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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

or

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

For the transition period from __________ to __________

Commission File Number: 001-39783

FOXO TECHNOLOGIES INC.
(Exact name of registrant as specified in its charter)

Delaware	85-1050265
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
477 South Rosemary Avenue Suite 224 West Palm Beach, FL	33401
(Address of principal executive offices)	**(Zip Code)**

(612) 800-0059
(Registrant's telephone number, including area code)

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

Title of Each Class:	Trading Symbol(s)	Name of Each Exchange on Which Registered:
N/A		

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

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of August 11, 2026, there were 1,658,116 shares of Class A common stock, par value $0.0001 per share (the "Class A Common Stock") of the registrant issued and outstanding.

FOXO TECHNOLOGIES INC.
FORM 10-Q FOR THE QUARTERLY PERIOD ENDED June 30, 2026

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION CONTAINED IN THIS REPORT

This Quarterly Report on Form 10-Q, or this Report, and the documents incorporated herein by reference contain forward-looking statements which include, without limitation, statements regarding estimates and forecasts of financial and performance metrics, projections of net revenues and operating results from our Healthcare, Life Science Services and Labs segments, reimbursement rates and regulatory developments applicable to our healthcare operations, the potential benefits and growth prospects of our current subsidiaries and any future acquisitions, the potential success of our capital-raising and strategic acquisition initiatives, our ability to continue as a going concern, realization of the value of other aspects of our business identified in this Report, as well as other reports that we file from time to time with the Securities and Exchange Commission. Any statements about our business, financial results, financial condition and operations contained in this Report that are not statements of historical fact may be deemed to be forward-looking statements. These forward-looking statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors.

Without limiting the foregoing, the words "believes," "anticipates," "expects," "intends," "plans," "projects," or similar expressions are intended to identify forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason, except as required by law, even as new information becomes available or other events occur in the future. Our actual results could differ materially from those expressed or implied by these forward-looking statements as a result of various factors, including the risk factors described in Part I., Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, which was filed with the U.S. Securities and Exchange Commission (the "SEC") on April 15, 2026.

Unless expressly indicated or the context requires otherwise, the terms "FOXO," the "Company," "we," "us" or "our" in this Quarterly Report refer to FOXO Technologies Inc., a Delaware corporation, and, where appropriate, its subsidiaries.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS
FOXO TECHNOLOGIES INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 58,409	$ 207,453
Accounts receivable, net	4,138,597	2,468,346
Inventory and supplies	160,469	183,627
Prepaid expenses	208,322	97,691
Other current assets	196,056	155,363
Total current assets	**4,761,853**	**3,112,480**
Property and equipment, net	286,865	322,357
Intangible assets, net	9,755,363	9,770,969
Goodwill	27,794,975	27,823,444
Right-of-use assets	3,290,677	3,548,623
Total assets	**$ 45,889,733**	**$ 44,577,873**
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 7,807,326	$ 6,966,211
Accrued expenses	12,428,790	11,902,383
Notes payable	11,640,472	2,151,838
Related parties' notes and loans payable	5,524,146	4,902,392
Other loans	42,958	237,810
Related parties' payables and accrued expenses	2,597,158	1,998,775
Right-of-use lease obligations	574,247	499,351
Total current liabilities	40,615,097	28,658,760
Contingent purchase price consideration	500,000	500,000
Right-of-use lease obligations, non-current	2,870,495	3,174,549
Medicare cost report settlement payables	990,922	1,168,264
Total liabilities	**44,976,514**	**33,501,573**
Commitments and contingencies (Note 14)		
Stockholders' equity (deficit)		
Series A preferred stock, $0.0001 par value and $1,000 stated value per share; 50,000 shares authorized, 11,420 and 19,342 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	1	2
Series B preferred stock, $0.0001 par value and $1,000 stated value per share; 7,500 shares authorized, 3,245 shares issued and outstanding as of June 30, 2026 and December 31, 2025	-	-
Series C preferred stock, $0.0001 par value and $1,000 stated value per share; 5,000 shares authorized, 304 shares issued and outstanding as of June 30, 2026 and December 31, 2025	-	-
Series D preferred stock, $0.0001 par value and $1,000 stated value per share; 10,000 shares authorized, 4,712 and 4,312 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	1	1
Series E preferred stock, $0.0001 par value and $25 stated value per share; 4,000,000 shares authorized, 68,000 shares issued and outstanding as of June 30, 2026 and December 31, 2025	7	7
Class A common stock, $0.0001 par value, 25,000,000,000 shares authorized, 1,420,652 and 831,887 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	142	83
Additional paid-in-capital	219,080,387	235,789,628
Accumulated deficit	(218,092,232)	(224,644,739)
Total FOXO's stockholders' equity	988,306	11,144,982
Noncontrolling interest	(75,087)	(68,682)
Total stockholders' equity	**913,219**	**11,076,300**
Total liabilities and stockholders' equity	**$ 45,889,733**	**$ 44,577,873**

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

FOXO TECHNOLOGIES INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net revenues	**$ 4,715,016**	**$ 5,218,373**	**$ 9,883,052**	**$ 8,388,293**
Operating expenses:				
Direct costs of revenues	2,395,326	1,975,325	4,929,539	3,879,261
Research and development	23,700	40,183	59,250	70,183
Management contingent share plan (forfeiture) expense	(9,129,890)	18,878	(9,129,890)	37,756
Selling, general and administrative expenses	2,677,438	2,616,866	5,552,562	5,380,952
Total operating expenses	(4,033,426)	4,651,252	1,411,461	9,368,152
Income (loss) from operations	**8,748,442**	**567,121**	**8,471,591**	**(979,859)**
Change in fair value of warrant liabilities	-	7,576	-	39,170
Gain from extinguishment of Senior PIK Notes	-	-	-	1,863,834
Interest expense	(1,310,833)	(1,008,751)	(2,283,968)	(1,898,543)
Gain from legal settlements, net	1,648,377	-	1,630,127	-
Other non-operating expense, net	(949,093)	(92,252)	(1,136,043)	(171,716)
Total non-operating expenses, net	(611,549)	(1,093,427)	(1,789,884)	(167,255)
Income (loss) before income taxes	8,136,893	(526,306)	6,681,707	(1,147,114)
Provision for income taxes	-	-	-	-
Net income (loss), including noncontrolling interest	**8,136,893**	**(526,306)**	**6,681,707**	**(1,147,114)**
Net loss attributable to noncontrolling interest	(3,192)	(4,285)	(6,405)	(8,635)
Net income (loss) attributable to FOXO	**$ 8,140,085**	**$ (522,021)**	**$ 6,688,112**	**$ (1,138,479)**
Declared and deemed dividends from preferred stock, including issuances and anti-dilution provisions thereof and triggers of down-round provisions of Assumed Warrants	(135,605)	(265,070)	(135,605)	(437,195)
Net income (loss) to common stockholders	**8,004,480**	**(787,091)**	**6,552,507**	**(1,575,674)**
Preferred stock dividends – undeclared, net	**259,052**	**(168,521)**	**(25,720)**	**(483,430)**
Net income (loss) to common stockholders, net of preferred stock dividends – undeclared, net	**$ 8,263,532**	**$ (955,612)**	**$ 6,526,787**	**$ (2,059,104)**
Net income (loss) per share of Class A Common Stock, basic	$ 5.99	$ (634.12)	$ 5.40	$ (2,044.79)
Net income (loss) per share of Class A Common Stock, diluted	$ 0.09	$ (634.12)	$ 0.07	$ (2,044.79)
Weighted average shares of Class A Common Stock, basic	1,379,806	1,507	1,209,590	1,007
Weighted average shares of Class A Common Stock, diluted	96,966,756	1,507	104,390,520	1,007

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

FOXO TECHNOLOGIES INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR EACH OF THE QUARTERS IN THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

	Preferred Stock		Class A Common Stock		Additional Paid-In-Capital	Accumulated Deficit	Total FOXO Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balance, December 31, 2025	95,203	$ 10	831,887	$ 83	$ 235,789,628	$ (224,644,739)	$ 11,144,982	$ (68,682)	11,076,300
Net loss to common stockholders	-	-	-	-	-	(1,451,973)	(1,451,973)	-	(1,451,973)
Noncontrolling interest	-	-	-	-	-	-	-	(3,213)	(3,213)
Common stock issued for conversions of Series A Preferred Stock	(109)	-	362,333	36	(36)	-	0	-	0
Common stock issued for note payable	-	-	50,000	5	14,995		15,000	-	15,000
Balance, March 31, 2026	95,094	$ 10	1,244,220	$ 124	$ 235,804,587	(226,096,712)	$ 9,708,009	$ (71,895)	$ 9,636,114
Net income to common stockholders	-	-	-	-	-	8,004,480	8,004,480	-	8,004,480
Noncontrolling interest	-	-	-	-	-	-	-	(3,192)	(3,192)
Stock based compensation - forfeiture	-	-	(2)	(0)	(9,129,890)	-	(9,129,890)		(9,129,890)
Common stock issued for conversions of Series A Preferred Stock	(38)	-	126,333	13	(13)	-	(0)	-	(0)
Exchange of Series A Preferred Stock for notes payable	(7,775)	(1)	-	-	(7,775,085)	-	(7,775,086)	-	(7,775,086)
Series D Preferred Stock issued in lieu of common stock for outstanding finder's fees	400	-	-	-	51,546	-	51,546	-	51,546
Series E Preferred Stock declared dividends payable in common stock	-	-	-	-	42,716		42,716	-	42,716
Common stock issued for note payable extension	-	-	50,000	5	14,995		15,000	-	15,000
Deemed dividends from anti-dilution provisions of preferred stock	-	-	-	-	71,531	-	71,531	-	71,531
Common stock issued for fractional shares for reverse stock split	-	-	101	-	-	-	-	-	-
Balance, June 30, 2026	87,680	$ 9	1,420,652	142	219,080,387	(218,092,232)	988,306	(75,087)	913,219

	Preferred Stock		Class A Common Stock		Additional Paid-In-Capital	Accumulated Deficit	Total FOXO Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balance, December 31, 2024	26,972	$ 3.00	395	$ -	$ 195,864,816	$ (190,541,067)	$ 5,323,752	$ (51,941)	$ 5,271,811
Net loss to common stockholders	-	-	-	-	-	(788,583)	(788,583)	-	(788,583)
Noncontrolling interest	-	-	-	-	-	-	-	(4,350)	(4,350)
Stock-based compensation	-	-	-	-	27,716	-	27,716	-	27,716
Common stock issued for conversions of Series A Preferred Stock	(308)	-	24	-	-	-	-	-	-
Issuances of Series B Preferred Stock in exchange for Senior PIK Notes, net of finder's fees	3,457	-	-	-	3,282,500	-	3,282,500	-	3,282,500
Issuances of Series C Preferred Stock for cash investments, net of finder's fees	60	-	-	-	44,825	-	44,825	-	44,825
Exchanges of Series B Preferred Stock for Series C Preferred Stock	75	-	-	-	-	-	-	-	-
Common stock issued for conversions and exchanges of notes payable	-	-	72	-	828,474	-	828,474	-	828,474
Common stock issued under terms of notes payable	-	-	10	-	38,250	-	38,250	-	38,250
Common stock issuable under terms of notes payable	-	-	-	-	68,225	-	68,225	-	68,225
Common stock issued and issuable for finder's fees	-	-	4	-	141,190	-	141,190	-	141,190
Shares issued under Corporate Development and Advisory Agreement	-	-	13	-	-	-	-	-	-
Common stock issued for legal settlement	-	-	55	-	570,663	-	570,663		570,663

Deemed dividends from issuances of preferred stock and triggers of down round provisions of Assumed Warrants	**-**	**-**	**-**	**-**	**172,125**	**-**	**172,125**	**-**	**172,125**
Balance, March 31, 2025	**30,256**	**$ 3**	**573**	**$ -**	**$ 201,038,784**	**$ (191,329,650)**	**$ 9,709,137**	**$ (56,291)**	**$ 9,652,846**
Net loss to common stockholders	**-**	**-**	**-**	**-**	**-**	**(787,091)**	**(787,091)**	**-**	**(787,091)**
Noncontrolling interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,285)**	**(4,285)**
Stock-based compensation	**-**	**-**	**-**	**-**	**18,878**	**-**	**18,878**	**-**	**18,878**
Common stock issued for conversions of Series A Preferred Stock	**(5,981)**	**-**	**2,830**	**-**	**-**	**-**	**-**	**-**	**-**
Issuances of Series A Preferred Stock, net of issuance costs	**3,400**	**-**	**-**	**-**	**3,000,000**	**-**	**3,000,000**	**-**	**3,000,000**
Issuance of Series C Preferred Stock, net of issuance costs	**75**	**-**	**-**	**-**	**56,050**	**-**	**56,050**	**-**	**56,050**
Exchanges of Series B Preferred Stock for Series C Preferred Stock	**31**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Common stock issued for conversions of notes payable	-	-	**258**	**-**	**1,061,568**	**-**	**1,061,568**	**-**	**1,061,568**
Common stock issued under terms of note payable	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**
Common stock issuable for finder's fees	**-**	**-**	**-**	**-**	**18,480**	**-**	**18,480**	**-**	**18,480**
Common stock issued for legal settlement	**-**	**-**	**110**	**-**	**396,323**	**-**	**396,323**	**-**	**396,323**
Common stock issued for fractional shares in reverse stock split	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**
Deemed dividends from anti-dilution provisions and issuances of preferred stock	**-**	**-**	**-**	**-**	**265,070**	**-**	**265,070**	**-**	**265,070**
Balance, June 30, 2025	**27,781**	**$ 3**	**3,773**	**$ -**	**$ 205,855,153**	**$ (192,116,741)**	**$ 13,738,415**	**$ (60,576)**	**$ 13,677,839**

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

FOXO TECHNOLOGIES INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) including noncontrolling interest	$ 6,681,707	$ (1,147,114)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	346,887	289,818
Gain from extinguishment of Senior PIK Notes	-	(1,863,834)
Equity-based compensation, net of forfeitures	(9,129,890)	46,594
Gain on legal settlements, net	(1,630,127)	-
Amortization of consulting fees paid in common stock	-	212,590
Change in fair value of warrants	-	(39,170)
Amortization of debt discounts and debt issuance costs	1,023,464	824,986
Non-cash interest expense on right-of-use lease obligations	393,595	436,519
Non-cash interest	939,664	445,426
RCHI additional purchase price consideration	119,314	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,670,251)	(2,650,119)
Inventory and supplies	23,158	(4,590)
Prepaid expenses	(110,631)	1,367
Other current assets	(40,693)	(54,446)
Accounts payable	896,104	351,336
Accrued and other liabilities, including related parties' payables	2,501,228	24,880
Right-of-use lease obligations	(622,753)	(602,546)
Other liabilities	-	12,000
Net cash used in operating activities	**(279,224)**	**(3,716,303)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture and equipment	(9,374)	(14,900)
Net cash used in investing activities	**(9,374)**	**(14,900)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable, net of issuance costs	1,280,000	1,090,000
Proceeds from other loans	-	279,000
Borrowings on note payable to RHI	2,127,477	2,578,759
Payments on notes payable to RHI	(2,364,585)	(2,543,982)
Payments on notes payable	(667,841)	(111,872)
Payments on other loans	(235,497)	(408,056)
Proceeds from issuance of preferred stock, net of issuance costs	-	3,100,875
Net cash provided by financing activities	**139,554**	**3,984,724**
Net change in cash and cash equivalents	**(149,044)**	**253,521**
Cash and cash equivalents at beginning of period	207,453	68,268
Cash and cash equivalents at end of period	**$ 58,409**	**$ 321,789**

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

Note 1 DESCRIPTION OF BUSINESS

Overview

FOXO owns and operates four principal subsidiaries.

Rennova Community Health, Inc., (“RCHI”) owns and operates Scott County Community Hospital, Inc. (“SCCH”) (d/b/a Big South Fork Medical Center (“BSF”)), a critical access-designated (“CAH”) hospital located in East Tennessee.

Myrtle Recovery Centers, Inc., (“Myrtle”) a 30-bed behavioral health facility in East Tennessee. Myrtle provides inpatient services for detox and residential treatment and outpatient services for medication assisted treatment (“MAT”) and Office-Based Opiate Treatment Facility (“OBOT”) Programs.

Vector BioSource Inc. (“Vector”) is an information, data and biospecimen sourcing provider serving the biotechnology, clinical research and pharmaceutical research industries.

FOXO Labs, Inc. (“FOXO Labs”) is a biotechnology company dedicated to improving human health and life span through the development of cutting-edge technology and product solutions for various industries.

Myrtle and RCHI were acquired in 2024 from Rennova Health, Inc. (“RHI”). Vector was acquired in September 2025.

Segments

The Company manages and classifies its business into three reportable business segments: (i) Healthcare, (ii) Life Science Services, and (iii) Labs. Myrtle, RCHI and SCCH operate under the Healthcare segment and Vector operates under the Life Science Services segment.

Recent Event

Strategic Technology License Agreement

On May 27, 2026, the Company, together with its wholly-owned subsidiary, FOXO Labs, entered into a Strategic Technology License Agreement (the “STLA”) with Jon R. Sabes, the Company’s founder, and LongevityFP Technologies, LLC, a Minnesota limited liability company controlled by Mr. Sabes (“LongevityFP Technologies”).

The material terms of the STLA are as follows: (i) *License*. The Company and FOXO Labs granted LongevityFP Technologies an exclusive, worldwide license to commercialize the Company’s Epigenetics intellectual property portfolio, including two issued U.S. patents (U.S. Patent Nos. 11,795,495 and 11,817,214), a 13,000+ individual epigenetic dataset, proprietary machine learning models and algorithms, and related work product and arrangements (collectively, the “Licensed IP”); (ii) *Royalty*. LongevityFP Technologies will pay the Company a royalty equal to 3% of net revenues derived from commercialization of the Licensed IP, subject to an aggregate cap of $1,300,000; (iii) *Acquisition Option*. LongevityFP Technologies received an exclusive, irrevocable ten-year option to acquire majority ownership of FOXO Labs. Upon a “Track A” exercise, LongevityFP Technologies acquires 100% of FOXO Labs and issues the Company a preferred membership interest representing 40% of LongevityFP Technologies’s fully diluted common equity. Upon a “Track B” exercise, FOXO Labs issues LongevityFP Technologies 60% of FOXO Labs’s fully diluted equity, with the Company retaining 40%; (iv) *IP Retention*. The Company retains ownership of FOXO Labs and the Licensed IP throughout the license period; and (v) *Mutual Releases*. The STLA includes mutual releases between the Company and Mr. Sabes and resolves all prior matters between the parties including accrued severance and the forfeiture of unvested shares under the Company’s Management Contingent Share Plan, which are more fully discussed in Notes 8 and 12, respectively. See also Note 14.

Note 2 GOING CONCERN AND MANAGEMENT'S PLAN

Under Accounting Standards Codification ("ASC"), Presentation of Financial Statements—Going Concern (Subtopic 205-40) ("ASC 205-40"), the Company has the responsibility to evaluate whether conditions and/or events raise substantial doubt about its ability to meet its future financial obligations as they become due within one year after the date that the financial statements are issued. As required by ASC 205-40, this evaluation shall initially not take into consideration the potential mitigating effects of plans that have not been fully implemented as of the date the financial statements are issued. Management has assessed the Company's ability to continue as a going concern in accordance with the requirement of ASC 205-40.

The Company's history of losses requires management to critically assess its ability to continue operating as a going concern. For the six months ended June 30, 2026 and 2025, we had net income (loss) attributable to FOXO of $6.7 million and $(1.1) million, respectively. As of June 30, 2026, we had a working capital deficit of $35.9 million. Cash used in operating activities for the six months ended June 30, 2026 and 2025 was $0.3 million and $3.7 million, respectively. As of June 30, 2026, the Company had $58,409 available cash and cash equivalents.

As of the date of this report, payments for our operations in the ordinary course are not being made timely. Our total debt has increased substantially, and many of our promissory notes are in default and accruing default interest and penalties. In May 2026, we exchanged all of the shares of our Series A Preferred Stock held by two institutional investors for senior unsecured, non-convertible promissory notes in the aggregate principal amount of approximately $7.8 million, which mature on the earlier of May 12, 2027 or an event of default. Under the terms of these senior notes, we have agreed not to incur any other indebtedness that is senior in preference to the notes while they remain outstanding, and we are required to repay the notes upon completion of a public offering or an up-listing to a recognized stock exchange. These restrictions may limit our ability to obtain additional senior financing on favorable terms, or at all, at a time when we require additional capital to fund our operations. Our cash on hand, our working capital deficit, our history of operating losses, our defaults under existing obligations, and our dependence on external financing and related-party funding raise substantial doubt about our ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on generating net revenues, raising additional equity or debt capital, reducing losses and improving future cash flows. The Company will continue: (i) its ongoing capital-raising initiatives and has demonstrated previous success in raising capital to support its operations; and (ii) to pursue additional strategic operating companies.

See Note 9 for information on promissory notes payable issued and outstanding as of June 30, 2026 and Note 12 for information on preferred stock and common stock issued and outstanding as of June 30, 2026 and Note 16 for financing transactions entered into subsequent to June 30, 2026.

Until such time as the Company is able to generate positive cash flows from operations, it will need to obtain external sources of financing to fund its operations. There can be no assurances that additional sources of financing will be available, or if available at all, on favorable terms. As such, until additional equity or debt capital is secured and the Company begins generating sufficient revenue and operating cash flows, there is substantial doubt about the Company's ability to continue as a going concern for the one-year period following the issuance of these unaudited condensed consolidated financial statements. If the Company is unable to fund its operations, it will be required to evaluate further alternatives, which could include further curtailing or suspending its operations, selling the Company, dissolving and liquidating its assets or seeking protection under bankruptcy laws. A determination to take any of these actions could occur at a time that is earlier than when the Company would otherwise exhaust its cash resources.

These unaudited condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The unaudited condensed consolidated financial statements were prepared using generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and Regulation S-X. Accordingly, these financial statements do not include all information or notes required by generally accepted accounting principles for annual financial statements and should be read in conjunction with the consolidated financial statements as filed in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. In the opinion of management, the unaudited condensed consolidated financial statements included herein contain all adjustments necessary to present fairly the Company's consolidated financial position as of June 30, 2026, and the results of its operations and changes in stockholders' equity and cash flows for the three and six months ended June 30, 2026 and 2025. Such adjustments are of a normal recurring nature. The results of operations for the six months ended June 30, 2026 may not be indicative of results for the year ending December 31, 2026.

The unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and in accordance with Regulation S-X of the SEC. The unaudited condensed consolidated financial statements include the accounts of FOXO and its wholly-owned and majority-owned subsidiaries. All significant inter-company balances and transactions have been eliminated in consolidation.

EMERGING GROWTH COMPANY

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933 and as modified by the Jumpstart Our Business Startups Act of 2012, and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, and reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements. Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make a comparison of the Company's consolidated financial statements with another public company, which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult because of the potential differences in accounting standards used.

COMPREHENSIVE INCOME (LOSS)

During the three and six months ended June 30, 2026 and 2025, comprehensive income (loss) was equal to the net income (loss) attributable to FOXO presented in the unaudited condensed consolidated statements of operations.

RECLASSIFICATIONS

Accrued interest of $12,651 on a related party note at December 31, 2025 has been reclassified in the June 30, 2026 financial statements for comparison purposes.

REVERSE STOCK SPLITS

On April 17, 2025, the Company's board of directors (pursuant to a previously obtained shareholder approval) approved the implementation of a 1-for-10 reverse stock split, such that every 10 shares of the Company's Class A Common Stock will be combined into one issued and outstanding share of Class A Common Stock (the "First Reverse Stock Split"). On July 17, 2025, the Company's board of directors (pursuant to previously obtained shareholder approval) approved the implementation of a 1-for-1.99 reverse stock split, such that every 1.99 shares of the Company's Class A Common Stock will be combined into one issued and outstanding share of the Company's Class A Common Stock, (the "Second Reverse Stock Split"). On June 30, 2026, the Company's board of directors (pursuant to previously obtained shareholder approval) approved the implementation of a 1-for-3,000 reverse stock split, such that every 3,000 shares of the Company's Class A Common Stock will be combined into one issued and outstanding share of the Company's Class A Common Stock (the "Third Reverse Stock Split") and together with the First Reverse Stock Split and the Second Reverse Stock Split, (the "Reverse Stock Splits"). The Reverse Stock Splits did not result in a change in the $0.0001 par value per share of the Company's Class A Common Stock.

