466
Non-cash transactions:		
Digital assets received pursuant to securities purchase agreements	62,973,982	-
Digital asset receivable received pursuant to securities purchase agreements	96,824,502	-
Vested ATH claimed from Digital Asset Receivable	3,445,865	-
Shares issued for vested restricted stock units, net of shares withheld for taxes	502	-
Common stock issued in connection with reverse stock split	727	-
Equipment transferred from discontinued operations	$ -	$ 5,140

See accompanying notes to consolidated financial statements.

NOTE 1 – ORGANIZATION

Nature of Operations

Axe Compute Inc. ("Axe Compute" or the "Company") undertook a significant strategic shift in late 2025 when the Company adopted a digital asset treasury strategy (the "Treasury Strategy") focused on the Aethir token ("ATH"), the native utility token of the Aethir network. Following the adoption of the Treasury Strategy, the Company began accumulating ATH in October 2025, and later in 2025, the Company expanded its business strategy to include a compute business under the Axe Compute brand, under which the Company seeks to provide customers with access to graphics processing unit ("GPU") compute capacity for artificial intelligence ("AI") and other high-performance computing workloads through a distributed network model, including infrastructure made available through the Aethir network. Collectively, these activities are referred to as the Compute Services and Treasury Management operating segment. Consistent with the evolution of the Company's business strategy, the Company was renamed from Predictive Oncology Inc. to Axe Compute Inc. on December 11, 2025.

Axe Compute also continues to operate its legacy oncology drug discovery solutions business designed to support the discovery and development of optimal cancer therapies. In the legacy business, the Company uses AI and its proprietary biobank of 150,000+ tumor samples, categorized by tumor type, to provide actionable insights about drug compounds to improve the drug discovery process and increase the probability of drug compound success. The Company also creates and develops tumor-specific 3D cell culture models mimicking the physiological environment of human tissue, enabling better-informed decision-making during drug development. In February 2026, the Company announced that it is exploring strategic alternatives for this oncology drug discovery solutions business, but the Company's Board of Directors has not committed to a specific course of action. Accordingly, the oncology drug discovery solutions business did not meet the criteria under Financial Accounting Standards Board (the "FASB") Accounting Standards Codification ("ASC") 205-20, *Discontinued Operations* to be classified as discontinued operations and held for sale, and therefore is reflected as continuing operations within these consolidated financial statements.

During the first quarter of 2025, the Company's former Eagan operating segment, which produced the FDA-cleared STREAMWAY System and associated products for automated medical fluid waste management and patient-to-drain medical fluid disposal, met the criteria to be reported as discontinued operations. See *Note 3 – Discontinued Operations* for further discussion.

For further discussion of the Company's operating segments as of and for the year ended December 31, 2025, see *Note 17 – Segment Information* for further discussion.

Aethir Treasury Strategy

On September 29, 2025, the Company announced the launch of its Treasury Strategy focused on ATH. Aethir is a leading decentralized physical infrastructure network developed by DCI Foundation, a Panama foundation company ("DCI"), that provides a decentralized graphics processing unit ("GPU") network, connecting producers and consumers of GPU compute power at enterprise scale, supporting applications such as artificial intelligence computation, gaming and cloud workloads. ATH, the native token of the Aethir network, is a utility token used for GPU rentals, staking, validation and the provision of network rewards on the Aethir network. ATH functions as a proxy for a unit of GPU compute power and serves as a medium of exchange and unit of incentives for participants in the Aethir network. Participants in the Aethir network can generate yield or other rewards by staking or lending ATH or by otherwise serving as a source of ATH liquidity.

Pursuant to the Treasury Strategy, the Company intends to continue acquiring additional ATH in the open market and intends to earn yield on its ATH treasury holdings by engaging in ATH staking and other activities, though the Company had not yet commenced any staking activities as of December 31, 2025. As a holder of ATH, the Company accrues unrealized gains or losses from any appreciation or depreciation, as applicable, in the value of ATH tokens, which trade on various cryptocurrency exchanges.

The Company's management is focusing its resources on the Treasury Strategy and a significant portion of the Company's balance sheet will be allocated to holding ATH pursuant to its Treasury Strategy.

Currently, the Treasury Strategy is primarily dedicated to ATH, and the Company does not intend to accumulate other digital assets in the near term. As a result, the Company's assets will be highly concentrated in a single digital asset. Adverse developments specific to ATH, its protocol, or its network could have a disproportionate impact on the Company's financial condition and results of operations.

The Company's Treasury Strategy is intended to bring value to its stockholders through the following:

- utilizing proceeds from equity and debt financings to purchase and hold ATH;
- staking the majority of the ATH in the Company's treasury to earn a staking yield and turn the treasury into a productive asset;
- purchasing ATH at a discount to the current spot price; and
- selling the Company's ATH holdings, whether on the open market, through block trades, or other negotiated transactions, for various reasons and at various times, including, in order to fund its working capital and general corporate needs.

Refer to the subheading "Risks and Uncertainties" below for further discussion regarding risks related to the Company's Treasury Strategy.

Liquidity

Since the adoption of the Company's Treasury Strategy, the Company has raised capital through private investment in public equity ("PIPE") transactions and at-the-market ("ATM") sales of shares of common stock. The Company has deployed the majority of the cash proceeds from these transactions to acquire ATH. Additional details regarding these equity offerings are included in *Note 11 – Stockholders' Equity*. These capital raises have strengthened the Company's liquidity position, and the $10.8 million of cash and cash equivalents remaining as of December 31, 2025, together with $24.4 million of digital assets, represent readily accessible sources of liquidity. The Company believes its sources of liquidity will be sufficient to allow the Company to fund its planned operations for at least the next twelve months from the date of this Annual Report on Form 10-K.

Reverse Stock Split

On September 19, 2025, the Company's stockholders approved an amendment to the Company's certificate of incorporation, as amended, to effect a one-for-fifteen reverse stock split of the Company's common stock. On September 29, 2025, the Company completed a one-for-fifteen reverse stock split that was effective for trading purposes on September 30, 2025 (the "Reverse Stock Split"). All numbers of shares and per-share amounts in this report have been adjusted to reflect the Reverse Stock Split.

As a result of the Reverse Stock Split, every 15 shares of issued and outstanding common stock were combined into one issued and outstanding share of common stock, without any change in the par value per share. No fractional shares were issued as a result of the Reverse Stock Split and any fractional shares that would otherwise have resulted from the Reverse Stock Split were rounded up to the nearest whole share. The Reverse Stock Split did not change the total number of authorized shares of common stock or preferred stock.

NASDAQ

On November 20, 2024, the Company was notified by the Listing Qualifications Department (the "Staff") of The Nasdaq Stock Market LLC ("Nasdaq") that the Company was not in compliance with the minimum stockholders' equity requirement for continued listing on The Nasdaq Capital Market as set forth in Nasdaq Listing Rule 5550(b)(1) (the "Stockholders' Equity Requirement"), because the Company's stockholders' equity of $1,966,969, as reported in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024, was below the required minimum of $2.5 million. On June 9, 2025, the Company received a letter (the "Notice") from the Staff of Nasdaq notifying the Company that because the Company had not regained compliance with the Stockholders' Equity Requirement, the Staff had determined to delist the Company's securities from The Nasdaq Capital Market. On June 11, 2025, the Company submitted a request for a hearing before Nasdaq's Hearings Panel (the "Panel"), which stayed the suspension of the Company's securities. A hearing before the Panel was held on July 17, 2025, where the Company presented plans for regaining and maintaining compliance with the continued listing standards and requested an exception from the continued listing standards through December 8, 2025, to provide the Company the ability to evidence compliance with the standards.

On July 8, 2025, the Company received a letter from the Staff indicating that the bid price for its common stock had closed below $1.00 per share for 30 consecutive business days, and that the Company was therefore not in compliance with the minimum bid price requirement for continued listing under Nasdaq Marketplace Rule 5550(a)(2) (the "Minimum Bid Price Requirement"). The notification had no immediate effect on the listing of the Company's common stock.

On July 23, 2025, the Company was notified by Nasdaq that the Panel had granted the Company's request for continued listing on The Nasdaq Capital Market pursuant to an extension through December 8, 2025, to demonstrate compliance with all continued listing requirements, including the Stockholders' Equity Requirement and Minimum Bid Price Requirement.

On September 29, 2025, the Company completed the Reverse Stock Split, which was effective for trading purposes on September 30, 2025. As a result, the Company's stock price increased significantly, and the Company regained compliance with the Minimum Bid Price Requirement as confirmed by the Staff via a letter dated October 14, 2025.

On December 1, 2025, the Company received formal notice from the Panel notifying the Company that it was in compliance with the Stockholders' Equity Requirement. Accordingly, the previously disclosed listing matter has been closed. Nasdaq's notice further stated that pursuant to Listing Rule 5815(d)(4)(B), the Company will be subject to a mandatory panel monitor for a period of one year from December 1, 2025. If, within that one-year monitoring period, the Staff finds the Company again out of compliance with the Stockholders' Equity Requirement, notwithstanding Rule 5810(c)(2), the Company will not be permitted to provide the Staff with a plan of compliance with respect to that deficiency and Staff will not be permitted to grant additional time for the Company to regain compliance with respect to that deficiency, nor will the Company be afforded an applicable cure or compliance period pursuant to Nasdaq Listing Rule 5810(c)(3). Instead, the Staff will issue a delist determination letter and the Company will have an opportunity to request a new hearing with the initial Panel or a newly convened hearings panel if the initial Panel is unavailable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The Company has prepared the consolidated financial statements in accordance with GAAP and the rules and regulations of the Securities and Exchange Commission ("SEC") for consolidated financial statements. Certain prior period amounts have been reclassified to conform to the current period presentation. The reclassified amounts had no impact on the Company's previously reported financial position or results of operations.