The First Reverse Stock Split was effective on April 28, 2025. The Second Reverse Stock Split was effective on July 27, 2025. The Third Reverse Stock Split was effective on June 30, 2026.

All share information included in these financial statements has been reflected as if the Reverse Stock Splits occurred as of the earliest period presented.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Management evaluates these estimates and judgments on an ongoing basis and bases its estimates on experience, current and expected future conditions, third-party evaluations, and various other assumptions that management believes are reasonable under the circumstances. Significant estimates and assumptions include the estimates of fair values of assets acquired and liabilities assumed in business combinations, contractual allowances and doubtful account reserves, the recoverability of supplies and long-lived assets, the valuation allowance relating to the Company's deferred tax assets, the valuations of goodwill, intangible assets, equity and derivative instruments, deemed dividends, litigation and related reserves, among others. It is reasonably possible that actual experience could differ from the estimates and assumptions utilized and would impact future results of operations and cash flows. All revisions to accounting estimates are recognized in the period in which the estimates are revised. A description of each critical estimate is incorporated within the discussion of the related accounting policies which follow.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents are stated at cost, which approximates fair value. At times, cash account balances may exceed insured limits. The Company has not experienced any losses related to such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS

The Company acquired goodwill and intangible assets in 2024 from the acquisitions of Myrtle and RCHI and in 2025 from the acquisition of Vector.

Goodwill is required to be tested annually or whenever events have occurred that suggest that goodwill may be impaired. Goodwill is tested at the reporting unit level. The Company has three reporting units: Myrtle, SCCH and Vector. Step 0 in the goodwill impairment test model is to perform a qualitative analysis. This step is not required but can be applied to determine if it is more likely than not that an impairment has occurred. Step 1 is to perform a quantitative analysis to determine a reporting unit's fair value and to compare the fair value to the reporting unit's carrying value. If the carrying value exceeds the unit's fair value, a goodwill impairment is recorded to adjust the unit's carrying value to fair value.

The Company reviews its intangible assets to determine potential impairment annually or whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be fully recoverable. For intangible assets, recoverability is measured by comparing the carrying amount of the asset group with the future undiscounted cash flows the assets are expected to generate. Considerable management judgment is necessary to estimate future cash flows. Accordingly, actual results could vary significantly from such estimates. If such assets are considered impaired, an impairment loss is measured by comparing the amount by which the carrying value exceeds the fair value of the long-lived assets.

LEASES

We account for leases in accordance with Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), which requires leases with durations greater than 12 months to be recognized on the balance sheet. We lease facilities under operating leases with a subsidiary of RHI, a related party. For operating leases with terms greater than 12 months, we record the related right-of-use assets and right-of-use obligations at the present value of lease payments over the term. We do not separate lease and non-lease components of contracts. Our operating leases are more fully discussed in Note 11.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

Level 1 – defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets.

Level 2 – defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active.

Level 3 – defined as unobservable inputs in which little or no market data exits, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

In some circumstances, the inputs used to measure the fair value might be categorized within different levels of the fair value hierarchy. In these instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

At June 30, 2026 and December 31, 2025, the carrying value of the Company’s accounts receivable, notes payable, accounts payable and accrued expenses approximated their fair values due to their short-term natures.

As of June 30, 2026, the Company did not have any assets and liabilities that were measured using the three-tier fair value hierarchy. As of June 30, 2026 and December 31, 2025, the Company determined that its warrant liability for its Public Warrants and Private Placement Warrants that were previously fair valued based on the Level 1 and Level 2 hierarchies of the valuation techniques, respectively, no longer had any value. However, at June 30, 2025 and December 31, 2024, the fair value of the Public Warrants and Private Placement Warrants as determined based on the Level 1 and Level 2 hierarchies, resulted in a change in the fair value of warrant liabilities. Therefore, for the three and six months ended June 30, 2025, the Company recognized non-operating income of $7,576 and $39,170, respectively, from the decrease in fair value of these warrant liabilities. The Public Warrants and Private Placement Warrants are also discussed in Note 12.

DERIVATIVE INSTRUMENTS

The Company does not use derivative instruments to hedge exposure to cash flow, market or foreign currency risks. The Company evaluates all of its financial instruments, including preferred stock, convertible debt and stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASU 2020-06, Debt – Debt with Conversion and Other Options, Subtopic 470-20 and Derivative and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40, ASC 480, “Distinguishing Liabilities from Equity,” and ASC 815-15, “Derivatives and Hedging – Embedded Derivatives”).

The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is reassessed at the end of each reporting period. When determining whether certain financial instruments should be classified as liabilities or equity instruments, a down-round provision no longer precludes equity classification when assessing whether the instrument is indexed to an entity’s own stock. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down-round provision. Convertible instruments with embedded conversion options that have down-round features are now subject to the specialized guidance in Subtopic 470-20, including related earnings/loss per share guidance in Topic 260.

For freestanding equity classified financial instruments, the amendments require entities that present earnings (loss) per share in accordance with Topic 260 to recognize the effect of the down round feature when it is triggered. That effect is treated as a deemed dividend and as a reduction of income available to common stockholders in basic and diluted earnings/loss per share. This reflects the occurrence of an economic transfer of value to the holder of the instrument, while alleviating the complexity and income statement volatility associated with fair value measurement on an ongoing basis.

REVENUE RECOGNITION POLICY

The Company recognizes revenue in accordance with ASC, "Revenue from Contracts with Customers (Topic 606)," including subsequently issued updates. Under the accounting guidance, revenues are presented net of estimated contractual allowances and estimated implicit price concessions.

Healthcare

The Company's healthcare segment consists of the operations of Myrtle and RCHI.

Myrtle's revenues relate to contracts with patients in which its performance obligations are to provide behavioral health care services to its patients. Revenues are recorded during the period in which its obligations to provide health care services are satisfied. Myrtle's performance obligations for inpatient services are generally satisfied over periods averaging approximately 7 to 28 days depending on the service line, and revenues are recognized based on charges incurred. The contractual relationships with patients, in most cases, also involve third-party payers and the transaction prices for the services provided are dependent upon the terms provided by or negotiated with the third-party payers. The payment arrangements with third-party payers for the services Myrtle provides to its patients typically specify payments at amounts less than its standard charges. Services provided to patients are generally paid at prospectively determined rates per diem.

RCHI's revenues relate to contracts with patients of BSF in which its performance obligations are to provide health care services to the patients. Revenues are recorded during the period its obligations to provide health care services are satisfied. Its performance obligations for inpatient services are generally satisfied over periods averaging approximately three days, and revenues are recognized based on charges incurred. Its performance obligations for outpatient services, including emergency room-related services, are generally satisfied over a period of less than one day. The contractual relationships with patients, in most cases, also involve a third-party payer (Medicare, Medicaid, managed care health plans and commercial insurance companies) and the transaction prices for the services provided are dependent upon the terms provided by Medicare and Medicaid or negotiated with managed care health plans and commercial insurance companies. The payment arrangements with third-party payers for the services it provides to the related patients typically specify payments at amounts less than our standard charges. Medicare, because of BSF's designation as a critical access care hospital, generally pays for inpatient and outpatient services at rates related to the hospital's costs. Services provided to patients having Medicaid coverage are generally paid at prospectively determined rates per discharge, per identified service or per covered member. Agreements with commercial insurance carriers, managed care and preferred provider organizations generally provide for payments based upon predetermined rates per diagnosis, per diem rates or discounted fee-for-service rates.

Laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation. Estimated reimbursement amounts are adjusted in subsequent periods as cost reports are prepared and filed and as final settlements are determined (in relation to certain government programs, primarily Medicare, this is generally referred to as the "cost report" filing and settlement process). As of June 30, 2026 and December 31, 2025, a total of \$2.3 million and \$1.9 million, respectively, of Medicare cost report settlement liabilities were recorded, as presented in Note 8.

Management continually reviews the contractual estimation process to consider the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals. Under the revenue recognition accounting guidance, revenues are presented net of estimated contractual allowances and estimated implicit price concessions. The healthcare segment's net revenues are based upon the estimated amounts it expects to be entitled to receive from third-party payers and patients based, in part, on Medicare and Medicaid rates as discussed above as for each of Myrtle and BSF. The healthcare segment also records estimated implicit price concessions related to uninsured accounts to record self-pay revenues at the estimated amounts it expects to collect.

The collection of outstanding receivables is the healthcare segment's primary source of operating cash and is critical to its operating performance. The primary collection risks relate to patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients. Accounts are written off when all reasonable internal and external collection efforts have been carried out. The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions and other collection indicators.

Life Science Services

Our Life Science Services segment's revenue consists of revenue from Vector from the date of acquisition, which was September 19, 2025. The Company recognizes revenue from the sale of high-quality bio-samples and bulk biological materials for every stage of life science research in accordance with ASC 606. As a result of applying this five-step model under ASC 606, the Company recognizes revenues from its sale of products upon their transfer of control to the customer, which is considered complete at either the time of shipment or arrival at destination based upon agreed upon terms within the contract. The Company's payment terms for the sale of standard products are typically 30 to 60 days.

Labs

The Company has recorded minor revenues from its Labs segment during the three and six months ended June 30, 2026 and 2025. Labs currently recognizes revenue from collecting a royalty from Illumina, Inc. related to the sales of the Infinium Mouse Methylation Array. The Company applies judgment in determining the customer's ability and intention to pay based on a variety of factors including the customer's historical payment experience.

CONTRACTUAL ALLOWANCES AND DOUBTFUL ACCOUNTS POLICY

In accordance with ASC, "Revenue from Contracts with Customers (Topic 606)," including subsequently issued updates, the Company does not present "allowances for doubtful accounts" on its balance sheets, rather its accounts receivable are reported at realizable value, net of estimated contractual allowances and estimated implicit price concessions (also referred to as doubtful accounts), which are estimated and recorded in the period the related revenue is recorded. ASC, "Financial Instruments Credit Losses (Topic 326)," requires that healthcare organizations estimate credit losses on a forward-looking basis taking into account historical collection and payer reimbursement experience as an integral part of the estimation process related to contractual allowances and doubtful accounts. Receivables deemed to be uncollectible are charged against the allowance for doubtful accounts after all collection efforts have ceased or the account is settled for less than the amount originally estimated to be collected. Recoveries of receivables previously written-off are recorded as credits to the allowance for doubtful accounts. Revisions to the allowances for doubtful accounts are recorded as adjustments to revenues.

During the three months ended June 30, 2026 and 2025, estimated contractual allowances and implicit price concessions of $21.1 million and $17.2 million, respectively, have been recorded as reductions to revenues and accounts receivable balances to enable the Company to record its revenues and accounts receivable at the estimated amounts it expects to collect and during the six months ended June 30, 2026 and 2025, estimated contractual allowances and implicit price concessions of $40.6 million and $34.7 million, respectively, have been recorded as reductions to revenues and accounts receivable balances to enable the Company to record its revenues and accounts receivable at the estimated amounts it expects to collect. As required by Topic 606, after deducting estimated contractual allowances and implicit price concessions from the healthcare segment's revenues for the three months ended June 30, 2026 and 2025, the Company recorded healthcare net revenues of $4.5 million and $5.2 million, respectively and for the six months ended June 30, 2026 and 2025, $9.3 million and $8.4 million, respectively. The Company continues to review the provisions for contractual allowances and implicit price concessions. See Note 6, Accounts Receivable, Net.

INCOME TAXES

Deferred taxes are provided on an asset and liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the amounts of assets and liabilities and their tax basis. 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 of 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 is required to analyze its filing positions open to review and believes all significant positions have a "more-likely-than-not" likelihood of being upheld based on their technical merit and, accordingly, the Company has not identified any unrecognized tax benefits.

The Company has not recorded income tax provisions or benefits for the income/losses that it incurred for the three and six months ended June 30, 2026 and 2025. While the Company earned book income for the three and six months ended June 30, 2026, the income resulted from the forfeiture of unvested restricted stock under the Management Contingent Share Plan and the reversal of accrued severance that was no longer owed. Neither of these amounts resulted in taxable income for federal and state income taxes. The Company incurred a pre-tax loss for the full year ended December 31, 2025. In addition, the Company believes that its available net operating loss carryforwards would offset future taxable income, if any, for the full year ended December 31, 2026. Therefore, its effective income tax rates were zero for the periods presented and the Company has provided a full valuation allowance for its net deferred tax assets.

NET INCOME (LOSS) PER SHARE

Net income (loss) per share of common stock is calculated by dividing net income (loss) to common stockholders by the weighted average number of shares of common stock outstanding during the period. The Company follows the provisions of ASC Topic 260, Earnings Per Share for determining whether outstanding shares that are contingently returnable are included for purposes of calculating net income (loss) to common stockholders per share and determining whether instruments granted in equity-based compensation arrangements are participating securities for purposes of calculating net income (loss) to common stockholders per share. See Note 4, Net Income (Loss) Per Share.

BUSINESS COMBINATIONS

The Company follows the guidance in ASC 805, Business Combinations for determining the appropriate accounting treatment for business acquisitions. Under ASC 805, the assets acquired, and liabilities assumed are recorded as of the acquisition date, at their respective fair values and consolidated with those of the Company. The excess of the purchase prices over the aggregate fair value of the tangible assets acquired and liabilities assumed is treated as goodwill in accordance with ASC 805. During the measurement period or until valuation studies are completed, the provisional amounts used for the purchase price allocation are subject to adjustments for a period not to exceed one year from the date of acquisition. Acquisition costs are expensed as incurred. The accounting for the acquisition of Vector is presented in Note 5, Acquisition.

RECENTLY ISSUED ACCOUNTING STANDARDS

In November 2024, the FASB issued ASU 2024-04, Debt with Conversions and Other Options (Subtopic 470-20), Induced Conversions of Convertible Debt Instruments. The amendments in this ASU clarify when the settlement of a debt instrument should be accounted for as an induced conversion. Under this ASU, (a) to be accounted for as an induced conversion, an inducement offer is required to preserve the form and amount of consideration issuable upon conversion in accordance with the terms of the instrument (rather than only the equity securities issuable upon conversion), (b) whether a settlement of convertible debt is an induced conversion should be assessed as of the date the inducement offer is accepted by the holder, and (c) issuers that have exchanged or modified a convertible debt instrument within the preceding 12 months (that did not result in extinguishment accounting) should use the terms that existed 12 months before the inducement offer was accepted when determining whether induced conversion accounting should be applied. The amendments in this ASU are effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06. The amendments in this ASU permit an entity to apply the new guidance on either a prospective or a retrospective basis. The adoption of this ASU did not have an impact on the Company's financial statements for the three and six months ended June 30, 2026 and 2025.

In September 2025, the FASB issued ASU 2025-07, Intangibles—Goodwill and Other— Internal-Use Software (Subtopic 350-40). The target of this update is accounting for internal use software. The amendments in this Update remove all references to prescriptive and sequential software development stages (referred to as “project stages”) throughout Subtopic 350-40. Therefore, an entity is required to start capitalizing software costs when both of the following occur: 1. Management has authorized and committed to funding the software project. 2. It is probable that the project will be completed and the software will be used to perform the function intended (referred to as the “probable-to-complete recognition threshold”). In evaluating the probable-to-complete recognition threshold, an entity is required to consider whether there is significant uncertainty associated with the development activities of the software (referred to as “significant development uncertainty”). The two factors to consider in determining whether there is significant development uncertainty are whether: 1. The software being developed has technological innovations or novel, unique, or unproven functions or features, and the uncertainty related to those technological innovations, functions, or features, if identified, has not been resolved through coding and testing. 2. The entity has determined what it needs the software to do (for example, functions or features), including whether the entity has identified or continues to substantially revise the software’s significant performance requirements. The amendments in this Update specify that the disclosures in Subtopic 360-10, Property, Plant, and Equipment—Overall, are required for all capitalized internal-use software costs, regardless of how those costs are presented in the financial statements. Furthermore, the amendments in this Update supersede the website development costs guidance and incorporate the recognition requirements for website-specific development costs from Subtopic 350-50 into Subtopic 350-40. Under current GAAP, entities are required to capitalize development costs incurred for internal-use software depending on the nature of the costs and the project stage during which they occur. The amendments in this ASU improve the operability of the guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods, including methods that entities may use to develop software in the future. The amendments in this ASU are effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. The amendments in this ASU permit an entity to apply the new guidance on either a prospective or a retrospective basis. The Company has not yet determined the impact of the adoption of this ASU on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting Topic 270. The amendments in this Update clarify interim disclosure requirements and the applicability of Topic 270. The amendments in this Update result in a comprehensive list of interim disclosures that are required by GAAP. In developing the list of disclosures required by other Topics, the FASB focused on identifying the interim disclosures that are currently required under GAAP. The objective of the amendments is to provide clarity about the current requirements, rather than evaluate whether to expand or reduce interim disclosure requirements. The amendments in this Update also include a disclosure principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The intent of the disclosure principle, which is modeled after a previous SEC disclosure requirement, is to help entities determine whether disclosures not specified in Topic 270 should be provided in interim reporting periods. The amendments in this Update also clarify the applicability of Topic 270, the types of interim reporting, and the form and content of interim financial statements in accordance with GAAP. The amendments in this Update are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, for public business entities. Early adoption is permitted. The amendments in this Update can be applied either (1) prospectively or (2) retrospectively to any or all prior periods presented in the financial statements. The Company has not yet determined the additional information that it will be required to provide upon adoption of this ASU.

Other recent accounting standards issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the SEC did not or are not believed by management to have a material impact on the Company’s present or future consolidated financial statements.

Note 4 NET INCOME (LOSS) PER SHARE

The following table sets forth the calculation of basic and diluted income (loss) per share for the periods presented based on the weighted average number of shares of the Company's Class A Common Stock and its common stock equivalents outstanding during the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income (loss) attributable to FOXO – basic	$ 8,140,085	$ (522,021)	$ 6,688,112	$ (1,138,479)
Declared and deemed dividends from preferred stock, including issuances and anti-dilution provisions thereof and triggers of down-round provisions of Assumed Warrants	(135,605)	(265,070)	(135,605)	(437,195)
Net income (loss) to common stockholders	$ 8,004,480	$ (787,091)	$ 6,552,507	$ (1,575,674)
Preferred stock dividends – undeclared, net	259,052	(168,521)	(25,720)	(483,430)
Net income (loss) to common stockholders, net of preferred stock dividends – undeclared, net – basic	$ 8,263,532	$ (955,612)	$ 6,526,787	$ (2,059,104)
Weighted average number of shares of Class A Common Stock - basic	1,379,806	1,507	1,209,590	1,007
Net income (loss) per share available to Class A Common Stock - basic	$ 5.99	$ (634.12)	$ 5.40	$ (2,044.79)
Net income (loss) to common stockholders, net of preferred stock dividends – undeclared, net – basic	$ 8,263,532	$ (955,612)	$ 6,526,787	$ (2,059,104)
Adjust for dilutive preferred stock dividends – undeclared, net	(259,052)	-	25,720	-
Adjust for interest expense on convertible notes payable	408,412	-	837,271	-
Net income (loss) to common stockholders – diluted	$ 8,412,892	$ (955,612)	$ 7,389,778	$ (2,059,104)
Basic weighted average number of shares of Class A Common Stock	1,379,806	1,507	1,209,590	1,007
Convertible preferred stock	88,750,234	-	96,344,214	-
Convertible notes payable	6,836,716	-	6,836,716	-
Diluted weighted average number of shares of Class A Common Stock	96,966,756	1,507	104,390,520	1,007
Diluted net income (loss) per share available to Class A Common Stock	$ 0.09	$ (634.12)	$ 0.07	$ (2,044.79)

The following Class A Common Stock equivalents of the Company have been excluded from the computation of diluted net income (loss) per common share as the effect would be antidilutive.

	Three and Six Months Ended June 30, 2026	Three and Six Months Ended June 30, 2025
Preferred stock	-	23,327
Public and private warrants	18	18
Convertible notes payable	-	2,993
Vector Warrants	128,950	-
Stock options	-	10
Total antidilutive shares	**128,968**	**26,348**

At June 30, 2026, in addition to the common stock equivalents listed in the table above, the Company has agreed to issue: (i) an aggregate of seven shares of its Class A Common Stock under the terms of outstanding notes payable, which are discussed in Note 9, and (ii) 141,667 shares of its Class A Common Stock for dividends declared on its Series E Cumulative Redeemable Secured Preferred Stock (the "Series E Preferred Stock"), which are discussed in Note 12.

Note 5 ACQUISITION

Vector Acquisition

On September 9, 2025, the Company entered into a Stock Purchase Agreement with Vector, a Wyoming corporation, (the “Vector SPA”), between the stockholders (each, a “Seller,” or, together, the “Sellers”) owning all of the issued and outstanding shares of Vector (the “Purchased Shares”) and FOXO Acquisition Corporation, a Florida corporation and wholly-owned subsidiary of the Company (“FAC”), (the “Vector Acquisition”). Upon closing on September 19, 2025, the Sellers exchanged the Purchased Shares for (i) $500,000 in cash, (ii) 60,000 shares of the Company’s Series E Preferred Stock with a stated value of $25.00 per share or a total stated value of $1,500,000 (iii) 128,950 three year warrants of the Company’s Class A Common Stock with an exercise price of $15.51 per share (subject to adjustment) (the “Vector Warrants”), which was equal to the closing price of the Company’s Class A Common Stock on the trading day immediately prior to closing, plus 10%, valued at $769,826 and (iv) up to 80,000 shares of Series E Preferred Stock to be issued to the Sellers on or before 120 days after the two-year anniversary of the closing; provided that, such shares will only be issued in the event that the Qualifying Revenues (as defined) during the 12-month period between the first and second anniversary of the closing are at least $4,000,000; provided, further, that in the event that less than $4,000,000 of Qualifying Revenues are actually collected by Vector on or before 90 days after the second anniversary of the closing, the number of shares of Series E Preferred Stock to be issued to the Sellers will be reduced by an amount equal to one share for each $25.00 of Qualifying Revenues less than $4,000,000 collected by such date; and, provided, further, if a Change of Control (as defined) of the Company occurs prior to the two-year anniversary of the closing, all of the 80,000 shares of Series E Preferred Stock will be issued to the Sellers as of the date of such Change of Control. Pursuant to the SPA, the Sellers have the right (option), but not obligation, to repurchase the Purchased Shares under certain limited circumstances at fair market value as determined by a third party and subject to a floor. Such circumstances include, but are not limited to: (i) failure of the Company to have received approval for listing or quotation of shares of the Series E Preferred Stock within nine months of the closing, (ii) any material breach of the SPA within the second anniversary of the closing, including the requirement for FOXO or FAC to provide agreed-upon working capital, and (iii) the failure of FOXO to consummate a specified acquisition within 60 days of execution of definitive agreements. The option may be exercised by written notice by Sellers within 30 days after the occurrence of a Buyback Trigger Event as defined in the SPA. The Vector Warrants, which were valued using the Black Scholes valuation model, and the Series E Preferred Stock, which was valued based on stated value, are more fully discussed in Note 12. As of June 30, 2026, the Company has recorded $500,000 of contingent purchase price consideration as goodwill and a long-term liability. The amount was based on the estimated value of additional shares of Series E Preferred Stock (at stated value) that will be owed pursuant to current projections of Qualifying Revenue.

The purchase consideration payable to the Sellers were allocated to the net tangible and intangible assets acquired and liabilities assumed. The Company accounted for the acquisition as a business combination under U.S. GAAP. In accordance with the acquisition method of accounting under ASC Topic 805, “Business Combinations,” (“ASC 805”), the assets acquired and liabilities assumed were recorded as of the acquisition date, at their respective fair values and consolidated with those of the Company.