The Company had two wholly owned subsidiaries, Helomics Corporation and Skyline Medical Inc. ("Skyline Medical"), as of and for the years ended December 31, 2025 and 2024. Skyline Medical remained a wholly owned subsidiary of Axe Compute following the March 14, 2025 asset purchase agreement between the Company and DeRoyal Industries, Inc., but the subsidiary's ongoing activities are limited to wind down activities which were substantially completed as of December 31, 2025. The consolidated financial statements include the accounts of the Company and these wholly owned subsidiaries after elimination of intercompany transactions and balances as of and for the years ended December 31, 2025 and 2024.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and during the reporting period. Actual results could materially differ from those estimates. Estimates are used in the following areas, among others: stock-based compensation expense, fair value of derivatives including embedded derivatives, fair value of digital assets, fair value of long-lived assets for impairment analyses, the valuation allowance included in the deferred income tax calculation, and accrued expenses.

Discontinued Operations

The Company disposed of its former Eagan and Birmingham operating segments during the years ended December 31, 2025, and 2024, respectively. Disposal groups that meet the discontinued operations criteria provided in the FASB ASC 205-20-45 are classified as discontinued operations. Assets and liabilities of discontinued operations are presented separately in the Company's consolidated balance sheets and results of discontinued operations are reported as a separate component of net loss in the Company's consolidated statements of net loss for all periods presented, resulting in changes to the presentation of certain prior period amounts. Results of discontinued operations are excluded from segment results for all periods presented. Cash flows from discontinued operations are also reported separately in the Company's consolidated statements of cash flows.

Refer to *Note 3 – Discontinued Operations* for additional discussion of discontinued operations. All other notes to these consolidated financial statements present the results of continuing operations and exclude amounts related to discontinued operations for all periods presented.

Cash

The Company considers all highly liquid instruments with maturities when purchased of three months or less to be cash equivalents. The Company places its cash with high quality financial institutions and believes its risk of loss is limited to amounts in excess of that which is insured by the Federal Deposit Insurance Corporation.

Fair Value Measurements

As outlined in ASC 820, *Fair Value Measurement*, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting standards ASC 820 establishes a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

Level 1 – Observable inputs such as quoted prices in active markets;

Level 2 – Inputs other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs where there is little or no market data, which requires the reporting entity to develop its own assumptions.

The Company uses observable market data in making fair value measurements, when available. Fair value measurements are classified according to the lowest level input that is significant to the valuation.

The fair value measurements of the Company's derivatives were determined based on Level 3 inputs. The Company uses the Monte Carlo method and other acceptable valuation methodologies when valuing embedded features classified as derivatives on a recurring basis. See *Note 5 – Digital Assets* and *Note 6 – Fair Value Measurements*.

Receivables

Receivables are reported at the amount the Company expects to collect on balances outstanding. The Company provides for probable uncollectible amounts through charges to earnings and credits to the valuation allowance based on management's assessment of the status of individual accounts.

Amounts recorded in accounts receivable on the consolidated balance sheets include amounts billed and currently due from customers. The amounts due are stated at their net estimated realizable value. An allowance is maintained to provide for the estimated amount of receivables that will not be collected. The Company determines the allowance based on historical experience as well as external business factors expected to impact collectability such as economic factors. The Company reviews customers' credit history before extending unsecured credit and establishes an allowance based upon factors surrounding the credit risk of specific customers, historical trends, and other information. Invoices are generally due 30 days after presentation. Accounts receivable over 30 days is generally considered past due. The Company does not accrue interest on past due accounts receivables. Receivables are written off once all collection attempts have failed and are based on individual credit evaluation and specific circumstances of the customer.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk primarily consist of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalent balances with high quality financial institutions and, consequently, the Company believes that such funds are subject to minimal credit risk. The Company is exposed to credit risk in the event of default by the financial institutions to the extent amounts recorded on the consolidated balance sheets are in excess of insured limits. The Company has not experienced any credit losses in such accounts and does not believe it is exposed to any significant credit risk on these funds.

Digital Assets

The Company's digital assets primarily include holdings of ATH, which are measured at fair value in accordance with ASC 350-60, *Intangibles – Goodwill and Other, Crypto Assets*.

The Company reflects digital assets held at fair value on the consolidated balance sheets within the line item "Digital assets." Changes in the fair value of digital assets are recognized in the consolidated statements of net loss within "Gains (losses) on digital assets."

The Company uses OKX as its principal market for ATH and measures fair value in accordance with ASC 820, *Fair Value Measurement*, using quoted prices (Level 1 inputs) at 11:59PM EST each day. The Company applies a first-in, first-out methodology to assign cost for determining realized gains and losses.

Purchases and sales of ATH are reflected as cash flows from investing activities in the consolidated statements of cash flows. Contributions of ATH received in connection with the equity offering transactions are presented as non-cash financing activities in the consolidated statements of cash flows. Contributions of ATH received from DCI are presented within adjustments to reconcile net loss to net cash used in operating activities in the consolidated statements of cash flows.

Refer to *Note 5 – Digital Assets* for additional information.

Digital Asset Receivable

Digital asset receivable represents the Company's contractual right to receive ATH tokens in the future upon satisfaction of time-based vesting conditions. Because the Company does not control the underlying ATH tokens prior to vesting and claim, the locked ATH tokens are accounted for as a receivable rather than as a digital asset.

On the consolidated balance sheet, the host receivable component is presented as "Digital asset receivable." The fair value of tokens that unlock within twelve months from December 31, 2025 is classified as a current asset, while the fair value of the remainder of locked tokens is classified as a noncurrent asset.

The embedded derivative associated with the digital asset receivable, reflecting the changes in fair value of the ATH to be received, is presented within the same line item as the host receivable and is measured at fair value at each reporting date. Changes in the fair value of the embedded derivative are recognized in the consolidated statements of net loss within "Gains (losses) on digital assets."

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets. Estimated useful asset life by classification is as follows:

	Years		
Computers, software, and office equipment	3	-	10
Leasehold improvements (1)	1	-	2
Laboratory equipment	4	-	10

(1) Leasehold improvements are amortized over the shorter of the useful life or the remaining lease term.

Upon retirement or sale of property and equipment, the cost and related accumulated depreciation are removed from the consolidated balance sheet and the resulting gain or loss is reflected in operations. Maintenance and repairs are charged to operations expense as incurred.

Long-lived Assets

The Company reviews long-lived assets for impairment in accordance with ASC 360, *Property, Plant and Equipment*, whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Events or changes in circumstances that indicate the carrying amount may not be recoverable include, but are not limited to, a significant change in the medical device marketplace and a significant adverse change in the business climate in which the Company operates.

The recoverability of an asset to be held and used is determined by comparing the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated undiscounted future cash flows, the Company records an impairment charge in the amount by which the carrying amount of the asset exceeds its fair value, which is determined by either a quoted market price, if any, or a value determined utilizing discounted cash flow techniques.

Leases

At inception of a contract a determination is made whether an arrangement meets the definition of a lease. A contract contains a lease if there is an identified asset, and the Company has the right to control the asset. Operating leases are recorded as right-of-use ("ROU") assets with corresponding current and noncurrent operating lease liabilities on our consolidated balance sheets.

ROU assets represent our right to use an underlying asset for the duration of the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Recognition on the commencement date is based on the present value of lease payments over the lease term using an incremental borrowing rate. Leases with a term of 12 months or less at the commencement date are not recognized on the consolidated balance sheet and are expensed as incurred.

The Company has lease agreements with lease and non-lease components, which are accounted for as a single lease component for all asset classes. Variable lease payments generally represent the Company's share of the landlord's expenses and are recorded when incurred. Leases are accounted for at a portfolio level when similar in nature with identical or nearly identical provisions and similar effective dates and lease terms.

Revenue Recognition

The Company recognizes revenue when it satisfies a performance obligation by transferring control of the promised goods or services to its customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. The Company recognizes revenue in accordance with the five-step process outlined in ASC 606, *Revenue from Contracts with Customers* ("ASC 606"): (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. Sales taxes are imposed on the Company's sales to nonexempt customers. The Company collects the taxes from the customers and remits the entire amount to the governmental authorities. Sales taxes are excluded from revenue and expenses. Advertising costs incurred in the Company's efforts to obtain new customers are expensed as incurred.

Revenues from Services

The Company generates revenues from Contract Research Organization ("CRO") services related to the development of 3D tumor-specific in vitro models for oncology drug discovery and research. The organ-specific disease models provide 3D reconstruction of human tissues accurately representing each disease state and mimicking drug response.

The specific pattern of revenue recognition for CRO services is determined on a case-by-case basis according to the facts and circumstances applicable to a given contract. The Company may execute a master service agreement with a customer that provides terms and conditions for the relationship between the Company and the customer. Detailed Statements of Work (SOWs) are then prepared to outline the specific services to be provided. The SOW and master service agreement, if applicable, form the contract with the customer under ASC 606. The Company evaluates each product or service promised in a contract to determine whether it represents a distinct performance obligation. Determining whether services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. Contracts for CRO services generally contain one performance obligation to perform research and deliver appropriate data or reporting. The Company typically requires partial payment for CRO services prior to performance of the research service with the remainder of the transaction price due 30 days after delivery of data or reporting. Revenues from CRO services are generally recognized at the point in time when data and reports are provided to customers.

Contract Balances

The Company records a receivable when it has an unconditional right to receive consideration after the performance obligations are satisfied. Advance payments received in excess of revenues recognized are classified as contract liabilities until such time as the revenue recognition criteria have been met.

Practical Expedients

The Company has elected not to determine whether contracts with customers contain significant financing components as contracts are generally for less than one year. The Company immediately expenses contract costs that would otherwise be capitalized and amortized over a period of less than one year. The Company recognizes shipping and handling costs at point of sale.

Stock-Based Compensation

The Company accounts for stock-based compensation expense in accordance with ASC 718, *Compensation—Stock Compensation*, which requires the Company to measure and recognize compensation expense in the financial statements based on the fair value at the date of grant for stock-based awards. The Company recognizes compensation expense for service-based equity-classified awards over their requisite service period and adjusts for forfeitures as they occur.

ASC 718 requires companies to estimate the fair value of stock-based payment awards on the date of grant using an option-pricing model. The Company uses the Black-Scholes option-pricing model which requires the input of significant assumptions including an estimate of the average period of time employees and directors will retain vested stock options before exercising them, the estimated volatility of the Company's common stock price over the expected term, and the risk-free interest rate.

When an option or warrant is granted in place of cash compensation for services, the Company deems the value of the service rendered to be the value of the option or warrant. In most cases, however, an option or warrant is granted in addition to other forms of compensation and its separate value is difficult to determine without utilizing an option pricing model. For that reason, the Company also uses the Black-Scholes option-pricing model to value options and warrants granted to non-employees, which requires the input of significant assumptions including an estimate of the average period that investors or consultants will retain vested stock options and warrants before exercising them, the estimated volatility of the Company's common stock price over the expected term, and the risk-free interest rate. In the case of options granted to employees, the Company estimates the life to be the legal term.

Changes in the assumptions can materially affect the estimate of fair value of stock-based compensation and, consequently, the related expense recognizes that. The Company's common stock has been traded on the NASDAQ Capital Market exchange since 2015 and the Company has experienced significant volatility in its stock price. The assumptions used in calculating the fair value of stock-based payment awards represent the Company's best estimates, which involve inherent uncertainties and the application of management's judgment. As a result, if factors change and the Company uses different assumptions, its stock-based compensation expense could be materially different in the future.

The Company has a sequencing policy under ASC 815-40-35 that will apply if reclassification of contracts from equity to liabilities is necessary. If the Company is unable to demonstrate it has sufficient authorized shares, shares will be allocated based on the earliest issuance date of potentially dilutive financial instruments, with the earliest financial instruments receiving the first allocation of shares. Pursuant to ASC 815, stock-based awards issued to the Company's employees are not subject to the sequencing policy.

Research and Development

Research and development costs are charged to operations as incurred. These costs include employee compensation costs, facilities and overhead, cloud computing costs, and other expenses incurred related to the pursuit of new products and services or enhancements to existing products and services.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes* ("ASC 740"). Under ASC 740, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and net operating loss and credit carryforwards using enacted tax rates in effect for the year in which the differences are expected to impact taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.

The Company reviews income tax positions expected to be taken in income tax returns to determine if there are any income tax uncertainties. The Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on technical merits of the positions. The Company has identified no income tax uncertainties.

Under Internal Revenue Code Section 382, certain stock transactions that significantly change ownership could limit the amount of net operating carryforwards that may be utilized on an annual basis to offset taxable income in future periods. Consequently, the Company performed a Section 382 analysis as of December 31, 2025, which resulted in the limitation and expiration of a substantial portion of the Company's loss carryforwards. In addition, the current net operating loss ("NOL") carryforwards might be further limited by future issuances of our common stock. See *Note 14 – Income Taxes*.

Tax years after 2005 remain open to examination by federal and state tax authorities due to unexpired net operating loss carryforwards.

Loss per Share

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. Pre-funded warrants are included in the computation of earnings per share because the exercise price of the pre-funded warrants is nominal and there are no conditions that must be satisfied prior to their exercise. Diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. The diluted loss per share calculation excludes any potential conversion of options and warrants that would be anti-dilutive.

Risks and Uncertainties

The Company is subject to various risks including market risk, liquidity risk and other risks related to its concentration in ATH.

The price of ATH has been, and will likely continue to be, highly volatile. Our financial results and the market price of our common stock could be materially adversely affected if the price of ATH decreases substantially, as it has in the past, including as a result of shifts in market sentiment, speculative trading, macroeconomic trends, technology-related disruptions and regulatory announcements.

The Company holds its digital assets with a custodian that safeguards the Company's private keys. The Company's digital assets are controllable only by the possessor of both the unique public key and private key(s). The custodial services contracts do not restrict the Company's ability to reallocate its digital assets among custodians. The Company's ability to access, transfer, or withdraw its digital assets is therefore not contractually restricted, and the Company is able to convert or reallocate digital assets as needed to meet operating requirements or settle obligations. Cybersecurity threats, including hacking, phishing and other malicious attacks, could result in the loss, theft or misappropriation of our digital assets. If we or our third-party service providers experience a security breach or cyberattack and unauthorized parties obtain access to our private keys, or if our private keys are lost or destroyed, or other similar circumstances or events occur, we may lose some or all of our digital assets and our financial condition and results of operations could be materially adversely affected.

The Company also remains subject to risks associated with the biopharmaceutical industry. Risks include, but are not limited to, development by the Company or its competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, and compliance with regulations of the Food and Drug Administration, Clinical Laboratory Improvement Amendments, and other governmental agencies.

The Company is also subject to general economic and geopolitical uncertainties caused by inflation, rising interest rates, supply chain disruptions, tight labor markets, wage inflation, pricing volatility for certain goods and services, banking and financial sector disruptions, instability and volatility in the global markets, disruptions from a global pandemic, and geopolitical conflict. The impacts of economic and other global events could have a material adverse effect on our business, results of operations, liquidity or financial condition and heighten or exacerbate risks related to the Company.

The Company has evaluated all its activities and concluded that no other subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements, except as described above and in *Note 18 – Subsequent Events*.

Recent Accounting Pronouncements

The Company considers the applicability and impact of all Accounting Standards Updates ("ASUs") issued by the FASB. Recently issued ASUs not listed below either were assessed and determined to be not applicable or are currently expected to have no impact on the consolidated financial statements of the Company.

In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU requires more detailed disclosures related to certain costs and expenses. The guidance requires entities to disclose amounts of certain expense categories included in expense captions presented on the face of the income statement, including purchases of inventory, employee compensation, depreciation, and intangible asset amortization. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027, with early adoption permitted. The disclosure requirements may be applied either prospectively or retrospectively. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

Recently Adopted Accounting Standards

Effective January 1, 2025, the Company adopted ASU 2023-08, *Accounting for and Disclosure of Crypto Assets*, which requires certain crypto assets that meet the scope criteria of ASC 350-60 to be measured at fair value, with changes recognized in net income each reporting period. Upon adoption, the Company began presenting in-scope digital assets separately from other intangible assets on the Consolidated Balance Sheets and recognizing unrealized gains and losses from remeasurement within "Gains (losses) on digital assets" in the Consolidated Statements of Net Loss. The Company also provides enhanced disclosures regarding the nature and amount of digital assets held, including the name of each significant digital asset, units held, cost basis, fair value, and the fair value of any digital assets subject to contractual sale restrictions. The adoption of ASU 2023-08 did not result in a cumulative-effect adjustment to opening retained earnings due to the commencement of the Company's ATH Treasury Strategy in September 2025.

Effective January 1, 2025, the Company adopted ASU 2023-09, *Improvements to Income Tax Disclosures*, which requires expanded disaggregation of income tax information to enhance transparency and comparability. As a result, the Company now presents a more detailed reconciliation of the U.S. federal statutory income tax rate to the Company's effective tax rate, including separate disclosure of state and local income taxes, foreign tax effects, tax credits, valuation allowance changes, nondeductible items, and changes in unrecognized tax benefits. The Company also discloses income taxes paid (net of refunds) disaggregated by federal, state, and significant foreign jurisdictions, including any individual jurisdiction that represents 5% or more of total income taxes paid. In addition, the Company now presents pretax income (loss) and income tax expense (benefit) disaggregated between domestic and foreign operations, with separate disclosure for any significant individual foreign jurisdictions. The Company adopted ASU 2023-09 on a retrospective basis.

NOTE 3 – DISCONTINUED OPERATIONS

In July 2024, the Company's Board of Directors approved a plan to implement a strategic cost savings initiative, primarily related to the Company's Birmingham laboratory. In September 2024, the Company transferred certain pieces of computer hardware with alternative use to the Pittsburgh laboratory, which conducts the Company's oncology drug discovery business, while the rest of the laboratory equipment and inventories from the Birmingham laboratory were marketed for sale and the related product and service lines were discontinued. The Company executed a sales agreement for all remaining laboratory equipment and inventories from the Birmingham laboratory and all items were removed from the laboratory premises as of September 30, 2024. As of September 30, 2024, the Company vacated and ceased use of the Birmingham laboratory and office space. The Company's lease continued through August 2025. The Company concluded that, in aggregate, the disposal of the assets comprising the former Birmingham operating segment met the criteria for discontinued operations presentation in the third quarter of 2024.

On March 14, 2025, the Company entered into an asset purchase agreement (the "APA") and closed the transactions contemplated therein with DeRoyal Industries, Inc., a Tennessee corporation ("DeRoyal"), to sell and assign to DeRoyal assets and liabilities exclusively related to the business of providing products for automated, direct-to-drain medical fluid disposal, including the Company's STREAMWAY® product line (the "Eagan Business"). These assets were operated by the Company's wholly owned subsidiary, Skyline Medical, and were previously reported in the Company's Eagan operating segment. The purchased assets exclusively related to the Eagan Business included but were not limited to cash, certain accounts receivable, inventories, patents, fixed assets, and real property leased by the Company and exclusively used in connection with the Eagan Business. The total purchase price for the purchased assets was $625,000, plus the assumption of certain liabilities related to the Eagan Business including the lease for the office and warehouse space located at 2915 Commers Drive Suite 900 Eagan, MN 55121, certain accounts payable, and contract liabilities associated with the Eagan Business.

As a result of these developments, the former Birmingham and Eagan operating segments have been reclassified to discontinued operations in these condensed consolidated financial statements for all periods presented.