The Company completed a valuation study to determine the fair values of the assets acquired in the Vector acquisition. Based on the study that was prepared by an independent valuation firm, the assets acquired, net of liabilities assumed, were $0.7 million for Vector. The valuation firm used several methods to calculate the fair values of the intangible assets acquired in the Vector acquisition (principally trade names, licenses/permits and customer relationships) including the cost and income approaches and with-and-without, relief from royalty and multiple period excess earnings methods. Furthermore, the valuation firm reviewed and utilized ten-year projections as developed by management and calculated the cost of equity capital using the build-up model and a weighted average cost of capital using comparable, guideline companies. Management believes the book value of acquired fixed assets, other tangible assets and liabilities assumed approximated their fair values. The excess of the purchase price over the aggregate fair values of the tangible and intangible assets acquired and liabilities assumed was treated as goodwill as reflected in the table below.

During the measurement period, the amounts used for the purchase price allocation are subject to adjustments for a period not to exceed one year from the date of acquisition. As a result, the amount of goodwill presented below for the Vector acquisition may be increased or decreased. Included in the purchase price allocation presented below for Vector is $500,000 of the value of up to 80,000 shares of Series E Preferred Stock that may be issued if Qualifying Revenues are reached or if a change of control occurs.

The following table shows the allocation of the purchase price of Vector to the identifiable assets acquired and liabilities assumed as of June 30, 2026:

		Vector
Initial purchase price	$	2,769,826
Additional purchase consideration		500,000
Total purchase price	$	3,269,826
Tangible and intangible assets acquired, and liabilities assumed at fair value:		
Cash	$	6,415
Accounts receivable, net		78,338
Inventory		8,021
Supplies		-
Prepaid expenses		-
Property and equipment, net		18,187
Intangible assets		715,874
Right-of-use lease assets		8,912
Accounts payable		(102,678)
Accrued expenses		(1,202)
Right-of-use lease liabilities		(7,593)
Note payable		-
Other loans		(63,935)
Noncontrolling interest		-
Assets acquired, net of liabilities assumed	$	660,339
Goodwill	$	2,609,487

In addition to the goodwill acquired in the Vector acquisition, as of June 30, 2026, the Company recorded additional goodwill of $182,831, which resulted from federal and state deferred tax benefits associated with the Vector acquisition. See Note 7 for an additional discussion of goodwill.

In addition to the purchase prices listed above, the Company incurred acquisition costs consisting of approximately $16,000 in legal fees for Vector. These fees were expensed as incurred.

The following presents the unaudited pro-forma combined results of operations of the Company for the three and six months ended June 30, 2025 as if the acquisition of Vector occurred on January 1, 2025.

	Three Months Ended June 30, 2025		Six Months Ended June 30, 2025	
Net Revenue	$	5,429,546	$	8,749,873
Net loss attributable to FOXO		(551,918)		(1,203,200)
Declared and deemed dividends		(321,320)		(493,445)
Net loss to common stockholders		(873,238)		(1,696,645)
Preferred stock dividends – undeclared		(168,521)		(483,430)
Net loss to common stockholders, net of preferred stock dividends – undeclared	$	(1,041,759)	$	(2,180,075)
Net loss per share:				
Basic and diluted net loss per share available to Class A Common Stock	$	(690.74)	$	(2,162.39)
Basic and diluted weighted average number of shares of Class A Common Stock		1,508		1,008

The unaudited pro forma results of operations do not include any adjustment as a result of the potential additional purchase price consideration of Vector as discussed above.

The unaudited pro-forma results of operations are presented for information purposes only. The unaudited pro-forma results of operations are not intended to present actual results that would have been attained had the acquisition of Vector been completed as of January 1, 2025 or to project potential operating results as of any future date or for any future periods.

Note 6 ACCOUNTS RECEIVABLE, NET

Accounts receivable, net at June 30, 2026 and December 31, 2025 were as follows:

	June 30, 2026		December 31, 2025	
Accounts receivable, gross	$	21,142,719	$	16,361,485
Less:				
Allowance for contractual obligations		(16,568,916)		(12,986,305)
Allowance for doubtful accounts		(435,206)		(964,964)
Accounts receivable, net	$	4,138,597	$	2,468,346

Note 7 INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

The components of intangible assets, net at June 30, 2026 and December 31, 2025 were as follows:

	June 30, 2026		December 31, 2025	
Tradenames	$	1,907,612	$	1,890,616
Licenses and permits		7,396,848		7,396,848

Customer relationships	434,896	423,423
Behavioral Health APP	100,000	100,000
Gross intangible assets	9,839,356	9,810,887
Less: accumulated amortization	(83,993)	(39,918)
Intangible assets, net	$ 9,755,363	$ 9,770,969

The tradenames, licenses and permits and customer relationships intangible assets resulted from the acquisitions of Myrtle, RCHI and Vector. The acquisition of Vector is more fully discussed in Note 5. The tradename associated with Vector of $324,878 is being amortized over 14 years and the tradenames associated with Myrtle and RCHI of $1,582,734 have indefinite lives, the licenses and permits assets have indefinite lives and the customer relationships are being amortized over three to eight years. The Behavioral Health APP, which is under development, is being developed for Myrtle by InnovaQor, Inc. (“InnovaQor”), a related party, as discussed in Note 10, and is not currently expected to be commercialized. The APP being developed is an ongoing communication link between Myrtle and former patients for patient care follow-up and alumni network development.

The Company recognized amortization expense on its intangible assets of $21,679 and $3,658 in the three months ended June 30, 2026 and 2025, respectively, and $44,075 and $7,317 in the six months ended June 30, 2026 and 2025, respectively.

Goodwill

Goodwill was $27.8 million and $27.8 million as of June 30, 2026 and December 31, 2025, respectively. The goodwill resulted from the acquisitions of Myrtle, RCHI and Vector.

Note 8 ACCRUED EXPENSES

At June 30, 2026 and December 31, 2025, accrued expenses consisted of the following:

	June 30, 2026	December 31, 2025
Accrued payroll and related liabilities	$ 8,707,953	$ 7,679,131
Accrued severance	598,897	2,174,035
Accrued interest	313,914	296,371
Medicare cost report settlement payables	1,339,453	690,474
Patient and third-party liabilities	867,461	624,222
Other accrued expenses	601,112	438,150
Accrued expenses	$ 12,428,790	$ 11,902,383

Included in the accrued payroll and related liabilities presented in the table above was approximately $7.4 million and $6.6 million at June 30, 2026 and December 31, 2025, respectively, for past due payroll taxes and associated penalties and interest.

In connection with the STLA with Mr. Sabes, as more fully discussed in Notes 1 and 14, during the three and six months ended June 30, 2026, the Company recorded other income of $1,648,377, which resulted from the reversal $1,575,138 of the accrued severance reflected in the table above at December 31, 2025 and $73,239 of legal fees payable. Per the terms of the STLA, the severance and legal fees are no longer owed to Mr. Sabes.

In addition to the current portion of the Medicare cost report settlement payables of $1,339,453 and $690,474 presented in the table above, at June 30, 2026 and December 31, 2025, respectively, there were long-term Medicare cost report settlement payables of $990,922 and $1,168,264 included on the unaudited condensed consolidated balance sheets in total liabilities at June 30, 2026 and December 31, 2025, respectively. The total Medicare cost report settlement payables at June 30, 2026 are due as follows:

	Medicare Cost Report Settlement Payables at June 30, 2026
Twelve months ending:	
June 30, 2027	$ 1,339,453
June 30, 2028	421,431
June 30, 2029	387,833
June 30, 2030	133,698
June 30, 2031	47,960
Thereafter	-
Total	$ 2,330,375

Related parties' payables and accrued expenses are presented in Note 10.

Note 9 DEBT

At June 30, 2026 and December 31, 2025, debt consisted of the following:

	June 30, 2026	December 31, 2025
Notes payable – third parties	$ 11,640,472	$ 2,151,838
Notes and loans payable – related parties	5,524,146	4,902,392
Other loans	42,958	237,810
Total debt	17,207,576	7,292,040
Less current portion of debt	(17,207,576)	(7,292,040)
Total debt, net of current portion	$ -	$ -

Notes Payable – Third Parties

At June 30, 2026 and December 31, 2025 notes payable with third parties consisted of the following:

	June 30, 2026	December 31, 2025
Silverback/Western Note Payable	$ 540,363	$ 540,363
ClearThink Notes in the aggregate principal amount of $819,905 and $424,462 at June 30, 2026 and December 31, 2025, respectively	819,905	424,462
LGH note payable in the principal amount of $160,668 and $70,168 at June 30, 2026 and December 31, 2025, respectively	160,668	70,168
IG notes payable in the aggregate principal amount of $537,250 and $356,250, at June 30, 2026 and December 31, 2025, respectively	537,250	356,250
1800 Diagonal notes payable in the aggregate principal amount of $0 and $238,841, net of unamortized discounts of $0 and $59,790 at June 30, 2026 and December 31, 2025, respectively	-	179,051
Lucas Ventures notes payable in the aggregate principal amount of $623,125 and $442,125 at June 30, 2026 and December 31, 2025, respectively	623,125	442,125
JSC note payable in the aggregate principal amount of $125,669 at June 30, 2026 and December 31, 2025	125,669	125,669
Vista Capital note payable in the principal amount of $125,031 and $13,750 at June 30, 2026 and December 31, 2025, respectively	125,031	13,750
REB Holdings note payable in the principal amount of $110,250 at June 30, 2026	110,250	-
Promissory notes with institutional investors in the aggregate principal amount of $8,598,211, net of unamortized discounts of $100,874, at June 30, 2026	8,598,211	-
Total third-party notes payable	11,640,472	2,151,838
Less current portion of third-party notes payable	(11,640,472)	(2,151,838)
Total third-party notes payable, net of current portion	**$ -**	**$ -**

Silverback/Western Note Payable

The Company assumed a promissory note payable to Western Healthcare, LLC (the “Western Note Payable”) that was owed by SCCH at the time of the acquisition of RCHI. As of December 31, 2024, the principal balance owed was $0.6 million. The note bore interest at a default rate of 18% per annum and payments consisting of principal and interest were due no later than August 30, 2022. SCCH did not make all of the monthly installments due under the note and it was past due.

In February 2025, the Western Note Payable was sold to a new holder, Silverback Capital Corporation (“Silverback”), and it was amended and restated. Per the terms of the amendment and restatement, the principal balance of the note, which included previously accrued interest expense, was $1,080,358, and the maturity date was February 26, 2026. Per the amendment and restatement, the note was non-interest bearing and it was convertible into shares of the Company’s Class A Common Stock at a conversion price equal to 90% of the average VWAP for the five trading days prior to conversion. During the period February 2025 to June 30, 2025, $539,995 of principal balance of the note was converted into 106 shares of the Company’s Class A Common Stock. As of June 30, 2026, Silverback failed to make further payments to Western Healthcare, LLC and the Western Note Payable is in default. It is probable that no further conversions of the principal balance into shares of our Class A common stock will take place.

Notes Payable to ClearThink Capital Partners, LLC

On August 16, 2024, the Company issued ClearThink a promissory note in the principal amount of $39,750, which matured on November 16, 2024 and is currently in default. The note was issued with a $13,250 original issue discount.

On December 31, 2024, the Company issued ClearThink a promissory note in the principal amount of $220,000 and with a $20,000 original issue discount. Per the terms of the December 31, 2024 note, which matured on September 30, 2025, the Company recorded the value of inducement shares of $36,375 as additional debt discount. As a result of the non-payment of the December 31, 2024 note, the Company recorded default penalties of $64,763 during 2025 and default penalties of $45,500 and $90,500 during the three and six months ended June 30, 2026, respectively. The default penalties include a $500 per day penalty that is accruing. During the year ended December 31, 2025, $166,950 of the principal balance of the December 31, 2024 note was converted into 3,080 shares of the Company's Class A Common Stock leaving a total principal balance owed, including default penalties, of $208,313 and $117,813 on June 30, 2026 and December 31, 2025, respectively.

During the year ended December 31, 2025, the Company issued two additional promissory notes to ClearThink. On January 28, 2025 and March 7, 2025, the Company issued ClearThink promissory notes each in the principal amount of $110,000 and each with a $10,000 original issue discount. Per the terms of the January 28, 2025 note, the Company recorded the value of inducement shares of $15,375 as additional debt discount and per the terms of the March 7, 2025 note, the Company recorded the value of inducement shares of $16,000 as additional debt discount. The January 28, 2025 note matured on October 28, 2025 and the March 7, 2025 note matured on December 7, 2025. As a result of non-payment of the January 28, 2025 note at maturity, during the three months ended December 31, 2025, the Company accrued default penalties of $62,250 and during the three and six months ended June 30, 2026, the Company accrued default penalties of $45,500 and $90,500, respectively. The default penalties include a $500 per day penalty that is accruing. Including the default penalties, the total principal balance outstanding was $262,750 and $172,250 at June 30, 2026 and December 31, 2025, respectively. As a result of non-payment of the March 7, 2025 note at maturity, during the three months ended December 31, 2025, the Company recorded default penalties of $42,250 and during the three and six months ended June 30, 2026, the Company recorded default penalties of $45,500 and $90,500, respectively. The default penalties include a $500 per day penalty that is accruing. During the three months ended December 31, 2025, $57,600 of the principal balance of the March 7, 2025 note was converted into 106,667 shares of the Company's Class A Common Stock leaving a total principal balance owed, including default penalties, of $185,150 and $94,650 at June 30, 2026 and December 31, 2025, respectively.

As a result of the issuances of the January 28, 2025 and March 7, 2025 promissory notes, the Company incurred $28,000 of finder's fees during the six months ended June 30, 2025, which were recorded as additional debt discounts. Finder's fees are more fully discussed in Note 12.

The August 16, 2024 note had an interest rate of 12% per annum, but interest is presently accruing at a 22% per annum rate as a result of the payment default. The December 31, 2024, January 28, 2025 and March 7, 2025 notes each bore a one-time 10% interest charge upon issuance, which was recorded as additional debt discount, and upon an event of default, as that term is defined in the notes, the outstanding balances were increased to 125% of the principal amount outstanding and a penalty of $500 per day shall accrue. As a result of anti-dilution provisions in the notes, on June 30, 2026, the ClearThink December 31, 2024, January 28, 2025 and March 7, 2025 notes were convertible into shares of the Company's Class A Common Stock at an assumed conversion price of $0.225 per share. The August 16, 2024 note discussed above and the note issued on March 2, 2026 discussed below are non-convertible.

On March 2, 2026, the Company issued an unsecured promissory note to ClearThink under the terms of a Securities Purchase Agreement. The principal amount of the note is $115,000 and it was issued with an original issue discount of $15,000 and the Company received $100,000 of cash proceeds. The Company issued ClearThink 50,000 shares of its Class A Common Stock as inducement shares valued at $15,000, which was recorded as additional debt discount. The note matured on April 1, 2026 and accrues default interest at a one-time rate of 15%. On April 27, 2026, the Company entered into Amendment No. 1 to Promissory Note (the "ClearThink Note Amendment"), which extended the maturity date of the note to May 15, 2026. As compensation for the extension of the maturity date: (i) $12,000 was added to the principal amount outstanding on the note, resulting in a principal balance of $127,000; (ii) 50,000 shares of the Company's Class A Common Stock valued at $15,000 were issued by the Company to the holder; and (iii) the default interest rate was adjusted to an annual rate of 18%, which shall be applied back to the original investment date. During the six months ended June 30, 2026, the Company repaid $10,000 of the principal balance of the note, recorded a loan penalty of $6,943 and amortized $57,000 of debt discount for a total of $63,943 of interest expense on the note.

During the six months ended June 30, 2026 and 2025, the Company received net cash proceeds from ClearThink notes of $100,000 and $200,000, respectively. As a result of the issuances of ClearThink notes, the Company incurred finder's fees, which are more fully discussed in Note 12. During the six months ended June 30, 2026 and 2025, finder's fees recorded as additional debt discounts on the ClearThink notes were $0 and $28,000, respectively. The Company recorded interest expense on the ClearThink notes, including default penalties and amortization of debt discounts, of $173,912 and $142,733, respectively, during the three months ended June 30, 2026 and 2025 and interest expense, including default penalties and amortization of debt discounts, of $341,797 and $272,300, respectively, during the six months ended June 30, 2026 and 2025. Accrued interest on the ClearThink notes was $65,860 and $59,506 at June 30, 2026 and December 31, 2025, respectively.

Securities Purchase Agreement Dated November 15, 2024 with LGH Investments

On November 15, 2024, the Company entered into a Securities Purchase Agreement with LGH pursuant to which the Company issued to LGH a convertible promissory note in the principal amount of $220,000 and received cash proceeds of $200,000 and the Company issued shares of its Class A Common Stock as inducement shares to LGH. The value of the inducement shares of $83,500 was recorded as additional debt discount. The note was issued with a 10% original issue discount and a one-time 10% interest charge of $22,000 and was due on August 14, 2025. In addition, the Company recorded finder's fees of $28,000 in connection with the note payable recorded as additional debt discount. Since not paid at maturity, the Company recorded default penalties of $79,388 during the year ended December 31, 2025, and default penalties of $45,500 and $90,500 during the three and six months ended June 30, 2026, respectively. The default penalties include a daily penalty of $500 that is accruing. During the year ended December 31, 2025, $229,220 of principal balance of the note was converted into 49,992 shares of the Company's Class A Common Stock leaving a total principal balance owed, including default penalties, of $160,668 and $70,168 at June 30, 2026 and December 31, 2025, respectively. On June 30, 2026, as a result of the anti-dilution provisions, the November 15, 2024 note was convertible into shares of the Company's Class A Common Stock at an assumed conversion price of $0.225 per share.

Interest expense on the LGH note, which included default penalties and amortization of debt discount, was $45,500 and $28,268 during the three months ended June 30, 2026 and 2025, respectively, and $90,500 and $69,975 during the six months ended June 30, 2026 and 2025, respectively. Accrued interest was $22,000 at June 30, 2026 and December 31, 2025.

Securities Purchase Agreements Dated December 24, 2024 and March 4, 2025 with IG Holdings, Inc.

On December 24, 2024, the Company entered into a Securities Purchase Agreement with IG pursuant to which the Company issued to IG a convertible promissory note in the principal amount of $120,000 and received cash proceeds of $100,000 and the Company issued shares of its Class A Common Stock as inducement shares to IG. The value of the inducement shares of $24,800 was recorded as additional debt discount. The note was issued with a 10% original issue discount and a one-time 10% interest charge of $12,000 and matured on September 23, 2025. In addition, the Company recorded finder's fees of $14,000 as additional debt discount. Since not paid at maturity, the Company recorded default penalties of $82,500 during the year ended December 31, 2025 and default penalties of $45,500 and $90,500 during the three and six months ended June 30, 2026, respectively. The default penalties include a daily penalty of $500 that is accruing. Including default penalties, the principal balance due at June 30, 2026 and December 31, 2025 was $293,000 and $202,500, respectively.

On March 4, 2025, the Company entered into an additional Securities Purchase Agreement with IG pursuant to which the Company issued to IG a convertible promissory note in the principal amount of $110,000 and received cash proceeds of $100,000. The note, which matured on December 4, 2025, was issued with a $20,000 original issue discount and a one-time 10% interest charge of $11,000. Per the terms of the note, shares of the Company's Class A Common Stock are issuable as inducement shares. The value of the inducement shares that are issuable of $15,700 was recorded as additional debt discount. In addition, the Company recorded finder's fees of $14,000 as additional debt discount. Since not paid at maturity, the Company recorded default penalties of $43,750 during the year ended December 31, 2025 and default penalties of $45,500 and $90,500 during the three and six months ended June 30, 2026, respectively. The default penalties include a daily penalty of $500 that is accruing. Including default penalties, the principal balance due at June 30, 2026 and December 31, 2025 was $244,250 and $153,750, respectively.

On June 30, 2026, as a result of anti-dilution provisions, the IG notes were convertible into shares of the Company's Class A Common Stock at an assumed conversion price of $0.27 per share.

Interest expense on the IG notes, which included default penalties and amortization of debt discount, was $91,000 and $30,234 during the three months ended June 30, 2026 and 2025, respectively, and $181,000 and $58,467 during the six months ended June 30, 2026 and 2025, respectively. Accrued interest on the notes was $23,000 at June 30, 2026 and December 31, 2025.

Securities Purchase Agreements Dated May 21, 2025 and August 6, 2025 with 1800 Diagonal Lending LLC

On May 21, 2025, the Company issued to 1800 Diagonal a promissory note in the principal amount of $151,800, with an original issue discount of $19,800, plus a one-time interest amount of $18,216 (12% of the original principal amount of $151,800) that was recorded as additional debt discount. The Company received cash proceeds of $125,000 and it paid legal fees of $7,000. In addition, the Company recorded finder's fees of $18,480 as additional debt discount. The note matured on March 30, 2026. Repayment of the 1800 Diagonal note was due in five monthly payments. The first monthly payment was due on November 30, 2025 in the amount of $85,008 and the four subsequent monthly payments due were $21,252 each. As of December 31, 2025, the Company had repaid $106,260 of the note and during the six months ended June 30, 2026, the remaining balance of $58,291 was paid-in-full.

On August 6, 2025, the Company issued to 1800 Diagonal a promissory note in the principal amount of $180,550, with an original issue discount of $23,550, plus a one-time interest amount of $21,665 (12% of the original principal amount of $180,550) that was recorded as additional debt discount. The Company received cash proceeds of $157,000 and it paid legal fees of $7,000. In addition, the Company recorded finder's fees of $21,980 as additional debt discount. The note matured on June 15, 2026. Repayment of the 1800 Diagonal note was due in five monthly payments. The first monthly payment was due on February 15, 2026 in the amount of $101,107 and the four subsequent monthly payments due were $25,277 each. During the six months ended June 30, 2026, the balance of $180,550 was paid-in-full.

During the three months ended June 30, 2026 and 2025, the Company recorded interest expense on notes payable with 1800 Diagonal, including the amortization of debt discounts, of $18,016 and $63,482, respectively, and during the six months ended June 30, 2026 and 2025, the Company recorded interest expenses on notes payable with 1800 Diagonal, including amortization of debt discounts, of $59,790 and $121,038, respectively. Accrued interest was $0 and $21,665 at June 30, 2026 and December 31, 2025, respectively.

Securities Purchases Agreements with Lucas Ventures Dated November 18, 2024 and February 14, 2025

On November 18, 2024, the Company entered into a Securities Purchase Agreement with Lucas Ventures LLC, ("Lucas Ventures") pursuant to which the Company issued to Lucas Ventures a convertible promissory note in the principal amount of $220,000 and received cash proceeds of $200,000 and it agreed to issue Lucas Ventures shares of its Class A Common Stock as inducement shares. The value of the inducement shares of $88,750 was recorded as additional debt discount. The note was issued with a 10% original issue discount and a one-time 10% interest charge of $22,000 and matured on August 18, 2025. In addition, the Company recorded finder's fees of $28,000 in connection with the note as additional debt discount. Since not paid at maturity, the Company recorded default penalties of $128,500 during the year ended December 31, 2025 and default penalties of $45,500 and $90,500 during the three and six months ended June 30, 2026, respectively. The default penalties include a daily penalty of $500 that is accruing. Including default penalties, the principal balance due at June 30, 2026 and December 31, 2025 was $439,000 and $348,500, respectively.

On February 14, 2025, the Company entered into a second Securities Purchase Agreement with Lucas Ventures pursuant to which the Company issued to Lucas Ventures a convertible promissory note in the principal amount of $55,000 and received cash proceeds of $50,000 and the Company issued its Class A Common Stock valued at $11,750 as inducement shares. The note, which matured on November 14, 2025, was issued with a 10% original issue discount and a one-time 10% interest charge of $5,500. The value of the inducement shares of $11,750 was recorded as an additional debt discount. In addition, the Company recorded finder's fees of $7,000 as additional debt discount. Since not paid at maturity, the Company recorded default penalties of $38,625 during the year ended December 31, 2025 and default penalties of $45,500 and $90,500 during the three and six months ended June 30, 2026, respectively. The default penalties include a daily penalty of $500 that is accruing. Including default penalties, the principal balance due at June 30, 2026 and December 31, 2025 was $184,125 and $93,625, respectively.