The following table presents a reconciliation of the carrying amounts of the major classes of assets and liabilities to the current assets and liabilities of discontinued operations as presented in the Company's condensed consolidated balance sheets:

	December 31, 2025	December 31, 2024
Assets:		
Cash	$ -	$ 122,851
Accounts receivable, net	-	746,266
Inventories	-	339,968
Prepaid expense and other assets	-	52,318
Total current assets of discontinued operations	-	1,261,403
Property and equipment, net	-	21,882
Intangibles, net	-	159,158
Lease right-of-use assets	-	17,266
Other long-term assets	-	4,031
Total assets of discontinued operations	$ -	$ 1,463,740
Liabilities:		
Accounts payable	$ -	$ 97,780
Accrued expenses and other liabilities	-	248,086
Contract liabilities	-	80,909
Lease liability	-	106,609
Total current liabilities of discontinued operations	-	533,384
Lease liability – net of current portion	-	-
Other long-term liabilities	-	23,487
Total liabilities	$ -	$ 556,871

The following table provides details about the major classes of line items constituting the loss from discontinued operations presented in the Company's consolidated statements of net loss:

	Year Ended December 31,	
	2025	2024
Revenue	$ 157,179	$ 1,571,795
Cost of sales	122,800	751,147
Gross profit from discontinued operations	34,379	820,648
Operating expenses:		
General and administrative	209,550	1,039,950
Operations, research and development	126,505	1,115,595
Sales and marketing	130,318	637,400
Total operating expenses	466,373	2,792,945
Total operating (loss) from discontinued operations	(431,994)	(1,972,297)
Gain (loss) on disposal of discontinued operations	172,451	(463,127)
Other income (expense)	17,987	(4,309)
Net (loss) from discontinued operations	$ (241,556)	$ (2,439,733)

The gain on disposal of discontinued operations for the year ended December 31, 2025 represents the gain on assets sold and liabilities assumed by DeRoyal related to the former Eagan operating segment. The loss on disposal of discontinued operations for the year ended December 31, 2024 represents the loss on impairment of assets sold, including laboratory equipment and inventories, and impairment of other non-current assets related to the former Birmingham operating segment.

NOTE 4 – CONTRACTS WITH CUSTOMERS

The Company records a receivable when it has an unconditional right to receive consideration after the performance obligations are satisfied. As of December 31, 2025, and 2024, accounts receivable totaled $32,120 and $34,154, respectively. The allowance for accounts receivable balance was $0 as of both December 31, 2025, and 2024.

Advance payments received in excess of revenues recognized are classified as contract liabilities until such time as the revenue recognition criteria have been met. The Company's contract liabilities, related primarily to development of 3D models, were $144,076 and $224,076 as of December 31, 2025, and 2024, respectively. During the year ended December 31, 2025, the Company recognized revenue of $80,000 from contract liabilities recorded as of December 31, 2024, primarily related to deposits for development of 3D models. The Company's contract liabilities as of December 31, 2025, represent its remaining performance obligations.

NOTE 5 – DIGITAL ASSETS

The Company's digital assets, as shown on the consolidated balance sheet as of December 31, 2025, were primarily comprised of ATH. The following table sets forth the units held, cost basis, and fair value of ATH held as of December 31, 2025:

	Units Held	Cost Basis	Fair Value
ATH	2,837,163,868	$ 101,258,178	$ 24,439,334

Cost basis is equal to the cost (purchase price) of the digital assets, including transaction fees, if any, at the time of purchase or upon receipt. Fair value represents the quoted digital asset prices within the Company's principal market at the measurement time (11:59 EST).

The following table represents a reconciliation of digital assets held, for ATH specific activity:

	For the Year Ended December 31, 2025
Fair Value, January 1, 2025	$ -
Unlocked ATH received from investors	62,973,982
ATH contributed by DCI pursuant to Side Letter	2,230,949
ATH claimed from digital asset receivable	3,445,865
Purchases of ATH	32,607,382
Disposals	-
Unrealized gain / (loss)	(76,818,844)
Fair Value, December 31, 2025	$ 24,439,334

Side Letter

In connection with the private placements completed in October 2025 to support the Treasury Strategy, the Company entered into a side letter agreement (the "Side Letter") with DCI, effective as of October 7, 2025. The Side Letter provides, in addition to other rights afforded to the Company, that for each ATH token purchased by the Company on the open market, whether through a centralized exchange or a decentralized exchange operating on the Ethereum Network, DCI will grant to the Company an additional number of ATH tokens equal to 20% of the number of ATH tokens purchased on the open market to be delivered within 30 days of the open market purchase (the "Bonus ATH"). There are no restrictions on the Company's use of the Bonus ATH once received. The Company accounts for the Side Letter as a derivative instrument. As of December 31, 2025, no derivative asset was recorded because the Company had received from DCI all Bonus ATH due under the Side Letter for open market purchases made during the period.

During the year ended December 31, 2025, the Company received approximately 236 million ATH with a cost basis of $2.2 million pursuant to the Side Letter as a result of open market purchases totaling approximately 1.18 billion ATH. The cost basis of the ATH received pursuant to the Side Letter and subsequent fair value adjustments thereto are recorded within "Gains (losses) on digital assets" on the Consolidated Statements of Net Loss.

Digital asset receivable

A portion of the Company's ATH holdings consists of contractual rights to receive ATH tokens that are subject to time-based vesting and transfer restrictions ("Locked ATH"). Locked ATH was obtained pursuant to Simple Agreements for Future Tokens ("SAFTs") and is administered through an on-chain smart contract deployed on the Ethereum mainnet. Prior to vesting and claim, the Company does not have control of the underlying ATH tokens and is not able to transfer, sell, stake, pledge, or otherwise deploy such tokens.

The smart contract enforces the applicable vesting schedules and restricts access to the ATH tokens until the vesting conditions are satisfied. Upon satisfaction of the vesting conditions, the Company must affirmatively claim the unlocked ATH tokens through the smart contract interface, at which point the tokens are released from restriction and transferred to a Company-controlled wallet. Until such claim occurs, the Locked ATH represents a contractual right to receive ATH in the future rather than a digital asset held by the Company.

As of December 31, 2025, the Company held rights to receive ATH tokens that remain subject to vesting and claim requirements. The vesting period for these ATH tokens ranges from less than one month to approximately 3 years. These restrictions are specific to the underlying ATH tokens. Upon vesting and claim, the restrictions lapse and the Company obtains control of the ATH tokens, which may then be held, transferred to custodial accounts, staked, or otherwise deployed in accordance with the Company's Treasury Strategy.

As of December 31, 2025, the Company had a digital asset receivable $15.5 million related to the Locked ATH comprised of the host receivable recorded at $93.4 million, net of the embedded derivative measured at fair value of $77.9 million. The change in fair value of the embedded derivative of $77.9 million during the year ended December 31, 2025 is recorded in the consolidated statements of net loss within "Gains (losses) on digital assets."

NOTE 6 – FAIR VALUE MEASUREMENTS

The following table summarizes the Company's fair value hierarchy for its assets measured at fair value on a recurring basis:

December 31, 2025	Fair Value	Level 1	Level 2	Level 3
Assets:				
Digital assets	$ 24,439,598	$ 24,439,598	$ -	$ -
Embedded derivative related to digital asset receivable	77,893,482			77,893,482

December 31, 2024	Fair Value	Level 1	Level 2	Level 3
Assets:				
Money market funds	$ 300,000	$ 300,000	$ -	$ -

The embedded derivative related to the digital asset receivable must be remeasured at fair value each reporting period in accordance with ASC 815, *Derivatives and Hedging*. Because there is no directly observable market for illiquid, contractually restricted ATH tokens subject to a time-based vesting schedule, the embedded derivative is classified as Level 3. The key unobservable input is the discount applied to reflect the lack of transferability and control during the restriction period. The discount is determined based on the remaining vesting period from each reporting period to the date on which the tokens become fully vested and available to claim, and is reduced ratably at each subsequent measurement date until it reaches zero at full vesting. As of December 31, 2025, applied discounts ranged from approximately 30% to 55%. Changes in fair value of the embedded derivative are recognized in the consolidated statements of net loss within "Gains (losses) on digital assets." There were no transfers into or out of Level 3 of the fair value hierarchy during the year ended December 31, 2025.

NOTE 7 – PROPERTY AND EQUIPMENT, NET

The Company's property and equipment, net consisted of the following:

	As of December 31, 2025	As of December 31, 2024
Computers, software, and office equipment	$ 170,350	$ 170,350
Leasehold improvements	166,847	306,961
Laboratory equipment	1,692,230	1,692,230
Total	2,029,427	2,169,541
Less: Accumulated depreciation	(1,806,299)	(1,821,953)
Total Property and equipment, net	$ 223,128	$ 347,588

Depreciation expense, recorded within general and administrative expenses of continuing operations, was $124,460 and $127,354 for the years ended December 31, 2025, and 2024, respectively.

No impairment charges related to property and equipment held and used in continuing operations were incurred during the years ended December 31, 2025, and 2024.

NOTE 8 – LEASES

The Company's corporate offices and other offices are located in Pittsburgh, Pennsylvania. The leases are effective through February 29, 2028.

Lease expense under operating lease arrangements, recorded within general and administrative expenses of continuing operations, was $784,674 and $784,873 for the years ended December 31, 2025, and 2024, respectively.

The following table summarizes other information related to the Company's operating leases used in continuing operations:

	December 31, 2025	December 31, 2024
Weighted average remaining lease term – operating leases in years	2.16	3.16
Weighted average discount rate – operating leases	13%	13%

The Company's operating lease obligations as of December 31, 2025, which include expected lease extensions that are reasonably certain of renewal, were as follows:

2026	803,724
2027	827,909
2028	139,022
Total lease payments	1,770,655
Less: interest	(212,417)
Present value of lease liabilities	$ 1,558,238

NOTE 9 – CONTINGENCIES

In the ordinary course of business, the Company may be subject from time to time to various proceedings, lawsuits, disputes, or claims. In accordance with FASB ASC Topic 450, Contingencies ("ASC 450"), the Company accrues a liability for legal contingencies when it is probable that a liability has been incurred, and the amount of the loss can be reasonably estimated. If there is at least a reasonable possibility that a loss may be incurred, ASC 450 requires disclosure of a loss contingency.

On January 1, 2025, the Company entered into a binding letter of intent (the "LOI") with Lunai Bioworks (formerly Renovaro, Inc.) (NASDAQ: LNAI, formerly RENB) ("Renovaro") for Axe Compute to be acquired by Renovaro (the "Renovaro Merger"). Under the terms of the LOI, Axe Compute would be merged into Renovaro in exchange for a newly created series of preferred stock of Renovaro. On February 28, 2025, Axe Compute entered into an extension agreement with Renovaro (the "Extension Agreement"), pursuant to which the parties amended certain terms of the LOI, including to extend the outside termination date of the LOI from February 28, 2025 to March 31, 2025. No definitive purchase agreement was executed as of March 31, 2025 and the LOI terminated on that date, pursuant to its terms. Axe Compute had no further obligations with respect to the Renovaro Merger, including under the LOI or the Extension Agreement. On April 3, 2025, Axe Compute's Board of Directors notified Renovaro of the Company's decision to discontinue discussions regarding the proposed merger between the two companies.

On May 8, 2025, Renovaro filed a lawsuit in Delaware Chancery Court claiming breaches by the Company of the LOI and the Extension Agreement and seeking to compel the Company to enter into a merger agreement with Renovaro. The Company does not believe the lawsuit has merit and continues to contest it vigorously. It is not possible to estimate the amount of any loss or range of possible loss that might result from this lawsuit. However, because the final outcome cannot be predicted with certainty, unfavorable or unexpected developments or outcomes could result in a material impact to the Company's financial condition and results of operations.

NOTE 10 – NOTE PAYABLE

In June 2025, the Company purchased director and officer insurance policies with a policy period ending June 2026 and financed $264,048 of its total premium by entering into a note payable with a finance provider that requires ten monthly installment payments through April 2026. The note is secured by a first priority lien on the financed policies. The short-term note bears interest at an annual percentage rate of 6.6% over the life of the note. As of December 31, 2025, the outstanding balance of the note was $107,951 including interest.

In June 2024, the Company purchased director and officer insurance policies with a policy period ending June 2025 and financed $275,098 of its total premium by entering into a note payable with a finance provider that required ten monthly installment payments through April 2025. The note was secured by a first priority lien on the financed policies. The short-term note bore interest at an annual percentage rate of 8.0% over the life of the note. As of December 31, 2024, there was no outstanding balance on the note.

NOTE 11 – STOCKHOLDERS' EQUITY

Registered Direct Offering

On February 18, 2025, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with several institutional and accredited investors for the sale by the Company of 24,223 shares (the "Registered Direct Offering Shares") of the Company's common stock, par value $0.01 per share, at a purchase price of $22.50 per share, in a registered direct offering. The offering closed on February 19, 2025. The gross proceeds to the Company from the offering were approximately $545,000, before deducting the placement agent's fees and other offering expenses. The Registered Direct Offering Shares were offered and sold by the Company pursuant to an effective shelf registration statement on Form S-3 (File No. 333-279123).

The Company agreed to pay H.C. Wainwright & Co., LLC ("Wainwright"), as placement agent, an aggregate fee equal to 7.0% of the gross proceeds received by the Company from the sale of the securities in the offering as well as a management fee equal to 1.0% of such gross proceeds, and $15,000 for fees and expenses of legal counsel. The Company also issued to Wainwright, or its designees, warrants to purchase up to 7.0% of the aggregate number of shares of the Company's common stock sold in the transactions, or warrants to purchase up to an aggregate of 1,698 shares of the Company's common stock (the "Registered Direct Offering Placement Agent Warrants"). The Registered Direct Offering Placement Agent Warrants are exercisable for five years from the commencement of sales in the offering and have an exercise price equal to 125% of the purchase price of shares of the Company's common stock sold in the offering, or $28.13 per share. The Registered Direct Offering Placement Agent Warrants and the shares issuable upon exercise of the Registered Direct Offering Placement Agent Warrants were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act as transactions not involving a public offering and in reliance on similar exemptions under applicable state laws.

Renovaro Subscription Agreement

On March 13, 2025, the Company executed a share subscription agreement with Renovaro, pursuant to the Extension Agreement dated February 28, 2025, that amended the previous LOI between the parties. Pursuant to the share subscription agreement, Renovaro subscribed to purchase and the Company sold to Renovaro 31,153 unregistered shares of the Company's common stock at a price of $16.05 per share for a total purchase price of $500,000. The closing of this share issuance occurred on March 17, 2025.

May 2025 Private Placement

On May 13, 2025, the Company executed a share subscription agreement with an institutional and accredited investor for the sale, in a private placement, by the Company of 18,692 shares of the Company's common stock at a price of $16.05 per share for a total purchase price of $300,000. The closing of this share issuance occurred on June 3, 2025.

At The Market Offering

On May 3, 2024, the Company entered into an ATM Sales Agreement (the "Sales Agreement") with Wainwright, pursuant to which the Company may offer and sell, from time to time, through Wainwright, shares of its common stock through an "at the market offering" program pursuant to which Wainwright will act as sales agent. Subject to the terms and conditions of the Sales Agreement, Wainwright is permitted to sell the shares by methods deemed to be an "at the market offering" as defined in Rule 415(a)(4) promulgated under the Securities Act of 1933, as amended. The Sales Agreement provides that Wainwright will be entitled to compensation for its services of 3.0% of the gross sales price of all shares sold through Wainwright under the Sales Agreement. The Company is subject to certain restrictions on its ability to offer and sell shares of its common stock under the Sales Agreement.

On May 6, 2024, following execution of the Sales Agreement, the Company filed with the SEC a shelf registration statement on Form S-3 (the "May 2024 Shelf Registration Statement"). The May 2024 Shelf Registration Statement, as amended, was declared effective by the SEC on May 21, 2024 and included a prospectus supplement (the "Initial ATM Prospectus Supplement") to the base prospectus related to the offering of up to $3,696,000 of shares of the Company's common stock under the Sales Agreement. As of May 31, 2024, the Company had offered and sold 107,140 shares of common stock under the Initial ATM Prospectus Supplement for gross proceeds of approximately $3,696,000. The net proceeds from the shares offered and sold in May 2024, after deducting commissions and offering expenses, were approximately $3,122,000.

On April 18, 2025, in accordance with the terms of the Sales Agreement, the Company filed a prospectus supplement to the May 2024 Shelf Registration Statement relating to the offer and sale of up to an additional $1,491,000 of shares of the Company's common stock.

On June 2, 2025, in accordance with the terms of the Sales Agreement, the Company determined to further increase the number of shares it may sell under the Sales Agreement, from the approximately $1,352,000 remaining as of May 31, 2025 up to an aggregate of $3,398,000, and the Company filed an additional prospectus supplement with the SEC on June 2, 2025.

On October 29, 2025, in accordance with the terms of the Sales Agreement, the Company determined to further increase the number of shares it may sell under the Sales Agreement, from the approximately $2,292,000 remaining as of September 30, 2025 up to an aggregate of $18,330,000, and the Company filed an additional prospectus supplement with the SEC on October 29, 2025.

As of December 31, 2025, approximately $18,330,000 remained available to the Company for sales under the Sales Agreement.

During the year ended December 31, 2025, the Company issued and sold 139,680 shares of common stock under the Sales Agreement resulting in net proceeds to the Company of approximately $1,530,000 after deducting approximately $342,000 in issuance costs.

Standby Equity Purchase Agreement

On July 1, 2025, the Company entered into a standby equity purchase agreement (the "SEPA") with YA II PN, LTD., a Cayman Islands exempt limited company ("Yorkville"). Pursuant to the SEPA, the Company has the right to sell to Yorkville up to $10 million in shares of its common stock, subject to certain limitations and conditions set forth in the SEPA, from time to time during the term of the SEPA. Sales of the shares of common stock to Yorkville under the SEPA, and the timing of any such sales, are at the Company's option, and the Company is under no obligation to sell any shares of common stock to Yorkville under the SEPA. In connection with the execution of the SEPA, the Company issued 8,033 shares of its common stock to Yorkville as consideration for its commitment to purchase the Company's common stock pursuant to the SEPA.

The Company has the right, but not the obligation, from time to time at its discretion until the first day of the month following the 36-month period after the date of the SEPA, to direct Yorkville to purchase a specified number of shares of the Company's common stock (each such sale, an "Advance") by delivering written notice to Yorkville (each, an "Advance Notice"). The per share purchase price for the shares of common stock, if any, that the Company elects to sell to Yorkville in an Advance pursuant to the SEPA will be determined by reference to the volume weighted average price of the Company's common stock (the "VWAP") and calculated in accordance with the SEPA, less a discount of 4.0%. The Company filed a registration statement on Form S-1 for the resale of up to 128,114 shares by Yorkville on July 18, 2025, which was declared effective by the SEC on July 28, 2025.

On September 19, 2025, the Company received approval from its stockholders to issue shares of its common stock to Yorkville under the SEPA in excess of 19.99% of the number of shares of common stock outstanding as of the date of the SEPA (the "Exchange Cap"). Yorkville is not obligated to purchase or acquire, and shall not purchase or acquire, any shares of common stock under the SEPA which, when aggregated with all other shares of the Company's common stock then beneficially owned by Yorkville and its affiliates (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder), would result in the beneficial ownership by Yorkville and its affiliates exceeding 4.99% of the then outstanding voting power or number of shares of the Company's common stock.

As of December 31, 2025, the Company had sold no shares pursuant to the SEPA.

August 2025 Private Placement

On August 26, 2025, the Company entered into a securities purchase agreement with an accredited investor pursuant to which it sold and issued 36,237 shares of its common stock, at a purchase price of $11.40 per share, in a private placement transaction. This offering closed on August 26, 2025 and the Company received gross proceeds of $413,093.

September 2025 Private Placements and Related Agreements

On September 29, 2025, the Company entered into a securities purchase agreement (the "Crypto SPA") with certain accredited investors pursuant to which the Company agreed to sell and issue to such investors in a private placement (the "Crypto PIPE Offering") pre-funded warrants (the "Crypto PIPE Warrants"). Also on September 29, 2025, the Company entered into a securities purchase agreement (the "Cash SPA," and together with the Crypto SPA, the "September SPAs"), pursuant to which it agreed to sell and issue to certain accredited investors, in exchange for cash (the "Cash PIPE Offering," and together with the Crypto PIPE Offering, the "PIPE Offerings"), the Company's common stock and warrants (the "Cash PIPE Warrants"). The PIPE Offerings closed October 7, 2025 (the "Closing Date").