As a result of the anti-dilution provisions, on June 30, 2026, the Lucas Ventures notes were convertible into shares of the Company's Class A Common Stock at an assumed conversion price of $0.225 per share.

Interest expense on the Lucas Ventures notes, which included default penalties and amortization of debt discount, was $91,000 and $37,862 during the three months ended June 30, 2026 and 2025, respectively, and $181,000 and $86,690 during the six months ended June 30, 2026 and 2025, respectively. Accrued interest on the notes was $27,500 at June 30, 2026 and December 31, 2025.

Convertible Promissory Notes with Jefferson Street Capital LLC Under January 7, 2025 Securities Purchase Agreements

On January 7, 2025, the Company entered into a Securities Purchase Agreement with Jefferson Street Capital LLC ("JSC") pursuant to which the Company agreed to issue to JSC convertible promissory notes in the principal amount of up to $1,650,000 and up to a total number of shares of the Company's Class A Common Stock as a commitment fee equal to 10% of the purchase price of each of the notes divided by the average VWAP of the Class A Common Stock during the five Trading Days (as defined in the notes) prior to the issuance date of the respective notes. Upon an event of default, as defined in the agreement, the Company shall immediately repay the default amount, which is 150% of the sum of the principal and interest outstanding at the time of the default and default interest at the rate of 16% per annum shall accrue.

Pursuant to the Securities Purchase Agreement discussed above, on March 6, 2025, the Company issued JSC a convertible promissory note in the principal amount of $133,650 and received cash proceeds of $121,500 and it issued commitment shares of the Company's Class A Common Stock valued at $12,150. The note was issued with a $12,650 original issue discount and a one-time interest amount of $13,365 (10% of the original principal amount of $133,650), which was recorded as additional debt discount. The Company recorded finder's fees of $17,010 as additional debt discount. The note originally matured on March 6, 2026. The Company failed to file a Registration Statement on Form S-1 to register the shares pursuant to the conversion terms of the note within 45 days of the note's issuance, which constituted an Event of Default. Accordingly, during the year ended December 31, 2025, the Company increased the principal amount of the note by $78,019, which represented 150% of the outstanding principal and interest on the date of the default (the "default penalty"), and it recorded default interest at the rate of 16% per annum for the period June 20, 2025 to December 31, 2025. As a result of the anti-dilution provisions, on June 30, 2026, the conversion price into which principal and interest under the note is convertible into shares of the Company's Class A Common Stock was an assumed price of $0.225 per share. During the year ended December 31, 2025, $86,000 of principal balance and $4,000 of interest were converted into 17,776 shares of the Company's Class A Common Stock leaving a principal balance of $125,669 at June 30, 2026 and December 31, 2025.

During the six months ended June 30, 2026, the Company recorded $(588) and $2,490 of interest expense on the note, which reflected a true-up of the amount accrued to date, and during the three and six months ended June 30, 2025, the Company recorded $135,068 and $139,258 of interest expense, respectively, which included a default penalty, default interest and amortization of debt discounts. At June 30, 2026 and December 31, 2025, accrued interest was $30,201 and $27,711, respectively.

Securities Purchase Agreement with Vista Capital Investment, LLC

On February 27, 2025, the Company entered into a Securities Purchase Agreement with Vista Capital Investment, LLC, ("Vista Capital") pursuant to which the Company issued to Vista Capital a convertible promissory note in the principal amount of $55,000 and received cash proceeds of $50,000 and it agreed to issue shares of its Class A Common Stock as inducement shares to Vista Capital. The note, which matured on November 27, 2025, was issued with a 10% original issue discount and a one-time 10% interest charge of $5,500. The value of the inducement shares of $8,400 was recorded as an additional debt discount. In addition, the Company recorded finder's fees of $7,700 payable in shares of the Company's Class A Common Stock as additional debt discount. During the year ended December 31, 2025, the Company made principal payments totaling $41,250 and interest payments of $4,125. Since not paid at maturity, the Company recorded default penalties of $45,500 and $111,281 during the three and six months ended June 30, 2026, respectively. The default penalties include a daily penalty of $500 that is accruing. Including default penalties, the principal balance due at June 30, 2026 and December 31, 2025 was $125,031 and $13,750, respectively.

On June 30, 2026, as a result of anti-dilution provisions, the Vista note was convertible into shares of the Company's Class A Common Stock at an assumed conversion price of $0.225 per share.

Interest expense on the Vista note, which included default penalties and amortization of debt discount, was $45,500 and $8,769 during the three months ended June 30, 2026 and 2025, respectively, and $111,281 and $14,713 during the six months ended June 30, 2026 and 2025, respectively. Accrued interest on the note was $1,375 and $5,500 at June 30, 2026 and December 31, 2025, respectively.

Note Payable with REB Holdings LLC

On June 5, 2026, the Company issued a promissory note to REB Holdings LLC, ("REB Holdings") in the principal amount of $105,000. The Company received cash proceeds of $100,000 as the note was issued with a $5,000 original issue discount. The note matured on June 26, 2026 and since not paid at maturity, the Company accrued a late fee of 5% of the principal balance, or $5,250, and default interest of $173 during the three and six months ended June 30, 2026. Including late fee, the principal balance and accrued interest due at June 30, 2026 was $110,250 and $173, respectively.

Promissory Notes Payable with Institutional Investors

On January 28, 2026, the Company issued two unsecured promissory notes payable to institutional investors, each with: (i) a principal balance of $280,000; (ii) an original issue discount of $15,000; (iii) a maturity date of March 26, 2026; and (iv) a default interest rate of 18% per annum. In addition, the Company reimbursed each investor $15,000 for legal fees and expenses incurred in connection with the notes. On March 30, 2026, in consideration for an increase in the stated principal amount of each note by $16,000, of which $2,000 of each amount applied by the investors to legal fees and expenses, the investors agreed to extend the maturity dates to May 31, 2026. On May 6, 2026, the final maturity date of each note was again extended from May 31, 2026 to September 15, 2026. As consideration for the second extension, the principal balance of each note was increased from $296,000 on the date of the second extension to $324,000. Per the terms of the extensions, the Company paid $2,000 per note on the date of the first extension and $150,000 per note on June 15, 2026. At June 30, 2026, the principal balance of each note was $172,000 and a final payment is due on September 15, 2026. The Company recognized discounts of $74,000 for each note and amortized $30,000 and $53,833 of the discounts of each note as interest expense during the three and six months ended June 30, 2026, respectively.

On March 15, 2026, the Company issued two additional unsecured promissory notes payable to the institutional investors, each with: (i) a principal balance of $47,500; (ii) an original issue discount of $5,000; (iii) a maturity date of May 15, 2026; and (iv) a default interest rate of 18% per annum. In addition, the Company reimbursed each investor $2,500 for legal fees and expenses incurred in connection with the notes. On May 6, 2026, the maturity date of each note was extended from May 15, 2026 to June 15, 2026. As consideration for each extension, the principal balance of each note was increased from $47,500 to $50,000, with the full balance of $50,000 per note due and payable in full on or before June 15, 2026. On June 18, 2026, the maturity date of each note was further extended to June 25, 2026 upon payment of $5,000 for each note. During the three and six months ended June 30, 2026, the Company incurred a total of $26,066 and $30,000, respectively, of interest expense from the amortization of debt discounts and extension payments in connection with these promissory notes. In connection with an unsecured promissory note dated July 17, 2026, which is more fully discussed in Note 16, on July 17, 2026, the Company repaid the balance owed of $50,000 for each note.

On May 6, 2026, the Company issued two unsecured promissory notes payable to institutional investors, each with: (i) a principal balance of $240,000; (ii) an original issue discount of $40,000; (iii) a maturity date of December 15, 2026; and (iv) a default interest rate of 18% per annum. In addition, $14,000 of the principal balance of each note was for legal fees and expenses incurred in connection with the notes and is required to be repaid to the investors on or before August 31, 2026, which date was changed in connection with the July 17, 2026 promissory note, which is more fully discussed in Note 16. The notes are unsecured obligations of the Company; provided, however, that the Company has agreed not to incur any other indebtedness that would be senior in preference to these notes while they remain outstanding. During the three and six months ended June 30, 2026, the Company incurred a total of $19,459 of interest expense from the amortization of debt discounts in connection with these promissory notes.

In connection with the extensions of the January 28, 2026 and March 15, 2026 promissory notes discussed above, the Company agreed that 50% of the gross proceeds of any equity, debt or equity-linked financing completed prior to final payment will be applied to repay the January 28, 2026 notes (and, thereafter, the May 6, 2026 notes) in a specified order of priority.

Exchange of Series A Preferred Stock for Senior Notes

On May 12, 2026, the two institutional investors, who also owned approximately 5,307 and 2,468 shares of the Company's Series A Cumulative Convertible Redeemable Preferred Stock ("Series A Preferred Stock") with aggregate stated values of approximately $5,307,097 and $2,467,988, respectively, exchanged their shares for new senior unsecured non-convertible promissory notes (the "Senior Notes") with principal amounts equal to the stated values of the exchanged preferred shares, or $5,307,097 and $2,467,988, respectively, for a combined aggregate principal amount of approximately $7,775,085. The Company's Series A Preferred Stock is more fully discussed in Note 12. The Senior Notes are non-convertible into equity by the investors or the Company. Repayments of the principal amounts of the Senior Notes are due on the earlier of May 12, 2027 or the occurrence of an event of default as defined in the Senior Notes. Repayments of the Senior Notes are also due upon completion of a public offering or up-listing to a recognized stock exchange. The Senior Notes do not bear interest except in the event of a default in which case they bear default interest at the rate of 18% per annum or such lower maximum amount of interest permitted to be charged under applicable law. No gain or loss was recorded on the exchange.

Other Promissory Note Dated April 8, 2026

On April 8, 2026, the Company issued a promissory note in the principal amount of $105,000. The note was issued with an original issue discount of $5,000, which was recorded as interest expense in the three and six months ended June 30, 2026, and the Company received cash proceeds of $100,000. The note matured on May 8, 2026 and was repaid-in-full during the three months ended June 30, 2026.

In addition to the notes discussed above, the Company had additional promissory notes outstanding during portions of the year ended December 31, 2025, including in some cases the six months ended June 30, 2025. These notes were fully repaid or converted into shares of the Company's Class A Common Stock during 2025. Each of these notes is described in Note 10 to the Company's Annual Report on Form 10-K for the year ended December 31, 2025. To the extent that these notes were outstanding during any portion of the six months ended June 30, 2025, the interest expense incurred on these notes is included in the interest expense for the three and six months ended June 30, 2025 as stated in the paragraphs above.

Notes and Loans Payable – Related Parties

At June 30, 2026 and December 31, 2025 notes and loans payable with related parties consisted of the following:

	June 30, 2026	December 31, 2025
Poole Note, dated September 19, 2023	$ 247,233	$ 247,233
Additional Poole Note	42,500	42,500
Sponsor loan with Mr. Poole	500,000	500,000
Note payable to RHI for the acquisition of Myrtle	264,565	264,565
Note payable to RHI in connection with the acquisition of Myrtle	1,320,230	1,433,787
New RCHI Note for the acquisition of RCHI	1,000,000	1,000,000
Additional RCHI Note for the acquisition of RCHI	1,187,738	1,068,424
Loans payable to subsidiary of RHI	961,880	345,883
Total related parties' notes payable	5,524,146	4,902,392
Less current portion of related parties' notes and loans payable	(5,524,146)	(4,902,392)
Total related parties' notes and loans payable, net of current portion	**$ -**	**$ -**

Poole Note

On September 19, 2023, the Company obtained a $0.2 million loan from Andrew J. Poole, a former director of the Company (the "Loan"), to be used to pay for directors' and officers' insurance through November 2023. The Company issued to Mr. Poole a demand promissory note for $0.2 million evidencing the Loan (the "Poole Note"). The Poole Note does not bear interest. The Poole Note was due on demand, and in the absence of any demand, the Poole Note was due one year from the issuance date and is in default at June 30, 2026.

Additional Poole Note

On October 2, 2023, the Company obtained a $42,500 loan from Mr. Poole, (the "Additional Poole Note"), that was used to pay for the legal fees of Mitchell Silberberg & Knupp LLP, a service provider ("MSK"), through October 2023. The Additional Poole Note accrues interest in arrears at a rate of 13.25% per annum. The Additional Poole Note was on demand, and in the absence of any demand, one year from the issuance date.

Sponsor Loan with Mr. Poole

To finance transaction costs in connection with a business combination effective on September 15, 2022, Mr. Poole loaned Delwinds (a predecessor of the Company) funds for working capital.

Note Payable to RHI for the Acquisition of Myrtle

Pursuant to the acquisition of Myrtle on June 14, 2024, the Company issued a non-interest-bearing note payable to RHI in the amount of $0.3 million. The note is due on demand.

Note Payable to RHI In Connection with Myrtle Acquisition

The note payable to RHI dated June 13, 2024, in the original principal amount of $1.6 million represented amounts owed by Myrtle to RHI at the time of the acquisition of Myrtle. The note is non-interest bearing, except if not paid by the maturity date of December 31, 2024, in which case the note bears interest at 18% per annum. In prior years, borrowings and repayments have been made under the note and it may continue to be increased for any subsequent borrowings made by Myrtle from RHI. During the six months ended June 30, 2026, the Company borrowed $8,447 and repaid $122,004 under the note and in December 2025, the Company issued RHI 8,000 shares of its Series E Preferred Stock with a stated value of $200,000, or $25 per share, as more fully discussed in Note 12, leaving a principal balance of $1.3 million and $1.4 million at June 30, 2026 and December 31, 2025, respectively. At June 30, 2026, the payment default was waived until December 31, 2026 and default interest was waived from the original maturity date of December 31, 2024 through December 31, 2026.

RCHI Note, New RCHI Note, Additional RCHI Note and Loan Payable for Additional Purchase Price Issued In Connection with the RCHI Acquisition

In connection with the acquisition of RCHI, RCHI issued a promissory note, ("the RCHI Note") to RHI. On December 5, 2024, $21.0 million of the principal balance of the RCHI Note was exchanged for $21.0 million of stated value of the Company's Series A Preferred Stock and RCHI issued to RHI the New RCHI Note in the principal balance of $1.0 million. The New RCHI Note matured on June 5, 2025 and accrued interest on any outstanding principal amount at an interest rate of 8% per annum. After maturity, the default interest rate increased to 20% per annum until the New RCHI Note is paid in full. The New RCHI Note requires principal repayments equal to 10% of the free cash flow (net cash from operations less capital expenditures) from RCHI. Payments will be one month in arrears. The New RCHI Note is required to be reduced by payment of 25% of any net proceeds from equity capital raised by the Company. The New RCHI Note is secured by the assets of RCHI and SCCH and guaranteed by the Company and SCCH under the Guaranty Agreement and Security Agreement, respectively.

The Company recorded interest expense on the New RCHI Note of $50,001 and $50,556, respectively, during the three months ended June 30, 2026 and 2025 and $100,001 and $100,556, respectively, during the six months ended June 30, 2026 and 2025, respectively. As of June 30, 2026 and December 31, 2025, the Company owes RHI a total of $1.2 million and $1.1 million, respectively, of accrued interest on the RCHI Note and the New RCHI Note. At June 30, 2026, payment and other defaults under the New RCHI Note were waived until December 31, 2026. Default interest has not been waived and continues to accrue.

On June 30, 2025, the Company issued the Additional RCHI Note in the initial principal amount of $5.8 million as additional consideration payable for the acquisition of RCHI and in the last half of 2025 and the six months ended June 30, 2026, additional consideration payable for the acquisition of RCHI totaling $0.4 million was added to the principal amount of the Additional RCHI Note. On August 18, 2025, RHI exchanged $5.0 million of the principal balance of the Additional RCHI Note for 5,000 shares of the Company's Series A Preferred Stock, leaving a principal balance of the Additional Note of $1.2 million and $1.1 million at June 30, 2026 and December 31, 2025, respectively. The terms of the Series A Preferred Stock are more fully discussed in Note 12. The Additional RCHI Note does not bear interest except in the event of a default at which case it bears interest at a rate of 20% per annum. The terms of the RCHI acquisition and the resulting additional consideration payable is more fully discussed in Note 5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2025. At June 30, 2026, the payment default under the Additional RCHI Note was waived though December 31, 2026 and default interest was waived through December 31, 2026.

Loans from Subsidiary of RHI

During the year ended December 31, 2025, the Company had three loans outstanding from a subsidiary of RHI with original principal balances aggregating to $1.0 million and the Company received net cash proceeds of $0.7 million, resulting in original issue discounts totaling $0.3 million. During 2025, the Company repaid $0.6 million of the loans leaving a balance of $345,883, which was net of $59,332 of unamortized discounts at December 31, 2025, which remaining principal balance was repaid in full during the six months ended June 30, 2026. During the six months ended June 30, 2026 and 2025, the Company amortized $59,332 and $0.1 million, respectively, of the original issue discounts as interest expense.

During the six months ended June 30, 2026, the Company entered into five additional loans with a subsidiary of RHI. The aggregate original principal balance of the loans totaled $3.2 million and the Company received net proceeds of $2.1 million, resulting in original issue discounts totaling $1.1 million. During the six months ended June 30, 2026, the Company repaid $1.8 million of the loans. At June 30, 2026, two of the five loans entered into during the six months ended June 30, 2026 remained outstanding with total amounts due aggregating to $1.0 million, which was net of unamortized discounts of $0.4 million. During the three and six months ended June 30, 2026, the Company recorded $0.5 million and $0.7 million of original issued discounts as interest expense on these loans, respectively.

Other Loans

At June 30, 2026 and December 31, 2025, the Company had outstanding $42,958 and $237,810 of other loans, respectively. At December 31, 2025, the Company had outstanding a loan issued under an accounts receivable sales agreement in the original principal amount of $0.4 million and a balance of $0.2 million at December 31, 2025. The Company received cash of $0.3 million as the loan was issued with a $0.1 million discount. On June 30, 2026, $22,131 was outstanding on the loan.

Also outstanding at June 30, 2026 and December 31, 2025, was a loan assumed in the acquisition of Vector consisting of a credit line with a balance of $20,827 and $36,053 at June 30, 2026 and December 31, 2025, respectively. The credit line is being repaid monthly.

Note 10 RELATED PARTY TRANSACTIONS

At June 30, 2026 and December 31, 2025, related parties' payable and accrued expenses consisted of the following:

	June 30, 2026	December 31, 2025
Accounts payable to Andrew Poole	$ 204,774	$ 204,774
Accounts payable to InnovaQor	228,890	143,890
Accounts payable to RHI	113,776	33,670
Rent payable to a subsidiary of RHI	475,159	281,568
Accrued interest on related parties' notes payable (Note 9)	1,212,651	1,109,873
Accrued dividends payable	21,358	-
Payables owed to Directors	340,550	225,000
Related parties' payables and accrued expenses	$ 2,597,158	$ 1,998,775

Related party notes and loans payable are discussed in Note 9 and, in addition to the transactions discussed in Notes 11, 12, 14 and 16, the Company had the following related party activity during the six months ended June 30, 2026 and 2025:

Accounts Payable to Andrew Poole

The Company owed Mr. Poole, a former director of the Company, for outstanding invoices totaling $204,774.

Health Information Technology Provided By InnovaQor

RCHI and SCCH contracted with InnovaQor to provide ongoing information technology-related services totaling approximately $0.1 million and $0.1 million, respectively, during the three months ended June 30, 2026 and 2025 and $0.2 million and $0.2 million, respectively, during the six months ended June 30, 2026 and 2025, respectively, and InnovaQor was owed $0.2 million and $0.1 million at June 30, 2026 and December 31, 2025, respectively. RHI holds preferred stock in InnovaQor and Mr. Lagan is the controlling shareholder of InnovaQor.

Software Development Agreement with InnovaQor

In July 2025, Myrtle entered into an agreement with InnovaQor to develop a behavioral health patient engagement mobile application with a cost of $0.1 million, which is currently under construction as reflected in Note 7.

Rent and Utilities Owed to RHI and A Subsidiary of RHI Under Facility Leases

As of June 30, 2026 and December 31, 2025, SCCH and Myrtle owed $0.5 million and $0.3 million, respectively, to a subsidiary of RHI for rent under facility leases that are more fully discussed in Note 11.

During the three months ended June 30, 2026 and 2025, the Company incurred $56,000 and $53,000, respectively, and for the six months ended June 30, 2026 and 2025, the Company incurred $0.1 million and $0.1 million, respectively, for rent and utilities associated with its corporate offices and RHI was owed $113,776 and $33,670 for the rent and utilities at June 30, 2026 and December 31, 2025, respectively. The Company shares office facilities with RHI and the rent stems from a lease between RHI and a third party.

Note 11 RIGHT-OF-USE LEASE ASSETS AND OBLIGATIONS

Lease Agreements Between Myrtle and RHI and SCCH and RHI

Myrtle entered into a lease agreement with a subsidiary of RHI under which Myrtle agreed to lease facilities at BSF's campus beginning June 14, 2024. The lease is for a term of one year with five annual options to renew for an additional year with an initial monthly base rental amount of $35,000 and annual rent increases equal to the greater of 3% and the consumer price index. As of June 14, 2026, the Company renewed the lease for an additional year and, accordingly, the monthly base rental amount has been increased to $37,312.

On June 1, 2024, SCCH entered into a "triple net" lease agreement with a subsidiary of RHI under which SCCH agreed to lease the BSF hospital facilities. The lease is for a term of one year with five annual options to renew for an additional year with an initial monthly base rental amount of $65,000 and annual rent increases equal to the greater of 3% and the consumer price index. As of June 1, 2026, the Company renewed the lease for an additional year and, accordingly, the monthly base rental amount has been increased to $69,293.

The Company has waived payment defaults on these facility leases through December 31, 2026.

Other Lease

Also, included in the table below is a motor vehicle leased by Vector.

For operating leases with terms greater than 12 months, including annual options that are expected to be renewed, the Company records the related right-of-use assets and right-of-use obligations at the present value of lease payments over the terms.

The Company uses an estimated borrowing interest rate at lease commencement as its interest rate, as its operating leases do not provide a readily determinable implicit interest rate.

The following table presents the Company's lease-related assets and obligations at June 30, 2026 and December 31, 2025:

	Balance Sheet Classification	June 30, 2026	December 31, 2025
Assets:			
Operating leases	Right-of-use assets	$ 3,290,677	$ 3,548,623
Liabilities:			
Current:			
Operating leases	Right-of-use lease obligations	$ 574,247	$ 499,351
Noncurrent:			
Operating leases	Right-of-use lease obligations, noncurrent	2,870,495	3,174,549
Total right-of-use lease obligations		$ 3,444,742	$ 3,673,900
Weighted average remaining term of operating leases, including option periods expected to renew		4.0 years	4.50 years
Discount rate		22.0%	22.0%

The following table presents certain information related to lease expense for the right-of-use operating leases for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Right-of-use operating leases amortization (1)	$ 132,037	$ 107,388	$ 257,946	$ 210,322
Right-of-use operating leases interest expense (1)	$ 193,727	$ -	$ 393,595	$ -
Right-of-use operating leases interest expense (2)	$ -	$ 216,032	$ -	$ 436,519

(1) Expense is included in selling, general and administrative expenses in the consolidated statement of operations.

(2) Expense is included in interest expense in the consolidated statements of operations.

The following table presents supplemental cash flow information for the six months ended June 30, 2026 and 2025:

	2026	2025
Operating cash flows for right-of-use operating leases	$ 428,966	$ 499,56

Aggregate future minimum lease payments under right-of-use operating leases are as follows:

	Right-of-Use Operating Leases
Twelve months ending:	
June 30, 2027	$ 1,280,088
June 30, 2028	1,314,051
June 30, 2029	1,353,474
June 30, 2030	1,292,786
Thereafter	-
Total	5,240,399
Less interest	(1,795,657)
Present value of minimum lease payments	3,444,742
Less current portion of right-of-use lease obligations	(574,247)
Right-of-use lease obligations, net of current portion	$ 2,870,495

Note 12 STOCKHOLDERS' EQUITY

Authorized Capital

On March 20, 2026, the Company's Board of Directors approved an increase to the Company's authorized shares to 25,020,000,000 shares, consisting of: (i) 20,000,000 shares of Preferred Stock, par value $0.0001 per share, and (ii) 25,000,000,000 shares of Class A Common Stock, par value $0.0001 per share. On March 27, 2026, RHI, which is controlled by the Company's CEO, as a shareholder representing a majority of the voting control of the Company and holding approximately 97.59% of the Company's voting rights as of the March 20, 2026 record date, approved such matter via written consent. After the required notice to shareholders, the Company filed a Certificate of Amendment to its Certificate of Incorporation and the increase in authorized shares became effective on May 3, 2026.

Preferred Stock

As of June 30, 2026, the Company was authorized to issue up to 20,000,000 shares of preferred stock with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of June 30, 2026, the Company had outstanding shares of preferred stock consisting of 11,420 shares of its Series A Preferred Stock, 3,245 shares of its Series B Preferred Stock, 304 shares of its Series C Cumulative Convertible Redeemable Preferred Stock (the "Series C Preferred Stock"), 4,712 shares of its Series D Cumulative Convertible Redeemable Preferred Stock ("Series D Preferred Stock") and 68,000 shares of its Series E Preferred Stock. The Company's outstanding shares of preferred stock do not contain mandatory redemption or other features that would require them to be presented on the balance sheet outside of equity and, therefore, they qualify for equity accounting treatment.

Series A Preferred Stock

On June 30, 2026 and December 31, 2025, the Company had outstanding 11,420 and 19,342 shares of its Series A Preferred Stock, respectively. During the six months ended June 30, 2025, the Company issued 3,400 shares of its Series A Preferred Stock with a total stated value $3.4 million ($1,000 per share) and received gross proceeds of $3.35 million and incurred issuance costs of $350,000. The Company recorded deemed dividends of $50,000 as a result of the difference between the stated value of the stock issued and the gross proceeds received. No shares of Series A Preferred Stock were issued during the six months ended June 30, 2026.

During the six months ended June 30, 2026 and 2025, the Company issued 488,666 shares and 2,854 shares of its Class A Common Stock, respectively, pursuant to conversions of 146.6 shares and 6,290.17 shares of the Company's Series A Preferred Stock, respectively, with stated values totaling $146,600 and $6.3 million, respectively.

Series A Preferred Stock Restructuring with Institutional Investors

As discussed in Note 9, on May 12, 2026, two institutional investors owning approximately 5,307 and 2,468 shares of the Company's Series A Preferred Stock, with aggregate stated values of approximately $5.3 million and $2.5 million, respectively, exchanged their shares for the Senior Notes with principal amounts equal to the stated values of the exchanged preferred shares, or approximately $5.3 million and $2.5 million, respectively, for a combined aggregate principal amount of approximately $7.8 million. The Senior Notes are more fully discussed in Note 9.

As a result of the exchange of the 7,775 shares of Series A Preferred Stock, the Company reduced previously recorded undeclared dividends by $0.3 million and $0.1 million for the three and six months ended June 30, 2026, respectively. During the three and six months ended June 30, 2025, the Company recorded $0.1 million and $0.4 million, respectively, of undeclared dividends on its Series A Preferred Stock The total accumulated undeclared dividends on the Company's Series A Preferred Stock were $0.7 million and $0.8 million at June 30, 2026 and December 31, 2025, respectively.

The total stated value and accumulated undeclared dividends of the Series A Preferred Stock at June 30, 2026, of $12.1 million, were convertible into approximately 44.9 million shares of the Company's Class A Common Stock at an assumed conversion price of $0.27 per share.

Series A Preferred Stock Designation

On October 16, 2024, the Company's board of directors approved the designation of 35,000 shares of Series A Preferred Stock and, on September 22, 2025, the Company filed an Amended and Restated Certificate of Designation to increase the authorized shares of Series A Preferred Stock from 35,000 shares to 50,000 shares and revised other terms, including a revision to the floor price during 2025, as reflected below. Each share of Series A Preferred Stock shall have a par value of $0.0001 per share and a stated value equal to $1,000 per share. Terms of the Series A Preferred Stock, as amended, include: (i) dividends at 5% per annum, (ii) voting rights, which include voting as one class with the common stockholders and the holder shall be entitled to cast that number of votes determined by dividing the stated value per share by $0.0001 and (iii) conversion into shares of the Company's Class A Common Stock at the higher of $0.0001 per share (such dollar amount not adjusted for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions) or 90% of the average VWAP for the five trading days prior to the date of the conversion notice and to allow cash dividends to be paid to holders to the Company's Series E Preferred Stock, among other terms.

Series B Preferred Stock

On September 20, 2022, the Company issued to certain investors 15% Senior Promissory Notes (the "Senior PIK Notes") in an aggregate principal amount of $3.5 million, each with a maturity date of April 1, 2024 (the "Maturity Date"). The Company failed to make the payments when due, which constituted an event of default under the Senior PIK Notes. On October 18, 2024, the Company entered into Amendment No. 1 to the Senior PIK Notes (the "PIK Notes Amendment No. 1"). Under the PIK Notes Amendment No.1, on January 22, 2025, the Senior PIK Notes (not including accrued and unpaid Interest (as defined in the Senior PIK Notes) which was waived as part of the automatic exchange) were automatically exchanged into a number of shares of Series B Preferred Stock equal to the Original Principal Amount (as defined in the Senior PIK Notes) divided by the Stated Value ($1,000) of Series B Preferred Stock, or 3,457.5 shares of Series B Preferred Stock upon the automatic exchange, all Senior PIK Notes (including all accrued and unpaid interest) (which total value was $5.4 million on the date of the exchange) were exchanged into Series B Preferred Stock, cancelled and satisfied in full. As a result of the automatic exchange, during the six months ended June 30, 2025, the Company recorded a gain from extinguishment of Senior PIK Notes of $1.9 million, which represented the accrued and unpaid interest, which was waived per the terms of the automatic exchange. The Company recorded a finder's fee of $175,000 in connection with the automatic exchange. Finder's fee agreements are more fully discussed below.

During 2025, four holders of Series B Preferred Stock exchanged a total of 212.5 shares of their Series B Preferred Stock for 318.75 shares of Series C Preferred Stock, as more fully discussed below, leaving a balance of 3,245.0 shares of Series B Preferred Stock outstanding on June 30, 2026 and December 31, 2025.

During the three months ended June 30, 2026 and 2025, the Company recorded $40,563 and $39,222, respectively, of undeclared dividends on its Series B Preferred Stock and during the six months ended June 30, 2026 and 2025, the Company recorded $81,126 and $71,210, respectively, of undeclared dividends on its Series B Preferred Stock. The total stated value and the accumulated undeclared dividends of the Series B Preferred Stock at June 30, 2026, of $3.5 million, were convertible into approximately 12.9 million shares of the Company's Class A Common Stock at an assumed conversion price of $0.27 per share.

Series B Preferred Stock Designation

On November 27, 2024, the Company authorized up to 7,500 shares of its Series B Preferred Stock. Each share of Series B Preferred Stock shall have a par value of $0.0001 per share and a stated value equal to $1,000 per share. Terms of the Series B Preferred Stock as amended during 2025, include: (i) dividends at 5% per annum, (ii) voting rights, which include voting as one class with the common stockholders, (iii) conversion into shares of the Company's Class A Common Stock at the higher of $0.0001 per share (such dollar amount not adjusted for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions) or 90% of the average VWAP for the five trading days prior to the date of the conversion notice and (iv) no conversions prior to the first anniversary of the original issue date, among other terms.

Series C Preferred Stock

During the three months ended March 31, 2025, the Company issued 60 shares of its Series C Preferred Stock to an investor for net cash proceeds of $44,825. Per the terms of this issuance and an issuance to an investor of 120 shares of the Company's Series C Preferred Stock for cash in the fourth quarter of 2024, these investors, who were also holders of Series B Preferred Stock could exchange their Series B Preferred Stock for shares of Series C Preferred Stock at a premium. The two investors elected to make the exchange during the three months ended March 31, 2025 and, as a result, the Company exchanged 150 shares of its Series B Preferred Stock for 225 shares of its Series C Preferred Stock. The Company recorded deemed dividends of $75,000 for the issuances, which represented the difference between the $225,000 stated value of the Series C Preferred Stock issued and the $150,000 stated value of the Series B Preferred Stock exchanged. During the three months ended June 30, 2025, the Company issued to an investor 75 shares of its Series C Preferred Stock for net proceeds of $56,050 and, as a result, the Company exchanged an additional 62.5 shares of its Series B Preferred Stock for 93.75 shares of its Series C Preferred Stock resulting in a total of 573.75 shares of Series C Preferred Stock issued. During the remainder of 2025, 270 shares of Series C Preferred Stock were converted into 845 shares of the Company's Class A Common Stock leaving 303.75 shares of Series C Preferred Stock outstanding as of June 30, 2026 and December 31, 2025.

As a result of the anti-dilution provisions of the Series C Preferred Stock, during the three and six months ended June 30, 2026 and 2025, the Company recorded deemed dividends of $71,531 and $171,320, respectively. During the three months ended June 30, 2026 and 2025, the Company recorded $3,797 and $5,823, respectively, of undeclared dividends on its Series C Preferred Stock and during the six months ended June 30, 2026 and 2025, the Company recorded $7,594 and $9,349, respectively, of undeclared dividends on its Series C Preferred Stock and the total accumulated undeclared dividends were $18,141 as of June 30, 2026. The total stated value and the accumulated undeclared dividends of the Series C Preferred Stock at June 30, 2026, of $0.3 million, were convertible into approximately 1.4 million shares of the Company's Class A Common Stock at an assumed conversion price of $0.225 per share.

Series C Preferred Stock Designation

On November 27, 2024, the Company authorized up to 5,000 shares of its Series C Preferred Stock. Each share of Series C Preferred Stock shall have a par value of $0.0001 per share and a stated value equal to $1,000 per share. Terms of the Series C Preferred Stock, as amended during 2025, include: (i) dividends at 5% per annum, (ii) voting rights, which include voting as one class with the common stockholders and each share of Series C Preferred Stock shall have one vote, (iii) conversion into shares of the Company's Class A Common Stock at the higher of $0.0001 per share (such dollar amount not adjusted for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions) or 90% of the average VWAP for the five trading days prior to the date of the conversion notice, (iv) no conversions prior to the first six months of the original issue date or until a registration statement registering the underlying shares of common stock is declared effective, among other terms.

Series D Preferred Stock

During December 2024, the Company issued 4,312 shares of its Series D Preferred Stock of which 3,000 shares were issued pursuant to the termination of a license agreement and 1,312 shares were issued under the terms of a shares for services agreement. In connection with the May 15, 2026 Settlement Agreement and Release with J.H. Darbie discussed below, the Company issued 400 shares of its Series D Preferred Stock during the six months ended June 30, 2026. The total stated value of the Series D Preferred Stock at June 30, 2026, of $4.7 million, were convertible into approximately 17.5 million shares of the Company's Class A Common Stock at an assumed conversion price of $0.27 per share.

Series D Preferred Stock Designation

On December 6, 2024, the Company authorized up to 10,000 shares of its Series D Preferred Stock. Each share of Series D Preferred Stock shall have a par value of $0.0001 per share and a stated value equal to $1,000 per share. Terms of the Series D Preferred Stock, as amended during 2025, include: (i) no dividends, (ii) no voting rights, except as in regards to any changes related to the Series D Preferred Stock, and (iii) conversion into shares of the Company's Class A Common Stock at the higher of $0.0001 per share (such dollar amount not adjusted for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions) or 90% of the average VWAP for the five trading days prior to the date of the conversion notice, among other terms.

Series E Preferred Stock

On September 19, 2025, the Company issued 60,000 shares of its Series E Preferred Stock with a stated value of $25 per share, or $1.5 million in total, to the Sellers for the acquisition of Vector, which is more fully discussed in Note 5. In addition, on February 6, 2026, the Company entered into a Series E Preferred Stock Exchange Agreement effective December 31, 2025 with RHI. Pursuant to the exchange and in full satisfaction and extinguishment of $200,000 in aggregate of previously advanced amounts made by RHI during the period from December 4, 2025 to December 10, 2025 under the terms of the note payable to RHI in connection with the acquisition of Myrtle, as more fully discussed in Note 9, the Company issued to RHI 8,000 shares of its Series E Preferred Stock with a stated value of $200,000. Accordingly, at June 30, 2026 and December 31, 2025, the Company had outstanding 68,000 shares of its Series E Preferred Stock with a total stated value of $1.7 million.

Series E Preferred Stock Designation

On June 25, 2025, the Company, filed an amendment to the Company's Certificate of Incorporation in the form of a Certificate of Designation that authorized for issuance of up to 4,000,000 shares of a new series of Preferred Stock, par value $0.0001 per share, stated value of $25 per share, which are designated as the Series E Preferred Stock and it established the rights, preferences and limitations thereof. Terms of the Series E Preferred Stock include (i) cash dividends at 2.5% per annum and stock dividends at 5% per annum payable if and when declared, (ii) no voting rights, and (iii) no conversion provisions, among other terms.

Series E Preferred Stock Dividends Declared

On June 30, 2026, the Company's Board of Directors declared Series E Preferred Stock dividends pursuant to the terms discussed in the paragraph above. Accordingly, at June 30, 2026, the Company has recorded a $21,358 cash dividend payable as an accrued expense and a $42,716 stock dividend payable in 141,667 shares of the Company's Class A Common Stock as additional paid-in-capital. As a result of the 8,000 shares of Series E Preferred Stock held by RHI, RHI will receive $2,500 of the cash dividend and 16,667 shares of the Company's Class A Common Stock for its portion of the stock dividend.

Declared and Deemed Dividends

During the three and six months ended June 30, 2026 and 2025, the Company recorded declared and deemed dividends as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Declared Dividends:				
Series E Preferred Stock dividends payable in shares of Class A Common Stock	$ 42,716	$ -	$ 42,716	$ -
Series E Preferred Stock dividends payable in cash (accrued at June 30, 2026)	21,358	-	21,358	-
Total declared dividends	64,074	-	64,074	-
Deemed Dividends:				
Trigger of anti-dilution provisions of Series C Preferred Stock	71,531	202,570	71,531	202,570
Issuances of Series A and Series C Preferred Stock	-	62,500	-	147,500
Triggers of down-round provisions of Assumed Warrants (a)	-	-	-	87,125
Total deemed dividends	71,531	265,070	71,531	437,195
Total Declared and Deemed Dividends	$ 135,605	$ 265,070	$ 135,605	$ 437,195

(a) Assumed Warrants are discussed below.

Class A Common Stock

As of June 30, 2026 and December 31, 2025, there were 1,420,652 and 831,887 shares of the Company's Class A Common Stock issued and outstanding, respectively.

Shares Issued Pursuant to Series A Conversions

During the three months ended June 30, 2026 and 2025, the Company issued 126,333 shares and 2,830 shares of its Class A Common Stock, respectively, pursuant to conversions of 37.9 shares and 5,981 shares of the Company's Series A Preferred Stock, respectively, and during the six months ended June 30, 2026 and 2025, the Company issued 488,666 shares and 2,854 shares of its Class A Common Stock, respectively, pursuant to conversions of 146.6 and 6,289 shares of the Company's Series A Preferred Stock, respectively.

October 13, 2023 Strata Purchase Agreement

On October 13, 2023, the Company entered into a Strata Purchase Agreement (the "Strata Purchase Agreement") with ClearThink, as supplemented by that certain Supplement to Strata Purchase Agreement, dated as of October 13, 2023, by and between the Company and ClearThink. Pursuant to the Strata Purchase Agreement, after the satisfaction of certain commencement conditions, including, without limitation, the effectiveness of the Registration Statement, ClearThink has agreed to purchase from the Company, from time to time upon delivery by the Company to ClearThink of request notices, and subject to the other terms and conditions set forth in the Strata Purchase Agreement, up to an aggregate of $2.0 million of the Company's Class A Common Stock. On August 13, 2024, the Company entered into Amendment No. 1 to the Strata Purchase Agreement pursuant to which the commitment amount was increased from $2.0 million to $5.0 million.

On May 15, 2025, the Company amended and restated the Strata Purchase Agreement to extend the maturity date to June 30, 2026 and amend the Purchase Price to define the price per share of Common Stock purchased shall equal 90% of the average of the two (2) lowest daily VWAP during the Valuation Period. No shares of the Company's Class A Common Stock were issued under the terms of the Strata Purchase Agreement, as amended and restated, during the three and six months ended June 30, 2026 and the year ended December 31, 2025 and the agreement has terminated by its terms on June 30, 2026.

Common Stock Issued/Issuable in Connection with Notes Payable

During the three and six months ended June 30, 2026, 50,000 shares of the Company's Class A Common Stock were issued in connection with the extension of a promissory note payable and during the six months ended June 30, 2026, 50,000 shares of the Company's Class A Common Stock were issued as an inducement for a $115,000 promissory note payable and the Company had outstanding obligations to issue additional shares of its common stock as inducements and commitment shares under the terms of promissory notes payable. During the three months ended June 30, 2025, the Company issued 258 shares of its Class A Common Stock for conversions and exchanges of $1.1 million of promissory notes payable and related accrued interest and during the six months ended June 30, 2025, the Company issued 330 shares of its Class A Common Stock for conversions and exchanges of $1.9 million of promissory notes payable and related accrued interest. In addition, during the three and six months ended June 30, 2025, the Company issued one and 11 shares of its Class A Common Stock, respectively, as inducements and commitment shares under the terms of various promissory notes. The value of the shares issued and issuable under the terms of and conversions and exchanges of promissory notes are more fully discussed in Note 9.

Common Stock Issued to Smithline Family Trust II

During the three and six months ended June 30, 2025, the Company issued 110 and 165 shares of its Class A Common Stock, respectively, under the terms of a legal settlement, as amended, between the Company and Smithline Family Trust II ("Smithline").

Common Stock Issued to J.H. Darbie & Co., Inc.

During the six months ended June 30, 2025, the Company issued four shares of its common stock to J.H. Darbie & Co., Inc. ("J.H. Darbie") for finder's fees in connection with notes payable.

During the six months ended June 30, 2025, the Company issued 13 shares of its Class A Common Stock to J.H. Darbie for advisory services and private placement engagement as follows:

Advisory Services

On July 25, 2024, FOXO entered into the advisory agreement with J.H. Darbie pursuant to which J.H. Darbie was engaged as nonexclusive financial adviser. The term of the agreement was six months. As compensation for the services performed under the agreement, the Company issued J.H. Darbie 11 shares of its Class A Common Stock effective January 13, 2025.

Private Placement Engagement

On July 25, 2024, FOXO engaged J.H. Darbie, on an exclusive basis, to provide services in connection with private placements (the "Engagement"). The term of the Engagement was 120 days, subject to early termination provisions in the Engagement. Under the Engagement, J.H. Darbie had a right of first refusal for all financing, cash, common stock or convertible securities, debt or equity, for six months after the termination of the Engagement. As compensation for the services performed under the Engagement, the Company issued to J. H. Darbie two shares of its Class A Common Stock effective in January 2025. As additional compensation for the services to be rendered by J.H. Darbie under the Engagement, FOXO agreed to (i) pay a cash fee to J.H. Darbie equal to 3% of the principal amount of the securities to be exchanged and 5% of gross proceeds raised from the sale of the securities to customers of J.H. Darbie; and (ii) issue to J.H. Darbie warrants to purchase a number of shares of the Company's Class A Common Stock equal to the cash fee.

On November 7, 2024, FOXO and J.H. Darbie entered into an amendment to the Engagement pursuant to which the compensation for the services to be rendered by J.H. Darbie was revised to a cash fee equal to $175,000 for advising, 10% of gross proceeds raised from the sale of the securities to customers of J.H. Darbie, and common stock equal to 5% of the cash fee. The common stock issued were to be priced at the closing price the date the offering closes. Again, on November 22, 2024, FOXO and J.H. Darbie entered into an amendment to the Engagement pursuant to which the scope of the engagement was revised to an exchange of debt from existing lenders of FOXO to equity. Therefore, during the six months ended June 30, 2025, the Company accrued a cash fee of $175,000 in connection with the issuance of its Series B Preferred Stock in exchange for the Senior PIK Notes as more fully discussed above.

Settlement Agreement and Release with J.H. Darbie

On May 15, 2026, the Company entered into a Settlement Agreement and Release (the "Settlement Agreement") with J.H. Darbie to resolve all amounts owed under a finder's fee agreement (as amended), the Advisory Agreement (as amended), and the Private Placement Agreement (as amended) (together, the "J.H. Darbie Agreements"), each of which had terminated pursuant to its terms.

Pursuant to the Settlement Agreement, in full and complete satisfaction of all present and future obligations to J.H. Darbie under the J.H. Darbie Agreements, the Company agreed to: (i) issue to J.H. Darbie 400 shares of the Company's Series D Preferred Stock convertible into shares of the Company's Class A Common Stock; and (ii) pay J.H. Darbie the $175,000 discussed above in seven equal monthly installments of $25,000, commencing no later than May 31, 2026, and continuing through December 31, 2026. In the event of a payment default, J.H. Darbie may elect to convert the then-outstanding unpaid cash balance into shares of Class A Common Stock at 90% of the 20-day volume-weighted average price, subject to a 4.99% beneficial ownership limitation. J.H. Darbie is also entitled to piggyback registration rights with respect to shares issuable upon conversion of the Series D Preferred Stock and upon any conversion of outstanding debt. The Company has not made all of the required $25,000 monthly payments. The parties exchanged mutual releases of all claims arising under the J.H. Darbie Agreements. The 400 shares of the Company's Series D Preferred Stock with a stated value of $1,000 per share were issued as settlement for $348,454 of finder's fees that were owed to J.H. Darbie under a previous finder's fee agreement (as amended) in connection with notes payable. The Company recorded the difference between the stated value of the Series D Preferred Stock of $400,000 and the $348,454 of finder's fees owed of $51,546 as interest expense during the three and six months ended June 30, 2026. Finder's fees incurred in connection with notes payable are also discussed in Note 9.

Management Contingent Share Plan

On September 14, 2022, the stockholders of the Company approved the FOXO Technologies Inc. Management Contingent Share Plan (the "Management Contingent Share Plan"). The Management Contingent Share Plan provided for the grant of restricted share awards of the Company's Class A Common Stock. For the purposes of the Management Contingent Share Plan, shares of the Company's restricted Class A Common Stock issued in accordance with such plan were considered "vested" when they are no longer subject to forfeiture in accordance with the terms of such plan. Each restricted share award issued under the Management Contingent Share Plan was initially subject to both a time-based vesting component and a performance-based vesting component but was subsequently modified to only require a time-based vesting component. Any restricted stock awards that failed to vest due to a time-based vesting condition, or other conditions not being satisfied, such as termination for cause. were forfeited by the participant and the shares associated with that award were permanently forfeited and cancelled. The Company accounts for forfeitures as they occur.

As a result of the STLA, which is more fully discussed in Note 1, a dispute, which is more fully discussed in Note 14, as to the forfeiture of shares granted to Mr. Sabes under the Management Contingent Share Plan in 2022 was resolved and the parties agreed that the restricted shares did not vest and were forfeited. In 2022, the Company recorded $9.1 million of compensation expense for these shares and the Company retained the expense in its financial statements until the dispute was resolved. As a result of the resolution, in the three and six months ended June 30, 2026, the Company reversed the $9.1 million of compensation expense in accordance with its accounting policy to account for forfeitures as they occur.