Cash PIPE and Crypto PIPE

In the Cash PIPE Offering, the Company sold an aggregate of 4,366,703 shares of common stock (or pre-funded warrants at a nominal $0.01 exercise price per share to purchase shares of common stock, in lieu thereof) to certain accredited investors for $11.6265 per share. Aggregate Cash PIPE Offering proceeds were $50.8 million before issuance fees and expenses.

In the Crypto PIPE, the Company issued, to certain accredited investors, Crypto PIPE Warrants to purchase up to 14,903,393 shares of its common stock at a nominal $0.01 exercise price per share. As consideration for the Crypto PIPE Warrants, the Company received ATH from purchasers, including tokens with certain restrictions (see "Locked ATH" as defined below), with an aggregate notional value and discounted value of $292.7 million and $173.3 million, respectively.

The Crypto SPA was determined to meet the definition of a derivative in accordance with ASC 815. The settlement amount of the derivative was affected by changes in the USD value of ATH contributed by investors between the effective date of the Crypto SPA on September 29, 2025, and the Closing Date. Because the Crypto SPA obligated the Company to issue a fixed number of shares while the settlement value of those shares was indexed to the price of ATH, the Crypto SPA was classified as a derivative liability and the Company recorded a liability as of September 29, 2025, at its then-fair value with the offsetting entry to earnings. The derivative liability was remeasured as of October 7, 2025 immediately prior to settlement, resulting in a $52.7 million loss recognized within earnings and presented on the consolidated statement of net loss for the year ended December 31, 2025 within "Gain (loss) on derivative instruments." The derivative liability was fully settled when the Crypto PIPE Offering closed on October 7, 2025, on which date the purchasers in the Crypto PIPE Offering tendered ATH to the Company and the Company issued the Crypto PIPE Warrants to purchasers.

There were 639,449 pre-funded warrants exercised during the year ended December 31, 2025, and the total number of pre-funded warrants outstanding was 16,119,095 as of December 31, 2025, all of which were vested and exercisable and have no expiration date.

Wainwright Engagement Agreement

In connection with the PIPE Offerings, on October 7, 2025, the Company issued five-year warrants (the "Placement Agent Warrants") to Wainwright, which was the exclusive placement agent for the transactions. The Placement Agent Warrants entitle Wainwright or its designees to purchase up to 218,335 shares of the Company's common stock (the "Placement Agent Warrant Shares"), which number of Placement Agent Warrant Shares is equal to 5% of the shares of common stock and Cash Pre-Funded Warrants issued in the Cash PIPE, at an exercise price of $11.6265 per share. The Placement Agent Warrants had a grant date fair value of approximately $2.5 million, which were accounted for as an incremental offering cost and netted against the proceeds from the Cash PIPE. The Company also paid to Wainwright a cash fee of approximately $2.5 million, or 5% of gross cash proceeds of the PIPE Offerings.

Strategic Advisor Agreement and Asset Management Agreement

In connection with the Treasury Strategy, on October 7, 2025, the Company entered into a strategic advisor agreement (the "Strategic Advisor Agreement") under which it engaged DNA as a strategic advisor to provide financial advisory services related to digital asset strategies and business development initiatives. As compensation for DNA's services, the Company issued five-year warrants (the "Strategic Advisor Warrants") to DNA to purchase up to 1,348,906 shares of its common stock at an exercise price of $11.6265 per share. The Company further engaged DNA under a 10-year asset management agreement (the "Asset Management Agreement"), pursuant to which DNA will act as the Company's asset manager with respect to its digital assets. As compensation for its services under the Asset Management Agreement, DNA is entitled to a 1.00% per annum asset-based management fee, plus an incentive fee equal to 25% of profits earned on managed assets over 7%. See *Note 13 – Related Parties* for further discussion.

Warrant Inducement Transaction

On July 25, 2024, the Company entered into definitive agreements with certain of its existing warrant holders for the exercise of warrants to purchase an aggregate of 63,874 shares of its common stock having a current exercise price of $210.00 originally issued in February 2021, June 2021 and May 2022, at a reduced exercise price of $19.80 per share. The gross proceeds to the Company from the exercise of the existing warrants were approximately $1,265,000, prior to deducting placement agent fees and transaction expenses payable by the Company. The reduction of the exercise price represented a modification to the existing warrants, which was recognized as an equity issuance cost of $594,033 charged against the proceeds of the offering.

In consideration for the immediate cash exercise of the warrants, the Company concurrently issued to the warrant holders new unregistered Series A warrants to purchase up to 63,874 shares of common stock (the "Series A Warrants") and new Series B warrants to purchase up to 63,874 shares of common stock (the "Series B Warrants"). The Series A Warrants and the Series B Warrants have an exercise price of $16.05 per share and are exercisable immediately upon issuance. The Series A Warrants have a term equal to five years from the date of issuance, and the Series B Warrants have a term equal to 18 months from the date of issuance.

The transactions described above closed on July 26, 2024. Wainwright acted as the exclusive placement agent for the above-mentioned transactions. The Company paid Wainwright as consideration (i) an aggregate cash fee equal to 7.0% of the gross proceeds from the exercise of the existing warrants, (ii) a management fee equal to 1.0% of the aggregate gross proceeds from the exercise of the existing warrants, (iii) $35,000 for expenses, and (iv) $15,950 for clearing fees. Additionally, the Company issued to Wainwright (or its designees) as compensation, warrants to purchase up to 4,473 shares of common stock of the Company (equal to 7.0% of the aggregate number of existing warrants exercised in the offering) (the "Warrant Inducement Placement Agent Warrants"). The Warrant Inducement Placement Agent Warrants have a term of five years from the closing of the offering and an exercise price of $24.75 per share.

Stock Warrants

The following summarizes transactions for warrants for the period indicated, excluding pre-funded warrants:

	Number of Shares	Weighted-Average Exercise Price
Outstanding as of December 31, 2024	183,411	$ 133.80
Issued	1,568,939	11.64
Expired	(29,112)	447.36
Exercised	(100,059)	16.05
Outstanding as of December 31, 2025	1,623,179	$ 17.39

During the year ended December 31, 2025, warrant holders exercised warrants for an aggregate of 100,059 shares of the Company's common stock at an average exercise price of $16.05 for approximately $1,606,000 of gross proceeds. The shares issued upon exercise of the warrants were registered on a registration statement on Form S-3, which was declared effective on August 23, 2024.

The Company determines the grant date fair value of warrants using a Black-Scholes option valuation model based upon assumptions regarding risk-free interest rate, expected dividend rate, volatility, and estimated term.

The fair value of each warrant grant during the year ended December 31, 2025 and 2024 was estimated on the grant date using the Black-Scholes option valuation model with the following assumptions, excluding pre-funded warrants:

	Year Ended December 31,	
	2025	2024
Expected dividend yield	0.0%	0.0%
Expected stock price volatility	99.4% - 103.5%	97.3%
Risk-free interest rate	3.71% - 4.37%	4.06% –4.58%
Expected life (in years)	5	1.5 –5

The following summarizes the status of warrants outstanding as of December 31, 2025, excluding pre-funded warrants:

Range of Exercise Prices	Shares	Weighted Average Remaining Life
$ 11.63 –16.05	1,594,935	4.72
$ 24.75 –28.13	6,171	3.73
$ 210.00 –240.00	8,221	1.39
$ 300.00 –731.25	13,852	0.51
Total	1,623,179	

Warrants expire on various dates from January 2026 to October 2030.

The following table is the listing of outstanding warrants as of December 31, 2025, by year of grant, excluding pre-funded warrants:

Year	Shares	Range of Exercise Prices		
2021	15,733	240.00	–	731.25
2022	6,340	210.00	–	225.00
2023	-	-	–	-
2024	32,167	16.05	–	24.75
2025	1,568,939	11.63	–	28.13
Total	1,623,179	$ 11.63	–	$ 731.25

NOTE 12 – STOCK-BASED COMPENSATION

Equity Incentive Plan

On December 30, 2024, the Company's stockholders approved the 2024 Equity Incentive Plan (the "2024 Plan"). The 2024 Plan allows for the issuance of non-statutory stock options and incentive stock options, stock appreciation rights, stock awards, restricted stock, restricted stock units, and performance awards to employees, directors, and consultants of the Company, where permitted under the plan. Due to the approval of the 2024 Plan, no new awards will be granted under the Company's Amended and Restated 2012 Stock Incentive Plan. The exercise price for each stock option is determined by the market price on the date of issuance. Vesting requirements are determined by the Board of Directors when granted and currently range from immediate to three years. Options outstanding under this plan have a contractual life of ten years.

ASC 718, *Compensation – Stock Compensation* ("ASC 718"), requires that a company that issues equity as compensation record compensation expense that corresponds to the estimated cost of those equity grants. ASC 718 requires companies to estimate the fair value of stock-based payment awards on the date of grant using an option-pricing model or other acceptable means.

Restricted Stock Units

On September 9, 2025, the Board of Directors, upon the recommendation of the Compensation Committee of the Board of Directors, determined that it was appropriate to award restricted stock units ("RSUs") as a form of compensation for employees, consultants and directors and approved a form of Restricted Stock Unit Award Agreement, with such awards to be granted under the Company's 2024 Plan. Consistent with that determination, the Board of Directors approved the grant of 60,101 RSUs on September 9, 2025, including 8,331 RSUs to Raymond F. Vennare, the Company's former Chief Executive Officer, 6,467 RSUs to Josh Blacher, the Company's Chief Financial Officer, and 25,872 RSUs in the aggregate to the Company's non-executive directors. Each RSU represented the right to receive one share of the Company's common stock upon vesting. The RSUs contained a service-based vesting condition requiring continued service through October 31, 2025, at which point the RSUs vested in full. The RSUs were settled on November 28, 2025.

On December 10, 2025, the Company entered into an amendment to the employment agreement with Raymond F. Vennare dated as of November 1, 2022. Pursuant to the amendment and following approval by the Compensation Committee, Mr. Vennare was awarded 20,000 RSUs. The RSUs contained a service-based vesting condition requiring continued service through January 1, 2026, at which point the RSUs vest in full.