Warrants

Public Warrants and Private Placement Warrants

As of June 30, 2026 and December 31, 2025, the Company had outstanding approximately 18 Public Warrants and Private Placement Warrants each with an exercise price per share that is significantly out of the money due to the Reverse Stock Splits and each expiring on September 15, 2027 or earlier upon redemption or liquidation. The fair values of the Public Warrants and the Private Warrants at both June 30, 2026 and December 31, 2025 was nil, as more fully discussed in Note 3. These warrants are more fully described in Note 13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Assumed Warrants

Effective September 15, 2022, the Company consummated a business combination. In connection with business combination, the Company assumed warrants, referred to as the Assumed Warrants. The Assumed Warrants included down round provisions that should the Company issue common stock or common stock equivalents, excluding certain exempt issuances, for consideration of less than the then current exercise price per share, then the exercise price of the Assumed Warrants shall be lowered to the new consideration amount on a per share basis with a simultaneous and corresponding increase in the number of warrants. In February 2025, conversions of the Company's Series A Preferred Stock into the Company's Class A Common Stock resulted in two additional triggers of the down-round provisions. The incremental value of the modifications to the Assumed Warrants because of the triggers of the down-round provisions during February 2025 resulted in deemed dividends of $0.1 million in the six months ended June 30, 2025 and an increase in the number of Assumed Warrants outstanding. The incremental values were measured using the Black Scholes valuation model with the following assumptions: risk free rates ranging from 4.24% to 4.25%, volatility ranging from 3.47% to 67.32%, terms of 1 to 18 days and expected dividend yield of $0. On February 23, 2025, the remaining 88 Assumed Warrants with an exercise price of $11,565 per share expired by their terms.

Vector Warrants

In connection with the Vector Acquisition, which is more fully discussed in Note 5, on September 19, 2025, the Company issued 128,950 Vector Warrants exercisable into shares of the Company's Class A Common Stock at an exercise price of $15.51 per share (subject to adjustment). The Vector Warrants were immediately exercisable, subject to a beneficial ownership limitation of 9.99%, and expire on September 19, 2028. The value of the Vector Warrants of $769,826 was determined using the Black Scholes valuation model with the following assumptions: risk free rate of 3.56%, volatility of 56.48%, term of 3 years and expected dividend yield of $0.

Note 13 BUSINESS SEGMENTS

The Company manages and classifies its business into three reportable business segments: (i) Healthcare, (ii) Life Science Services and (iii) Labs.

- Healthcare - The Company's Healthcare segment includes the operations of Myrtle and RCHI's hospital, BSF. Myrtle offers behavioral health services, primarily substance use disorder treatments and services that are provided on either an inpatient, residential basis or an outpatient basis. BSF has 25 inpatient beds, and a 24/7 emergency department and provides ancillary services, including laboratory, radiology, respiratory and pharmacy services. BSF is designated as a Critical Access Hospital (rural) hospital.

- Life Science Services – The Company's Life Science Services segment began with the acquisition of Vector on September 19, 2025. Vector is an information, data and biospecimen sourcing provider serving the biotechnology, clinical research and pharmaceutical research industries.

- Labs - The Company's Labs segment is commercializing proprietary epigenetic biomarker technology. The Company's innovative biomarker technology enables the adoption of new saliva-based health and wellness biomarker solutions. The Company's research demonstrates that epigenetic biomarkers, collected from saliva, provide measures of individual health and wellness for the factors used in life insurance underwriting traditionally obtained through blood and urine specimens.

The primary income measure used for assessing segment performance and making operating decisions is income (losses) before interest, income taxes, depreciation and amortization not associated with a specific segment and is net of noncontrolling interest. The segment measure of profitability also excludes corporate and other costs, including management, IT, overhead costs and certain other non-cash charges or benefits, such as impairment and any non-cash changes in fair value of intangible assets. Segment income (loss) is a measure of operating performance that is not defined by U.S. GAAP and should not be considered a substitute for net income (loss) as determined in accordance with U.S. GAAP. Segment income (loss) as presented below is used by our CEO, who is our chief operating decision maker, to measure operating performance.

Assets by segment as of June 30, 2026 and December 31, 2025 were as follows:

	June 30, 2026	December 31, 2025
Healthcare	$ 42,096,081	$ 40,869,803
Life Science Services	3,674,930	3,648,500
Labs	15,910	15,854
Corporate and other	102,812	43,716
Total assets	$ 45,889,733	$ 44,577,873

Summarized below is information about the Company's operations for the three months ended June 30, 2026 and 2025 by business segment:

	Net Revenues		**Segment Basis Income (Loss) (Non-GAAP Presentation)**	
	2026	**2025**	**2026**	**2025**
Healthcare (a)	$ 4,470,352	5,210,557	$ (441,942)	$ 1,287,451
Life Science Services	238,462	-	(185,494)	-
Labs	6,202	7,816	(18,725)	(33,443)
Segment Earnings (Loss)	**4,715,016**	**5,218,373**	**(646,161)**	**1,254,008**
Management contingent share plan forfeiture (expense)	-		9,129,890	(18,878)
Gain on legal settlement	-	-	1,648,377	-
Corporate and other	-	-	(681,188)	(748,400)
Interest expense	-	-	(1,310,833)	(1,008,751)
Total	**$ 4,715,016**	**$ 5,218,373**	**$ 8,140,085**	**$ (522,021)**

(a) Includes noncontrolling interest

Summarized below is information about the Company's operations for the six months ended June 30, 2026 and 2025 by business segment:

	Revenues		**Segment Basis Income (Loss) (Non-GAAP Presentation)**	
	Six Months Ended June 30, 2026	**Six Months Ended June 30, 2025**	**Six Months Ended June 30, 2026**	**Six Months Ended June 30, 2025**
Healthcare (a)	$ 9,268,903	$ 8,371,988	$ 188,573	$ 442,853
Life Science Services	599,712	-	(324,040)	-
Labs	14,437	16,305	(47,246)	(56,448)
	9,883,052	**8,388,293**	**(182,713)**	**386,405**
Management contingent share plan forfeiture (expense)	-	-	9,129,890	(37,756)
Gain from extinguishment of Senior PIK Notes	-	-	-	1,863,834
Gain on legal settlement, net		-	1,630,127	-
Corporate and other	-	-	(1,605,224)	(1,452,419)
Interest expense	-	-	(2,283,968)	(1,898,543)
Total	**$ 9,883,052**	**$ 8,388,293**	**$ 6,688,112**	**$ (1,138,479)**

(a) Includes noncontrolling interest

Note 14 COMMITMENTS AND CONTINGENCIES

The Company accrues costs associated with certain contingencies, including, but not limited to, settlement of legal proceedings, regulatory compliance matters and self-insurance exposures when such costs are probable and reasonably estimable. In addition, the Company records legal fees in defense of asserted litigation and regulatory matters as such legal fees are incurred. To the extent it is probable that the Company is able to recover losses and legal fees related to contingencies, it records such recoveries concurrently with the accrual of the related loss or legal fees. Significant management judgment is required to estimate the amounts of such contingent liabilities. In the Company's determination of the probability and ability to estimate contingent liabilities, it considers the following: litigation exposure based on currently available information, consultations with external legal counsel and other pertinent facts and circumstances regarding the contingency. Liabilities established to provide for contingencies are adjusted as further information develops, circumstances change, or contingencies are resolved; and such changes are recorded in the consolidated statements of operations during the period of the change and appropriately reflected in the consolidated balance sheets.

<u>Legal Proceedings</u>

Former CEO Severance

The Company has disclosed in previous financial filings that the Board of Directors had yet to complete its review into whether Mr. Jon Sabes, a former CEO of the Company was terminated with or without cause on November 14, 2022 and that accordingly, the Company had to make a determination on its obligations under the former CEO's employment agreement.

On May 27, 2026, the Company, together with its wholly-owned subsidiary, FOXO Labs, entered into the STLA with Mr. Sabes and LongevityFP Technologies. The material terms of the STLA are more fully discussed in Note 1. The STLA includes mutual releases between the Company and Mr. Sabes and resolves all prior matters between the parties, including accrued severance, which is no longer owed as more fully discussed in Note 8, and the forfeiture of restricted stock granted under the Company's Management Contingent Share Plan, which is more fully discussed in Note 12.

Illumina Judgment

On June 21, 2024, Hennepin County District Court granted Illumina, Inc.'s Motion for Summary Judgment in the amount of $0.8 million against the Company. The Company entered into a settlement agreement with Illumina on July 23, 2025 to settle this judgment over time. $100,000 was paid at the time of settlement and $723,065 is payable in five additional quarterly payments of $144,613 per payment. The Company is currently in default of its requirements for payment under the settlement agreement but believes this default will be rectified without repercussion when the Company secures additional capital.

Other Matters

In July 2025, Gateway Group, Inc. filed a legal action in Orange County, California seeking payment of $120,000. This amount is included as a liability in the Company's financial statements. To date, there is no resolution to this matter.

In the second quarter of 2025, Data Shepherd Services, Inc. received a judgment against the Company for an unpaid balance of approximately $58,000. This amount is included as a liability in the Company's financial statements. To date, there is no resolution to this matter.

In June 2025, func.media inc. filed a legal action in Minnesota seeking a total sum of $123,250. This amount is included as a liability in the Company's financial statements. On October 16, 2025 the Company entered into a settlement agreement to pay $90,000 on an agreed payment schedule of $15,000 each month for six months as full resolution of this matter. If all payments are made when due all remaining amounts over $90,000 will be waived. The Company is currently in default of the payment schedule in the settlement agreement.

The Company is also party to various other legal proceedings for liabilities, for legacy debts of the Company, and could become a party to claims, and regulatory, tax or government inquiries and investigations that arise in the ordinary course of business. The Company may in the future be subject to additional legal proceedings and disputes.

Note 15 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

The supplemental cash flow information for the six months ended June 30, 2026 and 2025 is as follows:

	Six Months Ended June 30,	
	2026	2025
Cash interest paid	$ 169,626	$ -
Cash income taxes paid	$ -	$ -
Non-cash investing and financing activities:		
Purchase of RCHI	$ -	$ 5,132,928
Payable to RHI for additional purchase price of RCHI	$ 119,314	$ 5,132,928
Series B Preferred Stock issued in exchange for note payable, net of finder's fees	$ -	$ 3,282,500
Non-cash interest, including default penalties	$ 939,664	$ 445,426
Declared and deemed dividends from preferred stock, including issuances and anti-dilution provisions thereof and triggers of down-round provisions of Assumed Warrants	$ 135,605	$ 437,195
Preferred stock dividends – undeclared	$ 25,720	$ 483,430
Class A Common Stock issued for legal settlement	$ -	$ 966,986
Class A Common Stock issued for conversions and exchanges of notes payable	$ -	$ 1,890,042
Series A Preferred Stock exchanged for Notes Payable	$ 7,775,085	$ -
Notes payable issued in exchange for Series A Preferred Stock	$ 7,775,085	$ -
Series D Preferred Stock issued in lieu of common stock for finder's fees	$ 400,000	$ -
Common Stock issued/issuable under the terms of notes payable	$ 30,000	$ 106,475
Common stock issuable to finder for finder's fees	$ -	$ 159,670

Note 16 SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the unaudited condensed consolidated financial statements were issued. Other than as described below, the Company did not identify any subsequent events that would have required adjustment or disclosure in the unaudited condensed consolidated financial statements.

Promissory Notes with Institutional Investors Dated July 17, 2026

On July 17, 2026, the Company issued two unsecured promissory notes payable to institutional investors, each with: (i) a principal balance of $240,000; (ii) an original issue discount of $40,000; (iii) a maturity date of December 15, 2026; (iv) a default interest rate of 18% per annum; and (v) payment of $5,000 of the investors' legal fees.

Issuances of Class A Common Stock

During the period July 1, 2026 to August 11, 2026, the Company issued 223,034 shares of its Class A Common Stock upon conversions of $8,030 of the principal balance of a promissory note and $1,500 of associated interest.

On July 10, 2026, 14,430 shares of the Company's Class A Common Stock were issued in lieu of fractional shares in the Third Reverse Stock Split.

Asset Purchase Agreement with Grifols Bio Supplies, Inc.

On July 22, 2026, Vector entered into an asset purchase agreement (the "Purchase Agreement") with Grifols Bio Supplies, Inc., a subsidiary of Grifols S.A. (the "Seller"), pursuant to which Vector (or a subsidiary of Vector) agreed to purchase certain assets and assume certain liabilities associated with four U.S.-based blood collection centers operated by the Seller (the "Acquisition").

The Purchase Agreement provides for aggregate cash consideration of $3,500,000, payable at closing, plus a contingent earn-out payment of up to $1,000,000, payable in cash. The full earn-out amount becomes payable if the acquired business generates EBITDA (as defined in the Purchase Agreement) of $1,500,000 or more in any single calendar year during the earn-out period consisting of calendar years 2026, 2027 and 2028. The acquired assets include an agreed-upon level of serum inventory and existing cell units held at the collection centers at closing.

Consummation of the Acquisition is subject to the satisfaction or waiver of customary closing conditions, including the absence of any governmental order prohibiting the transaction, the accuracy of the parties' representations and warranties and performance of their respective covenants, and the receipt of specified consents. In addition, the closing is conditioned upon Vector obtaining a new and separate FDA license to operate the acquired assets, independent of the Seller's existing FDA license, as well as a new and separate CLIA certification in Tennessee (and any other state in which Vector operates the business) and a waste-management permit issued by the applicable Miami city authority, in each case independent of the Seller's existing certifications and permits.

Either party may terminate the Purchase Agreement if the closing has not occurred on or before the date that is nine months after the date of the Purchase Agreement (the "Long Stop Date"). The Company currently anticipates that the closing will occur in the third or fourth quarter of 2026.

We do not currently have sufficient capital to fund the cash consideration, and we will need to secure additional financing to complete the acquisition. There can be no assurance that these conditions will be satisfied, that the necessary financing will be available on acceptable terms or at all, or that the acquisition will close within the timeframe we anticipate or at all.

Proposed Reverse Stock Split

On August 13, 2026, the board of directors of the Company, by unanimous written consent in lieu of a special meeting, acted to adopt the proposal for a reverse split to amend our Certificate of Incorporation to enable a reverse stock split of our issued and outstanding Class A Common Stock at a ratio ranging from one-for-fifty (1:50) to one-for-one thousand (1:1,000) (the "Proposed Reverse Stock Split"), with each fractional share rounded up to the nearest whole share and with the exact ratio within such range to be determined at the sole discretion of the board and with such Proposed Reverse Stock Split to be effected at such time and date, if at all, as determined by the board in its sole discretion, provided that the Proposed Reverse Stock Split be effected prior to June 30, 2027. The board authorized the Proposed Reverse Stock Split solely in connection with, and for the purpose of facilitating, an application to list the Company's Class A Common Stock on a senior national securities exchange, specifically The Nasdaq Stock Market

LLC or NYSE American LLC and will not effect the Proposed Reverse Stock Split for any other purpose. On August 13, 2026, our majority shareholder, by written consent in lieu of a meeting pursuant to Section 228 of the Delaware General Corporate Law and Section 2.9 of our bylaws, provided approval for the Proposed Reverse Stock Split.

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

References to the "Company," "FOXO," "us," "our" or "we" refer to FOXO Technologies Inc. and its consolidated subsidiaries. The following discussion and analysis summarize the significant factors affecting the consolidated operating results, financial condition, liquidity, capital resources and cash flows of our Company as of and for the periods presented below. You should read the following discussion of our financial condition and results of operations in conjunction with the unaudited condensed consolidated financial statements and the related notes included elsewhere in this Form 10-Q and with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the SEC. In addition to our historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below. We undertake no obligation to update publicly any forward-looking statements for any reason, except as required by law, even as new information becomes available or events occur in the future.

Formation

We were formed as a limited liability company on November 11, 2019, following our separation from GWG Holdings, Inc. We were previously named InsurTech Holdings, LLC and FOXO BioScience LLC. On November 13, 2020, FOXO Bioscience LLC completed a conversion to a C Corporation and became FOXO.

Effective September 15, 2022, we consummated our previously announced business combination pursuant to the Merger Agreement, whereby DWIN Merger Sub Inc. merged with and into Legacy FOXO, with Legacy FOXO surviving as a wholly-owned subsidiary of the Company. Upon consummation of our business combination, our name changed from Delwinds Insurance Acquisition Corp. to FOXO Technologies Inc.

Overview

As of June 30, 2026, FOXO owns and operates four principal subsidiaries.

Myrtle Recovery Centers, Inc., ("Myrtle") a 30-bed behavioral health facility in East Tennessee. Myrtle provides inpatient services for detox and residential treatment and outpatient services for medication assisted treatment ("MAT") and OBOT Programs.

Rennova Community Health, Inc., ("RCHI") owns and operates Scott County Community Hospital, Inc. ("SCCH") (d/b/a Big South Fork Medical Center ("BSF")), a critical access-designated ("CAH") hospital in East Tennessee.

Vector BioSource Inc. ("Vector") is an information, data and biospecimen sourcing provider serving the biotechnology, clinical research and pharmaceutical research industries.

FOXO Labs, Inc. is a biotechnology company dedicated to improving human health and life span through the development of cutting-edge technology and product solutions for various industries.

Our Business Segments

We manage and classify our business into three reportable business segments: (i) Healthcare, (ii) Life Science Services and (iii) Labs.

- Healthcare - The Company's healthcare segment includes Myrtle and RCHI's hospital SCCH, doing business as BSF. Myrtle offers behavioral health services, primarily substance use disorder treatments and services that are provided on either an inpatient, residential basis or an outpatient basis. BSF has 25 inpatient beds, and a 24/7 emergency department and provides ancillary services, including laboratory, radiology, respiratory and pharmacy services. BSF is designated as a Critical Access Hospital (rural) hospital.

- Life Science Services – The Company's Life Science Services segment began with the acquisition of Vector on September 19, 2025. Vector is an information, data and biospecimen sourcing provider serving the biotechnology, clinical research and pharmaceutical research industries.

- Labs - The Company's Labs segment is commercializing proprietary epigenetic biomarker technology. The Company's innovative biomarker technology enables the adoption of new saliva-based health and wellness biomarker solutions. The Company's research demonstrates that epigenetic biomarkers, collected from saliva, provide measures of individual health and wellness for the factors used in life insurance underwriting traditionally obtained through blood and urine specimens.

Reverse Stock Splits

On April 17, 2025, the Company's board of directors (pursuant to a previously-obtained shareholder approval) approved the implementation of a 1-for-10 reverse stock split, such that every 10 shares of the Company's Class A Common Stock will be combined into one issued and outstanding share of Class A Common Stock, the First Reverse Stock Split. On July 17, 2025, the Company's board of directors (pursuant to previously-obtained shareholder approval) approved the implementation of a 1-for-1.99 reverse stock split, such that every 1.99 shares of the Company's Class A Common Stock will be combined into one issued and outstanding share of the Company's Class A Common Stock, the Second Reverse Stock Split. On June 30, 2026, the Company's board of directors (pursuant to previously obtained shareholder approval) approved the implementation of a 1-for-3,000 reverse stock split, such that every 3,000 shares of the Company's Class A Common Stock will be combined into one issued and outstanding share of the Company's Class A Common Stock, the Third Reverse Stock Split. The reverse stock splits did not result in a change in the $0.0001 par value per share of the Company's Class A Common Stock.

The First Reverse Stock Split was effective on April 28, 2025. The Second Reverse Stock Split was effective on July 27, 2025. The Third Reverse Stock Split was effective on June 30, 2026.

All share amounts herein have been adjusted to reflect the reverse stock split.

Acquisition of Vector Under Stock Purchase Agreement

On September 9, 2025, the Company entered into the Stock Purchase Agreement with Vector, (the "Vector SPA"), between the stockholders (each, a "Seller," or, together, the "Sellers") owning all of the issued and outstanding equity securities of Vector (the "Purchased Shares") and FOXO Acquisition Corporation, a Florida corporation and wholly-owned subsidiary of the Company ("FAC"), (the "Vector Acquisition"). Pursuant to the SPA, upon closing on September 19, 2025, the Sellers exchanged the Purchased Shares for (i) $500,000 in cash, (ii) 60,000 shares of the Company's Series E Cumulative Redeemable Secured Preferred Stock (the "Series E Preferred Stock") with a stated value of $25.00 per share, or a total stated value of $1,500,000, (iii) 128,950 three year warrants to purchase shares of the Company's Class A Common Stock with an exercise price of $15.51 per share (the "Vector Warrants"), which was equal to the closing price of the Company's Class A Common Stock on the trading day immediately prior to closing, plus 10%, (subject to adjustment) valued at $769,826 and (iv) up to 80,000 shares of Series E Preferred Stock to be issued to the Sellers on or before 120 days after the two-year anniversary of the closing; provided that, such shares will only be issued in the event that the Qualifying Revenue (as defined in the Vector SPA) of the Business (as defined in the Vector SPA) during the 12-month period between the first and second anniversary of the closing are at least $4,000,000; provided, further, that in the event that less than $4,000,000 of Qualifying Revenues are actually collected by Vector on or before 90 days after the second anniversary of the closing, the number of shares of Series E Preferred Stock to be issued to the Sellers will be reduced by an amount equal to one share for each $25.00 of Qualifying Revenues less than $4,000,000 collected by such date; and, provided, further, if a Change of Control (as defined in the Vector SPA) of the Company occurs prior to the two-year anniversary of the closing, all of the up to 80,000 shares of Series E Preferred Stock will be issued to the Sellers as of the date of such Change of Control. Pursuant to the Vector SPA, the Sellers have the right, but not obligation, to repurchase the Purchased Shares under certain limited circumstances at fair market value as determined by a third party and subject to a floor. As of June 30, 2026, the Company has recorded $500,000 of additional contingent purchase price consideration, which amount was based on the estimated value of additional shares of Series E Preferred Stock that will be owed pursuant to current projections of Qualifying Revenue.

Vector is an information, data and biospecimen sourcing provider serving the biotechnology, clinical research and pharmaceutical research industries.

Current Business Strategy

Myrtle Recovery Centers, Inc.

We acquired Myrtle on June 14, 2024 under the terms of a stock exchange agreement with RHI. Myrtle was formed in the second quarter of 2022 to pursue opportunities in the behavioral health sector, including substance abuse treatment, initially in rural markets. Services are provided on either an inpatient, residential basis or an outpatient basis.

Myrtle was granted a license by the Department of Mental Health and Substance Abuse Services of Tennessee to operate an alcohol and drug treatment facility in Oneida, Tennessee. The facility, which is located at BSF's campus, commenced operations and began accepting patients on August 14, 2023. The facility offers alcohol and drug residential detoxification and residential rehabilitation treatment services for up to 30 patients. On November 1, 2023, Myrtle began accepting patients at its OBOT. The OBOT is located adjacent to Myrtle's alcohol and drug treatment facility in Oneida, Tennessee and complements the existing residential rehabilitation and detoxification services offered at Myrtle. On April 11, 2023, Myrtle sold shares of its common stock equivalent to a 1.961% ownership stake in the subsidiary for de minimis value to an unaffiliated individual licensed as a physician in Tennessee. The shares have certain transfer restrictions, including the right of the subsidiary to transfer the shares to another physician licensed in Tennessee for de minimis value. The shares were sold to the individual for Tennessee healthcare regulatory reasons.

We plan to expand the Myrtle business model by acquiring additional operating facilities and by replicating the model in other rural hospital properties or suitable premises.

Rennova Community Health, Inc.

We acquired RCHI on September 10, 2024 under the terms of a stock exchange agreement with RHI. RCHI's wholly-owned subsidiary, SCCH, is an east Tennessee based Critical Access Designated (CAH) 25-bed hospital licensed by the state of Tennessee, offering quality healthcare services for Oneida and the surrounding areas. SCCH is doing business as BSF. BSF consists of a 52,000-square foot hospital building and 6,300-square foot professional building on approximately 4.3 acres. BSF has 25 inpatient beds, and 24/7 emergency department and provides ancillary services, including laboratory, radiology, respiratory and pharmacy services. The hospital became operational on August 8, 2017 and it became designated as a Critical Access Hospital (rural) hospital in December 2021, retroactive to June 30, 2021. The hospital first opened in late 1955 and was known as Scott County Community Hospital. The hospital has been operated by RCHI since August 2017.

We plan to grow this division by expansion of services at its BSF campus and acquisitions in targeted areas.