The following table summarizes the Company's RSU activity for the period indicated:

	Number of Shares	Weighted-Average Grant Date Fair Value
Nonvested RSUs as of December 31, 2024	-	$ -
Granted	80,101	1,037,897
Vested	(60,101)	919,497
Nonvested RSUs as of December 31, 2025	20,000	118,400

The Company has $5,381 of unrecognized stock-based compensation expense related to RSUs that is expected to be recognized in January 2026.

Stock Options

The Company determines the grant date fair value of options and warrants using a Black-Scholes option valuation model based upon assumptions regarding risk-free interest rate, expected dividend rate, volatility, and estimated term. There were no stock options granted during the years ended December 31, 2025 and 2024.

The following table summarizes the Company's stock option activity for the period indicated:

	Number of Shares	Weighted-Average Exercise Price
Outstanding as of December 31, 2024	3,101	$ 1,240.50
Issued	-	-
Expired	(176)	20,729.18
Exercised	-	-
Outstanding as of December 31, 2025	2,925	$ 1,334.07

The Company has no unrecognized stock-based compensation expense related to stock options that is expected to be recognized in future months.

Stock Compensation to Non-Employees

During the year ended December 31, 2025, the Company issued shares of common stock to certain non-employees as compensation for services provided.

Shares of common stock with a grant date fair value of $100,000 were issued to non-employees in exchange for digital marketing services rendered through August 2025.

Stock warrants with a grant date fair value of $15.4 million were also granted to DNA in exchange for strategic advisory services. The Strategic Advisor Warrants have a five-year term and may be used to purchase up to 1,348,906 shares of the Company's common stock at an exercise price of $11.6265 per share. See *Note 13 – Related Parties* for further discussion.

Stock-Based Compensation Expense, Net

Stock-based compensation expense, net of forfeitures, recognized for the years ended December 31, 2025 and 2024 was $16,482,661 and $906, respectively. $15.4 million was recognized as stock-based compensation expense related to the Strategic Advisor Warrants, which were immediately vested and exercisable at the grant date, contained no substantive future service requirement and for which services were substantially rendered in full during the year ended December 31, 2025.

Stock-based compensation expense for the years ended December 31, 2025 and 2024 is recorded within each of the captions comprising Operating expenses. $15.4 million of stock-based compensation expense related to the Strategic Advisor Warrants is recorded within General and administrative expense on the Statement of Net Loss for the year ended December 31, 2025.

The following summarizes the status of options and outstanding as of December 31, 2025:

Range of Exercise Prices	Shares	Weighted Average Remaining Life
$ 93.30 –121.80	64	7.02
$ 219.75 –375.00	819	4.97
$ 393.00 –492.00	896	2.97
$ 783.00 –12,750.00	1,146	2.68
Total	2,925	

Stock options expire on various dates from March 2026 to April 2033.

The following table is the listing of outstanding stock options as of December 31, 2025, by year of grant:

Stock Options:

Year	Shares	Range of Exercise Prices		
2016	25	462.00	–	12,750.00
2017	678	462.00	–	6,300.00
2018	205	462.00	–	3,390.00
2019	903	462.00	–	2,370.00
2020	1,002	219.75	–	492.00
2021	48	375.00	–	399.00
2022	48	115.50	–	219.75
2023	16	93.30	–	93.30
2024	-	-	–	-
2025	-	-	–	-
Total	2,925	$ 93.30	–	$ 17,250.00

NOTE 13 – RELATED PARTIES

Agreements with DNA Holdings Venture, Inc. and its Representatives

In connection with the Company's Treasury Strategy, and the Cash and Crypto PIPEs closed October 7, 2025, Shawn Matthews was appointed to the Company's Board of Directors. Mr. Matthews served as Chief Executive Officer of DNA, at the time of his appointment to the Company's Board of Directors. Additionally, the Company engaged Thomas McLaughlin, who at the time served as Chief Investment Officer of DNA, to serve as the Company's Chief Investment Officer.

In connection with the Treasury Strategy, on October 7, 2025, the Company entered into the Strategic Advisor Agreement under which it engaged DNA as a strategic advisor to provide financial advisory services related to digital asset strategies and business development initiatives. As compensation for DNA's services, the Company issued the Strategic Advisor Warrants with a five-year term to DNA to purchase up to 1,348,906 shares of its common stock at an exercise price of $11.6265 per share. The Strategic Advisor Warrants had a grant date fair value of $15.4 million.

The Company further engaged DNA under the Asset Management Agreement with a 10-year term, pursuant to which DNA will act as the Company's asset manager with respect to its digital assets. As compensation for its services under the Asset Management Agreement, DNA is entitled to a 1.00% per annum asset-based management fee, plus an incentive fee equal to 25% of profits earned on managed assets over 7%. Total fees paid to DNA under the Asset Management Agreement were $722,390 during the year ended December 31, 2025.

NOTE 14 – INCOME TAXES

Income taxes paid, net of refunds, disaggregated by jurisdiction are as follows:

	Year Ended December 31, 2025	2024
U.S. Federal	$ -	$ -
U.S. State	-	-
Foreign	-	-
Total income taxes paid (net of refunds)	$ -	$ -

Pretax income is entirely related to domestic activities. The Company did not have any foreign operations.

The provision for income taxes consists of an amount for taxes currently payable and a provision for tax consequences deferred to future periods. Deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Company incurred zero income tax expense from continuing operations during the years ended December 31, 2025, and 2024, due to losses in both years.

Actual income tax benefit from continuing operations differs from statutory federal income tax expense (benefit) as follows*:

	Year Ended December 31, 2025		2024	
Tax computed at the statutory federal rate	$ (48,929,078)	21.00%	2,147,178	19.77%
State income taxes, net of federal benefit (a)	-	0.00%	$ -	0.00%
Nontaxable or nondeductible items				
Fair value of embedded derivatives	10,287,060	-4.42%	-	0.00%
Fair value of equity warrants	3,265,308	-1.40%	-	0.00%
Other nontaxable or nondeductible items	9,309	0.00%	9,183	0.08%
Other	124,835	-0.05%	(13,898)	-0.13%
Change in valuation allowance	35,242,566	-15.13%	(2,142,462)	-19.73%
Taxes at effective rate	$ -	0.00%	$ -	0.00%

*Certain prior-period amounts have been recast to reflect the classification of the Company's Eagan business as discontinued operations in 2025. Accordingly, amounts presented, including the effective tax rate reconciliation, reflect continuing operations only.

Deferred taxes consist of the following:

	December 31, 2025	December 31, 2024
Deferred tax assets:		
Compensation accruals	$ 99,684	$ 42,893
Accruals and reserves	172,188	191,804
Deferred revenue	35,819	80,005
Charitable contribution carryover	1,717	1,742
Unrealized loss on digital assets	39,397,315	-
Intangibles	591,011	696,622
Capitalized R&D	711,632	1,016,330
Lease liabilities	387,395	551,917
Stock-based compensation	570,708	542,609
NOL and credits	27,010,332	24,479,583
Total deferred tax assets	68,977,801	27,603,505
Deferred tax liabilities:		
Depreciation	(45,520)	(31,863)
Lease right-of-use assets	(369,859)	(513,256)
Total deferred tax liabilities	(415,379)	(545,119)
Net deferred tax assets	68,562,422	27,058,386
Less: valuation allowance	(68,562,422)	(27,058,386)
Total	$ -	$ -

The Company evaluates the realizability of deferred tax assets and considers all available evidence, both positive and negative, including historical operating results, projections of future taxable income, reversing taxable temporary differences, and tax planning strategies. The Company has determined based on available evidence, particularly its history of losses, that it is not more likely than not that its net deferred tax asset will be realizable. Accordingly, the Company maintains a full valuation allowance against its net deferred tax asset.

Pursuant to the Internal Revenue Code of 1986, as amended (the "Code") Sections 382 and 383, annual use of a company's NOL and research and development credit carryforwards may be limited if there is a cumulative change in ownership of greater than 50% within a three-year period. The amount of the annual limitation is determined based on the value of the Company immediately prior to the ownership change. Subsequent ownership changes may further affect the limitation in future years.

As of December 31, 2025, the Company had $110,759,174 of NOLs to reduce future federal taxable income, the majority of which are expected to be available for use in 2026, subject to the Section 382 limitations described above. The federal NOLs of $14,857 begin to expire in 2026 if unused and $110,744,317 will carry forward indefinitely. The Company also had $57,161,699 of NOLs to reduce future state taxable income as of December 31, 2025. The state NOLs will begin to expire in 2026 if unused. The Company's net deferred tax assets, which include the NOLs, are subject to a full valuation allowance. As of December 31, 2025, the federal and state valuation allowances were $55,645,772 and $12,916,650, respectively.

During the year-ended December 31, 2023, the Company completed an assessment of the available NOL and tax credit carryforwards under Section 382 and 383 and determined that the Company underwent several ownership changes during the period from 2008 to 2022. The Company adjusted its NOL and tax credit carryforwards to reflect the limitations resulting from the identified ownership changes. The Company reduced its available gross federal and state NOL carryforwards and the federal and state deferred tax asset, each of which related to losses generated for the years ended December 31, 2022, and prior.

During the year-ended December 31, 2025, the Company underwent a Section 382 analysis for the periods presented in the consolidated financial statements and determined that the Company experienced an ownership change (as defined in Section 382) related to its Cash PIPE equity issuance on October 7, 2025. The Company has calculated a preliminary Section 382 base limitation of approximately $435,000 with an aggregate limitation of approximately $4,600,000 over the applicable five-year recognition period after consideration of deemed realized built in gains (RBIG).

Tax years after 2005 remain open to examination by federal and state tax authorities due to unexpired NOL carryforwards.

The Company reviews income tax positions expected to be taken in income tax returns to determine if there are any income tax uncertainties. The Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on technical merits of the positions. The Company has identified no income tax uncertainties.