Vector BioSource Inc.

Vector is an information, data and biospecimen sourcing provider serving the biotechnology, clinical research and pharmaceuticals research industries. Vector plans to transform the biospecimen sourcing landscape with an innovative AI-driven platform that it believes will provide researchers' immediate access to bio-samples, including, whole blood samples, bulk serum collections and toxicology urine specimens. The Company is actively pursuing an acquisition in the sector that, if successful, will deliver an FDA-approved collection and processing capability in the US from which Vector can aggressively grow its business. Vector is also actively seeking international sourcing partners that can provide certain (rare) disease state samples for the research and development sector only. Vector has initiated its first agreement with a partner in India and has been successful in sourcing samples from there as well as from Latin America to satisfy certain orders received.

We plan to grow this division by organic expansion of the current business and acquisition of similar or complementary businesses.

FOXO Labs

Our epigenetics subsidiary has been serving as a pioneer in the development and integration of epigenetic biomarkers into state-of-the-art underwriting protocols and consumer engagement tools. We are using next-generation technology to transform human health and longevity.

Epigenetic technology has been proven to provide health, lifestyle, and longevity insights that have never before been accessible to humans—from just a single saliva sample. Using saliva-based epigenetic biomarkers, we are eliminating the need for invasive collection, allowing us to provide scientists with advanced epigenetic testing services and bioinformatic tools that support groundbreaking research.

We believe there is growing demand for direct-to-consumer wellness testing and epigenetic data analysis tools and are concentrating efforts on: (1) our Bioinformatics Services offering, a suite of bioinformatic tools to help researchers process, analyze, and interpret epigenetic data; and (2) research and development in the fields of health and wellness testing powered by machine learning and artificial intelligence (including a potential AI platform for the delivery of health and well-being data-driven insights to individuals, healthcare professionals and third-party service providers). To further these goals, we intend to leverage the extensive epigenetic data we have generated in our clinical trials and the expertise of our team and continue building strategic alliances with new partners in academia, business, healthcare and government. We also intend to frequently evaluate and develop commercialization opportunities for our product and service offerings and our research findings.

On May 27, 2026, the Company, together with its wholly-owned subsidiary, FOXO Labs, entered into a Strategic Technology License Agreement (the "STLA") with Jon R. Sabes, the Company's founder, and LongevityFP Technologies, LLC, a Minnesota limited liability company controlled by Mr. Sabes ("LongevityFP Technologies").

The material terms of the STLA are as follows: (i) *License*. The Company and FOXO Labs granted LongevityFP Technologies an exclusive, worldwide license to commercialize the Company's Epigenetics intellectual property portfolio, including two issued U.S. patents (U.S. Patent Nos. 11,795,495 and 11,817,214), a 13,000+ individual epigenetic dataset, proprietary machine learning models and algorithms, and related work product and arrangements (collectively, the "Licensed IP"); (ii) *Royalty*. LongevityFP Technologies will pay the Company a royalty equal to 3% of net revenues derived from commercialization of the Licensed IP, subject to an aggregate cap of $1,300,000; (iii) *Acquisition Option*. LongevityFP Technologies received an exclusive, irrevocable ten-year option to acquire majority ownership of FOXO Labs. Upon a "Track A" exercise, LongevityFP Technologies acquires 100% of FOXO Labs and issues the Company a preferred membership interest representing 40% of LongevityFP Technologies's fully diluted common equity. Upon a "Track B" exercise, FOXO Labs issues LongevityFP Technologies 60% of FOXO Labs's fully diluted equity, with the Company retaining 40%; (iv) *IP Retention*. The Company retains ownership of FOXO Labs and the Licensed IP throughout the license period.

Net Revenues

Healthcare generates revenues from hospital and ancillary services as well as substance abuse treatments, including inpatient and outpatient services. Life Science Services generates revenues from sales of biological materials, such as blood and urine to the pharmaceutical and biotechnology research sectors. Labs currently recognizes revenues from collecting a royalty from Illumina, Inc. related to the sales of the Infinium Mouse Methylation Array.

Results of Operations

Three Months Ended June 30, 2026 and 2025

	Three Months Ended			
	June 30,		Change in	Change in
	2026	2025	$	%
Net revenues	$ 4,715,016	$ 5,218,373	$ (503,357)	-9.65%
Operating expenses:				
Direct costs of revenues	2,395,326	1,975,325	420,001	21.26%
Research and development	23,700	40,183	(16,483)	-41.02%
Management contingent share plan (forfeiture) expense	(9,129,890)	18,878	(9,148,768)	NM
Selling, general and administrative expenses	2,677,438	2,616,866	60,572	2.31%
Total operating income (expenses)	(4,033,426)	4,651,252	(8,684,678)	NM%
Income (loss) from operations	8,748,442	567,121	8,181,321	NM
Change in fair value of warrant liabilities	-	7,576	(7,576)	-100.00%
Interest expense	(1,310,833)	(1,008,751)	(302,082)	29.95%
Gain from legal settlement	1,648,377	-	1,648,377	0.00%
Other non-operating income (expenses), net	(949,093)	(92,252)	(856,841)	NM%
Provision for income taxes		-	-	NM%
Net income (loss), including noncontrolling interest	8,136,893	(526,306)	8,663,199	NM
Noncontrolling interest	3,192	4,285	(1,093)	-25.51%
Net income (loss) attributable to FOXO	8,140,085	(522,021)	8,662,106	NM
Preferred stock dividends and deemed dividends	(135,605)	(265,070)	129,465	-48.84%
Net income (loss) to common stockholders	$ 8,004,480	$ (787,091)	$ 8,791,571	NM

NM - Not Meaningful

Net Revenues. Net revenues were $4.7 million for the three months ended June 30, 2026, compared to $5.2 million for the three months ended June 30, 2025, a decrease of $0.5 million. We attribute the decrease in net revenues for the three months ended June 30, 2026 to RCHI recording $0.6 million of net revenues from the State of Tennessee's Hospital Improvement Plan ("THIP") during the three months ended June 30, 2026 compared to $2.5 million of net revenues from the THIP recorded in the three months ended June 30, 2025. The THIP is designed to increase revenues for hospitals serving TennCare patients. Excluding the impact of the THIP revenues, RCHI's net revenues increased by $1.1 million in the three months ended June 30, 2026 compared to the 2025 period due to increased volume, including an increase in swing-bed patient services. A "swing-bed" is a change in reimbursement status, as the billing status "swings" from billing for acute care services to billing for post-acute skilled nursing services, despite the fact that the patient stays in the same physical location. Partially offsetting the decrease in net revenues was an increase in Myrtle's net revenues of $0.1 million due to increased patient days and Vector's net revenues of $0.2 million. Vector was acquired on September 19, 2025.

Direct Costs of Revenues. Direct costs of revenues were $2.4 million for the three months ended June 30, 2026, compared to $2.0 million of direct costs of revenues for the three months ended June 30, 2025. Myrtle's direct costs of revenues increased by $52,000 and RCHI's increased by $260,000. In addition, Vector, acquired on September 19, 2025, contributed $0.1 million of the increase. As a percentage of net revenues, direct costs of revenues were 51% and 38% for the three months ended June 30, 2026 and 2025, respectively.

Research and Development. Research and development expenses were $23,700 and $40,183 for the three months ended June 30, 2026 and 2025, respectively. We incurred less compensation costs in the 2026 period.

Management Contingent Share Plan. Management Contingent Share Plan forfeiture for the three months ended June 30, 2026 of $9.1 million represents the forfeiture of unvested shares under the plan by the former founder of the Company in connection with the STLA. The expense of $18,878 for the three months ended June 30, 2025 resulted from the partial vesting of a share during the period. As of June 30, 2026, all shares previously issued under the plan have been forfeited.

Selling, General and Administrative. Selling, general and administrative expenses were $2.7 million for the three months ended June 30, 2026, compared to $2.6 million for the three months ended June 30, 2025. We attribute the increase to Vector's selling, general and administrative expenses of $0.3 million and $0.2 million of operating interest on right of use lease obligations, partially offset by decreases in Corporate expenses and Healthcare wages.

Change in Fair Value of Warrant Liabilities. The fair value of warrant liabilities decreased by $0 and $7,576 in the three months ended June 30, 2026 and 2025, respectively. Changes in fair values resulted from changes in the quoted prices of the Public Warrants on the OTC Pink Marketplace. The warrants have no intrinsic value.

Interest Expense. Interest expense was $1.3 million for the three months ended June 30, 2026 compared to $1.0 million for the three months ended June 30, 2025. The increase was due to the increase in notes payable and interest on Medicare cost report settlements during the three months ending June 30, 2026 compared to the 2025 period and $0.4 million of payment default penalties and default interest that was incurred in the three months ended June 30, 2026 compared to $0.3 million in the three months ended June 30, 2025. Partially offsetting the increase in the three months ended June 30, 2026 was $0.2 million of interest on the right-of-use operating lease obligations that is included in selling, general and administrative expenses in the 2026 period.

Gain From Legal Settlement. The gain from legal settlement in the three months ended June 30, 2026 resulted from the reversal of $1.5 million of accrued severance and $0.1 million of accrued legal fees that were no longer owed under the terms of the STLA.

Other Non-Operating Expenses, Net. Other non-operating expenses, net was $0.9 million for the three months ended June 30, 2026, compared to $0.1 million for the three months ended June 30, 2025. The other non-operating expenses, net for the three months ended June 30, 2026 resulted primarily from a $0.8 million 2023 pre-RCHI acquisition Medicare cost report settlement, $0.2 million of penalties and interest for nonpayment of payroll taxes and $68,706 of RCHI additional purchase price, partially offset by $0.1 million of hospital cafeteria income. The other non-operating expenses, net for the three months ended June 30, 2025 resulted primarily from $0.1 million of penalties and interest for nonpayment of payroll taxes.

Net Income (Loss) Attributable to FOXO. Net income attributable to FOXO was $8.1 million for the three months ended June 30, 2026 compared to a net loss attributable to FOXO of $0.5 million for the three months ended June 30, 2025. Excluding the impact of the forfeiture of the unvested Management Contingent Share Plan shares, we incurred a loss from operations of $0.4 million for the three months ended June 30, 2026 compared to income of $0.6 million for the three months ended June 30, 2025. We attribute the change of $1.0 million primarily to the decrease in net revenues in the 2026 period. Also contributing was an increase in direct costs as a percentage of net revenues in the 2026 period. Excluding the impact of the forfeiture of the unvested Management Contingent Share Plan shares, the net loss attributable to FOXO was $1.0 million in the three months ended June 30, 2026 compared to $0.5 million in the comparable 2025 period as the gain from legal settlement partially offset the impact of the decrease in net revenues and the increases in interest expense and other non-operating expenses, net. We recorded declared dividends on our Series E Preferred Stock and deemed dividends from the anti-dilution provisions of preferred stock totaling $0.1 million in the three months ended June 30, 2026 compared to deemed dividends in the three months ended June 30, 2025 of $0.3 million, which resulted from the issuances of and triggers of the down-round provisions of preferred stock. Including these declared and deemed dividends, the net income (loss) to common stockholders was $8.0 million and ($0.8) million for the three months ended June 30, 2026 and 2025, respectively.

Six Months Ended June 30, 2026 and 2025

	Six Months Ended			
	June 30,		Change in	Change in
	2026	2025	$	%
Net revenues	$ 9,883,052	$ 8,388,293	$ 1,494,759	17.82%
Operating expenses:				
Direct costs of revenues	4,929,539	3,879,261	1,050,278	27.07%
Research and development	59,250	70,183	(10,933)	-15.58%
Management contingent share plan (forfeiture) expense	(9,129,890)	37,756	(9,167,646)	NM
Selling, general and administrative expenses	5,552,562	5,380,952	171,610	3.19%
Total operating expenses	1,411,461	9,368,152	(7,956,691)	-84.93%
Income (loss) from operations	8,471,591	(979,859)	9,451,450	NM
Change in fair value of warrant liabilities	-	39,170	(39,170)	-100.00%
Gain from extinguishment of Senior PIK Notes	-	1,863,834	(1,863,834)	-100.00%
Interest expense	(2,283,968)	(1,898,543)	(385,425)	20.30%
Gain from legal settlements, net	1,630,127	-	1,630,127	0.00%
Other non-operating expenses, net	(1,136,043)	(171,716)	(964,327)	NM%
Provision for income taxes	-	-	-	NM%
Net income (loss), including noncontrolling interest	6,681,707	(1,147,114)	7,828,821	NM
Noncontrolling interest	6,405	8,635	(2,230)	-25.83%
Net income (loss) attributable to FOXO	6,688,112	(1,138,479)	7,826,591	NM
Preferred stock dividends and deemed dividends	(135,605)	(437,195)	301,590	-68.98%
Net income (loss) to common stockholders	$ 6,552,507	$ (1,575,674)	$ 8,128,181	NM

NM- Not Meaningful

Net Revenues. Net revenues were $9.9 million for the six months ended June 30, 2026, compared to $8.4 million for the six months ended June 30, 2025. Vector, acquired on September 19, 2025, contributed $0.6 million of the increase, Myrtle contributed approximately $0.3 million of the increase and RCHI contributed approximately $0.6 million of the increase. We attribute the increase in Myrtle’s net revenue to increased patient days. Partially offsetting the increase in RCHI’s net revenues for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 were net revenues of $1.2 million from the THIP in the six months ended June 30, 2026 compared to net revenues of $2.5 million from the THIP in the six months ended June 30 2025. The THIP is designed to increase revenues for hospitals serving TennCare patients. Excluding the THIP revenue, RCHI’s net revenues increased by approximately $1.9 million in the six months ended June 30, 2026 compared to the 2025 period. We attribute the increase in RCHI’s net revenues to increased volume, including an increase in swing-bed patient services. A “swing-bed” is a change in reimbursement status, as the billing status “swings” from billing for acute care services to billing for post-acute skilled nursing services, despite the fact that the patient stays in the same physical location.

Direct Costs of Revenues. Direct costs of revenues were $4.9 million and $3.9 million for six months ended June 30, 2026 and 2025, respectively. Vector, acquired on September 19, 2025, contributed $0.4 million of the increase and RCHI’s increased by $0.6 million. As a percentage of net revenues, direct costs of net revenues were 50% and 46% for the six months ended June 30, 2026 and 2025, respectively.

Research and Development. Research and development expenses were $59,250 and $70,183 for the six months ended June 30, 2026 and 2025, respectively. We incurred less compensation costs in the 2026 period.

Management Contingent Share Plan. Management Contingent Share Plan forfeiture for the six months ended June 30, 2026 of $9.1 million represents the forfeiture of unvested shares under the plan by the former founder of the Company in connection with the STLA. The expense for the six months ended June 30, 2025 resulted from the partial vesting of a share during the period. As of June 30, 2026, all shares previously issued under the plan have been forfeited.

Selling, General and Administrative. Selling, general and administrative expenses were $5.6 million for the six months ended June 30, 2026, compared to $5.4 million for the six months ended June 30, 2025. We attribute the increase to Vector's selling, general and administrative expenses of $0.5 million and $0.4 million of operating interest on right of use lease obligations, partially offset by a decrease of $0.6 million in Corporate expenses and Healthcare wages.

Change in Fair Value of Warrant Liabilities. The fair value of warrant liabilities decreased by $0 and $39,170 in the six months ended June 30, 2026 and 2025, respectively. Changes in fair values resulted from changes in the quoted prices of the Public Warrants on the OTC Pink Marketplace. The warrants have no intrinsic value.

Gain from Extinguishment of Senior PIK Notes. During the six months ended June 30, 2025, we exchanged $5.4 million of Senior PIK Notes, which included $1.9 million of accrued interest, for $3.5 million of stated value of our Series B Preferred Stock resulting in a gain of $1.9 million.

Interest Expense. Interest expense was $2.3 million for the six months ended June 30, 2026 compared to $1.9 million for the six months ended June 30, 2025. The increase was due to the increase in notes payable and interest on Medicare cost report settlements during the six months ending June 30, 2026 compared to the 2025 period and $0.9 million of default penalties and default interest that was incurred in the six months ended June 30, 2026 compared to default penalties and default interest of $0.3 million that was incurred in the 2025 period. Partially offsetting the increase in the six months ended June 30, 2026 was $0.4 million of interest on the right-of-use operating lease obligations that is included in selling, general and administrative expenses in the 2026 period and interest on the Senior PIK Notes that were exchanged for Series B Preferred Stock in January 2025.

Gain From Legal Settlement, Net. The gain from legal settlement, net in the six months ended June 30, 2026 resulted primarily from the reversal of $1.5 million of accrued severance and $0.1 million of accrued legal fees that were no longer owed under the terms of the STLA.

Other Non-Operating Expenses, Net. Other non-operating expenses, net was $1.1 million for the six months ended June 30, 2026 compared to other non-operating expenses, net of $0.2 million for the six months ended June 30, 2025. The other non-operating expenses, net for the six months ended June 30, 2026 resulted primarily from a $0.8 million 2023 pre-RCHI acquisition Medicare cost report settlement, $0.4 million of penalties and interest for nonpayment of payroll taxes and $0.1 million of RCHI additional purchase price, partially offset by $0.1 million of hospital cafeteria income. The other non-operating expenses, net in the six months ended June 30, 2025 resulted primarily from $0.3 million of penalties and interest for nonpayment of payroll taxes, partially offset by hospital cafeteria income of $0.1 million.

Net Income (Loss) Attributable to FOXO. Net income attributable to FOXO was $6.7 million for the six months ended June 30, 2026 compared to a net loss attributable to FOXO of $1.1 million for the six months ended June 30, 2025. Excluding the impact of the forfeiture of the unvested Management Contingent Share Plan shares, we incurred a loss from operations of $0.7 million for the six months ended June 30, 2026 compared to a loss from operations of $1.0 million for the six months ended June 30, 2025. We attribute the improvement to the increase in net revenues in the 2026 period. Excluding the impact of the forfeiture of the unvested Management Contingent Share Plan shares, the net loss attributable to FOXO was $2.4 million in the six months ended June 30, 2026 compared to $1.1 million in the comparable 2025 period as a result of the increase in total non-operating expenses in the six months ended June 30, 2026 compared to the 2025 period. We recorded declared dividends on our Series E Preferred Stock and deemed dividends from the anti-dilution provisions of our preferred stock totaling $0.1 million the six months ended June 30, 2026 compared to $0.4 million of deemed dividends from the anti-dilution provisions of and the issuances of preferred stock and the triggers of the down round provisions of the Assumed Warrants in the six months ended June 30, 2025. Including these declared and deemed dividends, the net income (loss) to common stockholders was $6.6 million and $(1.6) million for the six months ended June 30, 2026 and 2025, respectively.

Analysis of Segment Results:

The following is an analysis of our results by reportable segment for the three and six months ended June 30, 2026 compared to the three and six months ended June 30, 2025. The primary earnings/loss measure used for assessing reportable segment performance is segment income/loss defined as earnings/loss before interest, income taxes, and depreciation and amortization not associated with a specific segment. Segment income/loss by reportable segment also excludes corporate and other costs, including management, IT, and overhead costs.

Healthcare

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change in $	Change in %
Net revenues	$ 4,470,352	$ 5,210,557	$ (740,205)	-14%
Operating expenses	(4,915,486)	(3,927,391)	(988,095)	25%
Noncontrolling interest	3,192	4,285	(1,093)	-26%
Segment (Loss) Income	$ (441,942)	$ 1,287,451	$ (1,729,393)	NM%

NM – Not Meaningful

Net Revenues. Net revenues were $4.5 million and $5.2 million for the three months ended June 30, 2026 and 2025, respectively, a decrease of $0.7 million. Net revenues for the three months ended June 30, 2026, include Myrtle's net revenues of $0.6 million and RCHI's net revenues of $3.9 million. Net revenues for the three months ended June 30, 2025, include Myrtle's net revenues $0.5 million and RCHI's net revenues of $4.7 million. We attribute the decrease in RCHI's net revenues for the three months ended June 30, 2026 compared to the 2025 period to RCHI recording $0.6 million of net revenues from the THIP compared to $2.5 million of net revenues from the THIP recorded in the three months ended June 30, 2025. The THIP is designed to increase revenues for hospitals serving TennCare patients. Excluding the THIP net revenues, Healthcare's net revenue increased by $1.2 million.

Segment (Loss) Income. Segment loss was $0.5 million for the three months ended June 30, 2026, compared to segment income of $1.3 million for the three months ended June 30, 2025. We attribute the change to the decrease in THIP revenues as discussed above.

Life Science Services

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change in $	Change in %
Net revenues	$ 238,462	$ -	$ 238,462	NM
Operating expenses	(423,956)	-	(423,956)	NM
Segment Loss	$ (185,494)	$ -	$ (185,494)	NM

NM = Not meaningful

Net Revenues. Net revenues were $0.2 million for the three months ended June 30, 2026 and represent net revenues from Vector that was acquired on September 19, 2025.

Segment Loss. Segment loss was $0.2 million for the three months ended June 30, 2026 and represents the loss from Vector.

Labs

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Change in $	Change in %
Net revenues	$ 6,202	$ 7,816	$ (1,614)	-21%
Operating expenses	(24,927)	(41,259)	16,332	-40%
Segment Loss	$ (18,725)	$ (33,443)	$ 14,718	-44%

Net Revenues. Net revenues were $6,202 and $7,816 for the three months ended June 30, 2026 and 2025, respectively. Net revenues consist of commissions and royalty income.

Segment Loss. Segment loss decreased to $18,725 for the three months ended June 30, 2026 compared to a loss of $33,443 for the three months ended June 30, 2025 due to a reduction in compensation-related expenses.

Healthcare

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change in $	Change in %
Net revenues	$ 9,268,903	$ 8,371,988	$ 896,915	11%
Operating expenses	(9,086,735)	(7,937,770)	(1,148,965)	14%
Noncontrolling interest	6,405	8,635	(2,230)	-26%
Segment Income	$ 188,573	$ 442,853	$ (252,050)	-57%

Net Revenues. Net revenues were $9.3 million for the six months ended June 30, 2026 and represent Myrtle's net revenues of $1.3 million and RCHI's net revenues of $8.0 million. Net revenues for the six months ended June 30, 2025 of $8.4 million represent Myrtle's net revenues of $1.0 million and RCHI's net revenues of $7.4 million. We attribute the increase in RCHI's net revenues to increased volume and an increase in swing-bed patient services. A "swing-bed" is a change in reimbursement status, as the billing status "swings" from billing for acute care services to billing for post-acute skilled nursing services, despite the fact that the patient stays in the same physical location. Partially offsetting the increase in RCHI's net revenues for the six months ended June 30, 2026 compared to the 2025 period were net revenues of $1.2 million from the THIP in the six months ended June 30, 2026 compared to net revenues of $2.5 million from the THIP in the six months ended June 30 2025. The THIP is designed to increase revenues for hospitals serving TennCare patients. Excluding the impact of the THIP net revenues, Healthcare's net revenue increased in the six months ended June 30, 2026 by approximately $2.2 million.

Segment Income. Segment income was $0.2 million for the six months ended June 30, 2026 compared to segment income of $0.4 million for the six months ended June 30, 2025, respectively. We attribute the decrease to the increase in operating expenses, partially offset by an increase in net revenues.

Life Science Services

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change in $	Change in %
Net revenues	$ 599,712	$ -	$ 599,712	NM
Operating expenses	(923,752)	-	(923,752)	NM
Segment Loss	$ (324,040)	$ -	$ (324,040)	NM

NM = Not meaningful

Net Revenues. Net revenues were $0.6 million for the six months ended June 30, 2026 and represent net revenues from Vector that was acquired on September 19, 2025.

Segment Loss. Segment loss was $0.3 million for the six months ended June 30, 2026 and represents the loss from Vector.

Labs

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change in $	Change in %
Net revenues	$ 14,437	$ 16,305	$ (1,868)	-11%
Operating expenses	(61,683)	(72,753)	11,070	-15%
Segment Loss	$ (47,246)	$ (56,448)	$ 9,202	-16%

Net Revenues. Net revenues were $14,437 for the six months ended June 30, 2026 compared to $16,305 for the six months ended June 30, 2025. Net revenues consist of commissions and royalty income.