The Company recognizes interest and penalties on unrecognized tax benefits as well as interest received from favorable tax settlements within income tax expense. As of December 31, 2025, and 2024, the Company recorded no accrued interest or penalties related to uncertain tax positions.

NOTE 15 – RETIREMENT SAVINGS PLAN

The Company has a pre-tax salary reduction/profit-sharing plan under the provisions of Section 401(k) of the Internal Revenue Code, which covers employees meeting certain eligibility requirements. During 2025 and 2024, the Company matched 100% of the employee's contribution up to 4.0% of their earnings. Employer contributions were $76,858 and $125,328 in 2025 and 2024, respectively, and are recorded within each of the captions comprising Operating expenses. There were no discretionary contributions to the plan in 2025 and 2024.

NOTE 16 – LOSS PER SHARE

The Company calculates basic loss per share based upon the weighted average number of common shares outstanding during the period, while the calculation of diluted earnings per share includes the dilutive effect of potential common shares outstanding during the period. The calculation of diluted earnings per share excludes all potential common shares, with the exception of pre-funded warrants, if their inclusion would have an anti-dilutive effect. A total of 16,119,095 pre-funded warrants are included in the computation of earnings per share because the exercise price of the pre-funded warrants is nominal and there are no conditions that must be satisfied prior to their exercise.

The following table presents the shares used in the basic and diluted loss per common share computations:

	Year Ended December 31,	
	2025	**2024**
Numerator:		
Net (loss) from continuing operations	$ (232,853,647)	$ (10,224,655)
Net (loss) from discontinued operations	(241,556)	(2,439,733)
Net loss attributable to common stockholders	$ (233,095,203)	$ (12,664,388)
Denominator:		
Weighted average common shares outstanding - basic	17,429,861	363,583
Dilutive effect of stock options, warrants and preferred stock (1)	-	-
Weighted average common shares outstanding - diluted	17,429,861	363,583
Net (loss) from continuing operations attributable to common stockholders per common share – basic and diluted	$ (13.36)	$ (28.12)
Net (loss) from discontinued operations attributable to common stockholders per common share – basic and diluted	(0.01)	(6.71)
(Loss) per common share - basic and diluted	(13.37)	(34.83)

(1) The following is a summary of the number of underlying shares outstanding at the end of the respective periods that have been excluded from the diluted calculations because the effect on loss per common share would have been anti-dilutive:

	Year Ended December 31,	
	2025	**2024**
Stock options	2,925	3,101
Stock warrants	1,623,179	183,411
Restricted stock units	20,000	-
Preferred stock: Series B	2	2

NOTE 17 – SEGMENT INFORMATION

The Company has determined its operating segments in accordance with ASC 280, *Segment Reporting*. Factors used to determine the Company's reportable segments include the availability of separate financial statements, the existence of separate leadership across business lines, the economic factors affecting each segment, and the evaluation of operating results at the segment level. The Company's Chief Operating Decision Maker ("CODM"), its chief executive officer, allocates the Company's resources for each of the operating segments and evaluates their relative performance based on gross profit, operating loss, and net loss. Operating expenses are disaggregated by department for purposes of evaluating each segment's performance. Each operating segment listed below has separate financial statements and locally based leadership that are evaluated based on the results of their respective segments. It should be noted that the operating segments below have different products and services.

The Company has two reportable segments, which have been delineated by business area:

- *Compute Services and Treasury Management segment:* provides services that include access to GPU compute capacity and manages the Company's ATH Treasury Strategy.

- *Drug Discovery Services segment*: provides services that include the application of AI using its proprietary biobank of 150,000+ tumor samples, as well as creation of proprietary 3D culture models used in drug development.

As described in *Note 3 – Discontinued Operations*, the Company's former Birmingham and Eagan operating segments met the criteria to be reported as discontinued operations during the third quarter of 2024 and first quarter of 2025, respectively. As such, the former Birmingham and Eagan operating segments are excluded from the tables below, which only reflect continuing operations for all periods presented.

See discussion of revenue recognition in *Note 2 – Summary of Significant Accounting Policies* for a description of the products and services recognized in each segment. All revenues are earned from external customers.

The tables below summarize the Company's segment reporting as of and for the years ended December 31, 2025, and 2024.

	Year Ended December 31, 2025			
	Compute Services and Treasury Management	Drug Discovery Services	Corporate	Total
Revenue	$ -	$ 125,284	$ -	$ 125,284
Gains and (losses) from operations	(152,490,550)	-	-	(152,490,550)
Cost of revenues	-	72,622	-	72,622
General and administrative expenses	16,241,611	1,726,908	7,955,839	25,924,358
Research and development expenses	-	2,137,042	10,180	2,147,222
Sales and marketing expenses	-	-	406,247	406,247
Total operating (loss)	(168,732,161)	(3,811,288)	(8,372,266)	(180,915,715)
Gain (loss) on derivative instruments	(52,735,000)	-	-	(52,735,000)
Other segment items	117,463	676,702	2,903	797,068
Segment loss	$ (221,349,698)	$ (3,134,586)	$ (8,369,363)	$ (232,853,647)

	December 31, 2025			
	Compute Services and Treasury Management	Drug Discovery Services	Corporate	Total
Assets	$ 49,455,174	$ 1,930,898	$ 1,502,274	$ 52,888,346
Depreciation and amortization	-	121,261	7,777	129,038
Expenditures for additions to long-lived assets	-	-	-	-

	Year Ended December 31, 2024			
	Compute Services and Treasury Management	Drug Discovery Services	Corporate	Total
Revenue	$ -	$ 84,812	$ -	$ 84,812
Cost of revenues	-	78,285	-	78,285
General and administrative expenses	-	2,022,732	5,213,065	7,235,797
Research and development expenses	-	2,234,501	6,960	2,241,461
Sales and marketing expenses	-	5	833,194	833,199
Total operating loss	-	(4,250,711)	(6,053,219)	(10,303,930)
Other segment items	-	(606)	79,881	79,275
Segment loss	$ -	(4,251,317)	$ (5,973,338)	$ (10,224,655)

	December 31, 2024			
	Compute Services and Treasury Management	Drug Discovery Services	Corporate	Total
Assets	$ -	$ 2,615,291	$ 893,487	$ 3,508,778
Depreciation and amortization	-	124,939	7,397	132,336
Expenditures for additions to long-lived assets	-	3,032	-	3,032

Other segment items is comprised of other income and other expenses. Other income primarily consists of aged accounts payable and accrued expenses written off in the year ended December 31, 2025, and interest income in the year ended December 31, 2024. Other expenses primarily consist of interest expense.

In each of the years ended December 31, 2025, and 2024, substantially all the Company revenues were located or derived from operations in the United States. As of December 31, 2025, all the Company's long-lived assets were located within the United States.

NOTE 18 – SUBSEQUENT EVENTS

Departure of DNA Director and Chief Investment Officer

On January 15, 2026, Shawn Matthews resigned as a director of the Company, effective as of January 15, 2026. On January 19, 2026, Thomas McLaughlin resigned as the Chief Investment Officer of the Company, effective as of January 19, 2026.

Departure of Chief Executive Officer

On February 6, 2026, the Board of Directors of Axe Compute Inc. voted to terminate, without cause, the employment of Raymond F. Vennare with the Company, effective as of February 9, 2026. In connection with his termination, Mr. Vennare entered into a separation agreement dated February 9, 2026 (the "Separation Agreement"), pursuant to which Mr. Vennare will receive certain separation benefits, contingent upon Mr. Vennare signing, delivering and not rescinding or revoking a general release of claims in favor of the Company. The Separation agreement provides for, among other things, (i) the payment of $575,000 in severance pay, which amount is equal to one year of Mr. Vennare's base salary, (ii) a bonus for 2025 in the amount of $287,500, and (iii) a lump sum payment to assist with the cost of continued healthcare coverage. The foregoing description of the material terms of the Separation Agreement is not complete and is qualified in its entirety by reference to the full text thereof, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Appointment of Chief Executive Officer

On February 6, 2026, the Board appointed Christopher Miglino as Chief Executive Officer to succeed Mr. Vennare, and as a member of the Board to fill the vacancy created by Mr. Vennare's resignation, effective as of February 9, 2026.

In connection with Mr. Miglino's appointment as Chief Executive Officer of the Company, the Company and Mr. Miglino entered into an employment agreement, dated February 9, 2026 (the "Employment Agreement"), which provides for, among other things, payment to Mr. Miglino of an annual base salary equal to $575,000, and at the discretion of the Board's Compensation Committee (the "Committee"), to receive grants of stock options or other equity awards. Mr. Miglino will also be eligible to participate in the Company's (i) bonus program with annual cash bonus equal up to 50% of his salary or at the discretion of the Committee, a higher percentage based on his and the Company's performance, (ii) long-term incentive plan to be adopted and maintained by the Compensation Committee, and (iii) standard employee benefit plans generally available to executive employees of the Company.

In addition, as a material inducement to Mr. Miglino's appointment as Chief Executive Officer, on February 9, 2026 (the "Grant Date") the Company granted Mr. Miglino stock options (the "Options") to purchase 500,000 shares of the Company's common stock at an exercise price equal to the closing price of the Company's common stock on the Grant Date, pursuant to a Stock Option Inducement Award Agreement (the "Option Agreement") between Mr. Miglino and the Company. One-third of the Options will vest on the first anniversary of the Grant Date with the remaining two-thirds of the Options vesting in equal monthly installments over the following twenty-four months, in each case subject to Mr. Miglino's continued employment with or service to the Company through each applicable vesting date.

Compute Contracts

In March 2026, the Company further executed on its strategic transition by executing contracts with several enterprise customers to provide access to remote GPU compute capacity on an hourly basis. The service periods of such contracts range in length from one month to approximately two years. In exchange for the services provided, the Company will collect various fees from customers, including monthly service fees, denominated in US dollars and payable in US dollars or stablecoins. The Company is in the process of analyzing the terms and conditions of such agreements to determine the appropriate accounting treatment under US GAAP, including application of ASC 606 to identify performance obligations, allocate the transaction price, and more. As a result, an estimate of the financial effect on the Company's financial statements cannot be made at this time.