Segment Loss. Segment loss decreased to $47,246 for the six months ended June 30, 2026 from $56,448 for the six months ended June 30, 2025 due primarily to a reduction in compensation-related expenses.

Other Operating Data:

We use Adjusted EBITDA to evaluate our operating performance. Adjusted EBITDA does not represent and should not be considered an alternative to net income as determined by U.S. GAAP, and our calculations thereof may not be comparable to those reported by other companies. We believe Adjusted EBITDA is an important measure of operating performance and provides useful information to investors because it highlights trends in our business that may not otherwise be apparent when relying solely on U.S. GAAP measures and because it eliminates items that have less bearing on our operating performance. Adjusted EBITDA, as presented herein, is a supplemental measure of our performance that is not required by, or presented in accordance with, U.S. GAAP. We use non-GAAP financial measures as supplements to our U.S. GAAP results in order to provide a more complete understanding of the factors and trends affecting our business. Adjusted EBITDA is a measure of operating performance that is not defined by U.S. GAAP and should not be considered a substitute for net income (loss) as determined in accordance with U.S. GAAP.

We reconcile our non-GAAP financial measure to our net income (loss) attributable to FOXO, which is its most directly comparable financial measure calculated and presented in accordance with U.S. GAAP. Our management uses Adjusted EBITDA as a financial measure to evaluate the profitability and efficiency of our business model. Adjusted EBITDA is not presented in accordance with U.S. GAAP and should not be considered a substitute for U.S. GAAP. Adjusted EBITDA includes adjustments for provision for income taxes, as applicable, interest income and expense, depreciation and amortization, equity-based compensation/forfeitures, and certain other infrequent and/or unpredictable non-cash charges or benefits, such as impairments, legal settlements, extinguishment of debt, changes in fair value of warrant liabilities, adjustments for right-of-use operating lease expense and adjustments to include pro forma operating performance of acquisitions as if they had occurred at the beginning of the earliest period presented.

Adjusted EBITDA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Income (loss) attributable to FOXO	**$ 8,140,085**	**$ (522,021)**	**$ 6,688,112**	**$ (1,138,479)**
Add: Depreciation and amortization	175,793	146,774	346,887	289,818
Add: Interest expense, excluding interest for right-of-use obligations	1,310,833	792,718	2,283,968	1,462,024
Add: Equity-based compensation (forfeiture) expense	(9,129,890)	18,878	(9,129,890)	46,594
Add: Gain from extinguishment of debt	-	-	-	(1,863,834)
Add: Gain from legal settlements, net	(1,648,377)	-	(1,630,127)	-
Add: Change in fair value of warrant liability	-	(7,576)	-	(39,170)
Add: Amortization of consulting fees paid in stock	-	115,686		212,590
Add: 2023 pre-acquisition RCHI Medicare cost report settlement	750,767	-	750,767	-
Add: Interest expense for right-of-use obligations	193,727	216,033	393,595	436,519
Subtotal	**(207,062)**	**760,492**	**(296,688)**	**(593,938)**
Add: Right-of-use operating lease expense (pro forma for Vector for 2025)	(312,688)	(301,065)	(622,754)	(602,130)
Add: Pro forma 2025 adjusted EBITDA for Vector	-	2,554	-	(11,580)
Adjusted EBITDA	$ (519,750)	$ 461,981	$ (919,442)	$ (1,207,648)

See also the Management's Discussion and Analysis of Financial Condition and Results of Operations for the comparisons of net revenues for the three and six months ended June 30, 2026 and 2025.

Liquidity and Capital Resources

Sources of Liquidity and Capital

For the six months ended June 30, 2026 and 2025, we incurred net income (loss) attributable to FOXO of $6.7 million and $(1.1) million, respectively. However, excluding the impact of the non-cash Management Contingent Share Plan forfeiture, the Company incurred a net loss attributable to FOXO of $2.4 million for the six months ended June 30, 2026. As of June 30, 2026, we had a working capital deficit of $35.9 million. Cash used in operations was $0.3 million and $3.7 million for the six months ended June 30, 2026 and 2025, respectively. We expect to incur additional losses in future periods. Our current revenue and operating cash flow is not adequate to fund our operations for the next twelve months and requires us to fund our business through other sources until the time we achieve adequate scale. Securing additional capital is necessary to execute our business strategy.

Third Party Promissory Notes Payable

As of June 30, 2026, the total principal balance of third-party promissory notes payable was $11.6 million, which was net of $0.1 million of debt discounts. In addition, $0.2 million of accrued interest was owed on these notes.

During the six months ended June 30, 2026, we issued nine third-party promissory notes with principal balances totaling $1.6 million and we received net proceeds from the issuances of $1.3 million. In addition, as discussed below, we exchanged 7,775 shares of our Series A Preferred Stock for $7.8 million of aggregated principal balance of two, non-convertible and noninterest bearing promissory notes.

During the six months ended June 30, 2026, we issued 50,000 shares of our Class A Common Stock valued at $15,000 as an inducement to the issuance of a promissory note with a principal balance of $115,000 dated March 2, 2026, and on April 27, 2026, we issued an additional 50,000 shares of our common stock valued at $15,000 for the extension of the maturity date of the promissory note.

During the six months ended June 30, 2025, we issued 330 shares of our Class A Common Stock for conversions and exchanges of $1.9 million of promissory notes payable and related accrued interest, including the Western Note Payable ("the Western Note") discussed below. In addition, during the six months ended June 30, 2025, we issued 11 shares of our Class A Common Stock as inducements and commitment shares under the terms of various promissory notes

In February 2025, the Western Note, which we assumed when we acquired SCCH, was sold to a new third party holder, Silverback Capital Corporation ("Silverback"), and it was amended and restated. Per the terms of the amendment and restatement, the principal balance of the note, which included previously accrued interest expense, totaled $1.1 million, the maturity date was February 26, 2026 and the note was convertible into shares of our Class A Common Stock at a conversion price equal to 90% of the average VWAP for the five trading days prior to conversion. During the six months ended June 30, 2025, Silverback converted $0.5 million of the principal balance of the Western Note into 106 shares of our Class A Common Stock leaving a principal balance outstanding of $0.6 million. The Western Note is currently in default as Silverback failed to make further payments to Western Healthcare, LLC and it is probable that no further conversions of the principal balance into shares of our Class A Common Stock will take place.

In January 2025, we exchanged all outstanding Senior PIK Notes (including all accrued and unpaid interest) (which total value was $5.4 million on the date of the exchange) into 3,457.5 shares of our Series B Preferred Stock with a total stated value of $3.5 million. As a result of the exchange, during the six months ended June 30, 2025, the Company recorded a gain from extinguishment of the Senior PIK Notes of $1.9 million,

At June 30, 2026, $2.4 million of the outstanding principal balance and associated one-time accrued interest of third-party promissory notes (excluding the Western Note, which was purchased by a third party that failed to make further payments to Western Healthcare LLC and it is probable that no further conversions of the principal balance into shares of our Class A Common Stock will take place) were convertible into 8.8 million shares of our Class A Common Stock per the conversion terms of the notes. Each of these notes is more fully discussed in Note 9 to the accompanying unaudited condensed consolidated financial statements.

Related Party Promissory Notes and Loans Payable

On September 10, 2024, we issued a note payable that had a maturity date of September 10, 2026 to RHI in the principal amount of $22.0 million for the purchase of RCHI. During December, 2024, we exchanged $21.0 million of the promissory note owed to RHI for 21,000 shares of our Series A Preferred Stock with a stated value of $1,000 per share and we issued to RHI a new promissory note in the principal amount of $1.0 million due on June 5, 2025. At June 30, 2026, the note is in default and the Company is in discussions with RHI about extending the maturity date of the note which extension we expect to receive. During the year ended December 31, 2025, we issued an additional note payable to RHI in the principal amount of $6.1 million for additional purchase price consideration for the purchase of RCHI, of which $5.0 million was exchanged for 5,000 shares of our Series A Preferred Stock with a stated value of $1,000 per share on August 18, 2025 leaving an additional note due to RHI at December 31, 2025 of $1.1 million. During the six months ended June 30, 2026, we increased the additional note payable to RHI by $0.1 million for additional purchase price consideration for the purchase of RCHI for a balance of $1.2 million at June 30, 2026.

In addition, to the notes and loan discussed in the paragraph above, we have outstanding at June 30, 2026: (i) a note payable to RHI in the amount of $264,565 for the purchase of Myrtle; (ii) a note payable to RHI in the original amount of $1.6 million, which was the amount owed by Myrtle to RHI on the date that we acquired Myrtle, which balance was $1.3 million at June 30, 2026; (iii) a loans payable to RHI in the amount of $1.0 million for working capital purposes; and (iv) we have outstanding at June 30, 2026, three additional promissory notes payable to related parties totaling $0.8 million. The total amount of notes and loans payable owed to RHI and its subsidiaries from the Company and its subsidiaries at June 30, 2026 was $4.7 million. Each of these notes is more fully discussed in Note 9 to the accompanying unaudited condensed consolidated financial statements.

Other Loans

At June 30, 2026, we had outstanding a loan issued under an accounts receivable sales agreement of $22,131 and a credit line assumed in the acquisition of Vector with a balance of $20,827.

Preferred Stock

As of June 30, 2026, we had outstanding shares of preferred stock consisting of: (i) 11,420 shares of our Series A Preferred Stock that were issued for the purchase of RCHI and for cash investment, which amount is net of conversions into common stock and exchanges for notes payable; (ii) 3,245 shares of our Series B Preferred Stock that were issued in exchange for the Senior PIK Notes; (iii) 304 shares of our Series C Preferred Stock, a portion of which were issued for cash and a portion of which were issued in exchange of our Series B Preferred Stock; (iv) 4,712 shares of our Series D Preferred Stock of which 4,312 were issued for settlement of legal fees and accrued expenses and 400 shares that were issued in lieu of common stock for finder’s fees in connection with debt financings; and (v) 68,000 shares of our Series E Preferred Stock, 60,000 of which were issued for the acquisition of Vector and 8,000 of which were issued to RHI for payment of $0.2 million of a note payable. All our outstanding shares of preferred stock have a stated value of $1,000 per share except for our Series E Preferred Stock, which has a stated value of $25 per share.

During the six months ended June 30, 2026, we issued 400 shares of our Series D Preferred Stock to satisfy our obligation for outstanding finder's fees payable in connection with debt financings. During the six months ended June 30, 2025, we issued 3,400 shares of our Series A Preferred Stock with a total stated value of$3.4 million ($1,000 per share) and received gross proceeds of $3.35 million and incurred issuance costs of $350,000. In addition, we issued 60 shares of our Series C Preferred Stock for net cash of $44,825 during the six months ended June 30, 2025. During the six months ended June 30, 2026 and 2025, we issued 488,666 shares and 2,854 shares of our Class A Common Stock, respectively, pursuant to conversions of 146.6 shares and 6,290.17 shares of our Series A Preferred Stock, respectively, with stated values totaling $146,600 and $6.3 million, respectively.

Series A Preferred Stock Restructuring with Institutional Investors

On May 12, 2026, two institutional investors owning approximately 5,307 and 2,468 shares of our Series A Preferred Stock, with aggregate stated values of approximately $5.3 million and $2.5 million, respectively, exchanged their shares for the Senior Notes with principal amounts equal to the stated values of the exchanged preferred shares, or approximately $5.3 million and $2.5 million, respectively, for a combined aggregate principal amount of approximately $7.8 million. The Senior Notes are nonconvertible, noninterest bearing and mature on May 12, 2027.

Going Concern

Our primary uses of cash are to fund our operations as we continue to grow our business, including Vector that we acquired on September 19, 2025, as well as to service our debt. Capital expenditures have historically not been material to our consolidated operations, and we do not anticipate making material capital expenditures over the next 12 months unless we secure additional capital to expand the current operations. We expect that our liquidity requirements will continue to consist of working capital, including payments of outstanding debt and accrued liabilities and general corporate expenses associated with the growth of our business. Based on the size of our current operations, we do not have sufficient capital to fund our corporate overhead for at least 12 months from the date hereof. We expect to address our liquidity needs through the pursuit of additional funding through a combination of equity or debt financing and additional strategic acquisitions that we expect will contribute to positive cash flow to enable us to fund our operations. Completing such acquisitions requires significant additional capital that has not yet been secured.

We have taken various actions to bolster our cash position, including raising funds through the private placements and the issuances of promissory notes and other loans, and conserving cash by issuing shares of our preferred stock and shares of our Class A Common Stock under exchange agreements, license agreements, legal settlements, consulting agreements, finder's fees related to equity and debt financing and consulting agreements, among other transactions, as an alternative to paying in cash.

Based on our current operating plan, our cash position as of June 30, 2026, and after taking into account the actions described above, we do not expect to be able to fund our operations through the twelve months ended June 30, 2027 without the need for additional financing or other increases in our cash and cash equivalents balances to enable us to fund our future operations.

We have based our estimates as to how long we expect we will be able to fund our operations on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect, in which case we would be required to obtain additional financing sooner than currently projected, which funding may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy. We may raise additional capital through equity offerings, debt financings or other capital sources. If we do raise additional capital through public or private equity offerings, or convertible debt offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely impact our existing stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take certain actions.

The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The following table presents our capital resources as of June 30, 2026 and December 31, 2025:

	June 30, 2026		December 31, 2025		Change Increase (Decrease)	
Cash	$	58,409	$	207,453	$	(149,044)
Working capital (deficit)		(35,853,244)		(25,546,280)		10,306,964
Total debt, net of discounts of $100,874 and $119,122, respectively		17,207,576		7,292,040		9,915,536
Total stockholders' equity		913,219		11,076,300		(10,163,081)

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

	Cash Provided by/ (Used in)			
Six Months Ended June 30,	**2026**		**2025**	
Operating Activities	$	(279,224)	$	(3,716,303)
Investing Activities	$	(9,374)	$	(14,900)
Financing Activities	$	139,554	$	3,984,724

Operating Activities

Our net cash used in operating activities in the six months ended June 30, 2026 was $0.3 million compared to $3.7 million, or $3.4 million less than was used in the six months ended June 30, 2025. Our sources of cash in the six months ended June 30, 2026 were primarily accounts payable and accrued expenses, which provided more operating cash than in the 2025 period.

Investing Activities

Investing activities used $9,374 and $14,900 in the six months ended June 30, 2026 and 2025, respectively. The cash used in investing activities resulted from purchases of property and equipment.

Financing Activities

Net cash provided by financing activities for six months ended June 30, 2026 was $0.1 million compared to $4.0 million for the six months ended June 30, 2025. Net cash provided by financing activities for the six months ended June 30, 2026, included $1.3 million from the issuances of third party notes payable and $2.1 million of borrowings from related party loans and note payable, partially offset by $2.4 million of payments of related party loans and note payable, $0.7 million of payments of third party notes payable and $0.2 million of payments on other loans. Net cash provided by financing activities for the six months ended June 30, 2025, included $3.1 million from the issuances of preferred stock, $1.1 million from the issuances of third party notes payable and $0.3 million from other loans, partially offset by $0.3 million of payments on other loans and $0.1 million of payments of third party notes payable.

Off-Balance Sheet Financing Arrangements

We have no obligations, assets or liabilities which would be considered off-balance sheet arrangements. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements.

We have not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or entered into any non-financial assets.

Critical Accounting Policies

The preparation of the consolidated financial statements and related notes included under "Item 1. Financial Statements" and related disclosures in conformity with U.S. GAAP. The preparation of these unaudited condensed consolidated financial statements requires the selection of the appropriate accounting principles to be applied and the judgments and assumptions on which to base accounting estimates, which affect the reported amounts of assets and liabilities as of the date of the balance sheets, the reported amounts of revenue and expenses during the reporting periods, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances at the time such estimates are made. Actual results and outcomes may differ materially from our estimates, judgments, and assumptions. We periodically review our estimates in light of changes in circumstances, facts, and experience. The effects of material revisions in estimates are reflected in the consolidated financial statements prospectively from the date of the change in estimate.

We define our critical accounting policies and estimates as those that require us to make subjective judgments about matters that are uncertain and are likely to have a material impact on our financial condition and results of operations as well as the specific manner in which we apply those principles. We believe the critical accounting policies used in the preparation of our financial statements which require significant estimates and judgments are as follows:

IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS

Goodwill is required to be tested annually or whenever events have occurred that suggest that goodwill may be impaired. Goodwill is tested at the reporting unit level. The Company has three reporting units: Myrtle, SCCH and Vector. Step 0 in the goodwill impairment test model is to perform a qualitative analysis. This step is not required but can be applied to determine if it is more likely than not that an impairment has occurred. Step 1 is to perform a quantitative analysis to determine a reporting unit's fair value and to compare the fair value to the reporting unit's carrying value. If the carrying value exceeds the unit's fair value, a goodwill impairment is recorded to adjust the unit's carrying value to fair value.

The Company reviews its intangible assets to determine potential impairment annually or whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be fully recoverable. For intangible assets, recoverability is measured by comparing the carrying amount of the asset group with the future undiscounted cash flows the assets are expected to generate. Considerable management judgment is necessary to estimate future cash flows. Accordingly, actual results could vary significantly from such estimates. If such assets are considered impaired, an impairment loss is measured by comparing the amount by which the carrying value exceeds the fair value of the long-lived assets.

REVENUE RECOGNITION POLICY

The Company recognizes revenue in accordance with ASC, "Revenue from Contracts with Customers (Topic 606)," including subsequently issued updates. Under the accounting guidance, revenues are presented net of estimated contractual allowances and estimated implicit price concessions.

Healthcare

The Company's healthcare segment consists of the operations of Myrtle and of RCHI.

Myrtle's revenues relate to contracts with patients in which its performance obligations are to provide behavioral health care services to its patients. Revenues are recorded during the period in which its obligations to provide health care services are satisfied. Myrtle's performance obligations for inpatient services are generally satisfied over periods averaging approximately 7 to 28 days depending on the service line, and revenues are recognized based on charges incurred. The contractual relationships with patients, in most cases, also involve third-party payers and the transaction prices for the services provided are dependent upon the terms provided by or negotiated with the third-party payers. The payment arrangements with third-party payers for the services Myrtle provides to its patients typically specify payments at amounts less than its standard charges. Services provided to patients are generally paid at prospectively determined rates per diem.

RCHI's revenues relate to contracts with patients of BSF in which its performance obligations are to provide health care services to the patients. Revenues are recorded during the period its obligations to provide health care services are satisfied. Its performance obligations for inpatient services are generally satisfied over periods averaging approximately three days, and revenues are recognized based on charges incurred. Its performance obligations for outpatient services, including emergency room-related services, are generally satisfied over a period of less than one day. The contractual relationships with patients, in most cases, also involve a third-party payer (Medicare, Medicaid, managed care health plans and commercial insurance companies) and the transaction prices for the services provided are dependent upon the terms provided by Medicare and Medicaid or negotiated with managed care health plans and commercial insurance companies. The payment arrangements with third-party payers for the services it provides to the related patients typically specify payments at amounts less than our standard charges. Medicare, because of BSF's designation as a critical access care hospital, generally pays for inpatient and outpatient services at rates related to the hospital's costs. Services provided to patients having Medicaid coverage are generally paid at prospectively determined rates per discharge, per identified service or per covered member. Agreements with commercial insurance carriers, managed care and preferred provider organizations generally provide for payments based upon predetermined rates per diagnosis, per diem rates or discounted fee-for-service rates.

Laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation. Estimated reimbursement amounts are adjusted in subsequent periods as cost reports are prepared and filed and as final settlements are determined (in relation to certain government programs, primarily Medicare, this is generally referred to as the "cost report" filing and settlement process). As of June 30, 2026 and December 31, 2025, $2.3 million and $1.9 million, respectively, of Medicare cost report settlement liabilities were recorded.

Management continually reviews the contractual estimation process to consider the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals. Under the revenue recognition accounting guidance, revenues are presented net of estimated contractual allowances and estimated implicit price concessions. The healthcare segment's net revenues are based upon the estimated amounts it expects to be entitled to receive from third-party payers and patients based, in part, on Medicare and Medicaid rates as discussed above as for each of Myrtle and BSF. The healthcare segment also records estimated implicit price concessions related to uninsured accounts to record self-pay revenues at the estimated amounts it expects to collect.

The collection of outstanding receivables is the healthcare segment's primary source of operating cash and is critical to its operating performance. The primary collection risks relate to patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients. Accounts are written off when all reasonable internal and external collection efforts have been carried out. The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions and other collection indicators.

Life Science Services

Our Life Science Services segment's revenue consists of revenue from Vector, which was acquired on September 19, 2025. The Company recognizes revenue from the sale of high-quality bio-samples and bulk biological materials for every stage of life science research in accordance with ASC 606. As a result of applying this five-step model under ASC 606, the Company recognizes revenues from its sale of products upon their transfer of control to the customer, which is considered complete at either the time of shipment or arrival at destination based upon agreed upon terms within the contract. The Company's payment terms for the sale of standard products are typically 30 to 60 days.

Labs

The Company has recorded minor revenues from its Labs segment during the three and six months ended June 30, 2026 and 2025. Labs currently recognizes revenue from collecting a royalty from Illumina, Inc. related to the sales of the Infinium Mouse Methylation Array. The Company applies judgment in determining the customer's ability and intention to pay based on a variety of factors including the customer's historical payment experience.

CONTRACTUAL ALLOWANCES AND DOUBTFUL ACCOUNTS POLICY

In accordance with ASC, "Revenue from Contracts with Customers (Topic 606)," including subsequently issued updates, the Company does not present "allowances for doubtful accounts" on its balance sheets, rather its accounts receivable are reported at realizable value, net of estimated contractual allowances and estimated implicit price concessions (also referred to as doubtful accounts), which are estimated and recorded in the period the related revenue is recorded. ASC, "Financial Instruments Credit Losses (Topic 326)," requires that healthcare organizations estimate credit losses on a forward-looking basis taking into account historical collection and payer reimbursement experience as an integral part of the estimation process related to contractual allowances and doubtful accounts. Receivables deemed to be uncollectible are charged against the allowance for doubtful accounts after all collection efforts have ceased or the account is settled for less than the amount originally estimated to be collected. Recoveries of receivables previously written-off are recorded as credits to the allowance for doubtful accounts. Revisions to the allowances for doubtful accounts are recorded as adjustments to revenues.

During the three months ended June 30, 2026 and 2025, estimated contractual allowances and implicit price concessions of $21.1 million and $ 17.2 million, respectively, have been recorded as reductions to revenues and accounts receivable balances to enable the Company to record its revenues and accounts receivable at the estimated amounts it expects to collect and during the six months ended June 30, 2026 and 2025, estimated contractual allowances and implicit price concessions of $40.6 million and $34.7 million, respectively, have been recorded as reductions to revenues and accounts receivable balances to enable the Company to record its revenues and accounts receivable at the estimated amounts it expects to collect. As required by Topic 606, after deducting estimated contractual allowances and implicit price concessions from the healthcare segment's revenues for the three months ended June 30, 2026 and 2025, the Company recorded healthcare net revenues of $4.5 million and $5.2 million, respectively and for the six months ended June 30, 2026 and 2025, $9.3 million and $8.4 million, respectively. The Company continues to review the provisions for contractual allowances and implicit price concessions.

BUSINESS COMBINATIONS

The Company follows the guidance in ASC 805, Business Combinations for determining the appropriate accounting treatment for business acquisitions. Under ASC 805, the assets acquired, and liabilities assumed are recorded as of the acquisition date, at their respective fair values and consolidated with those of the Company. The excess of the purchase prices over the aggregate fair value of the tangible assets acquired and liabilities assumed is treated as goodwill in accordance with ASC 805. During the measurement period or until valuation studies are completed, the provisional amounts used for the purchase price allocation are subject to adjustments for a period not to exceed one year from the date of acquisition. Acquisition costs are expensed as incurred.

Going Concern

On a quarterly basis, we assess going concern uncertainty for our consolidated financial statements to determine if we have sufficient cash and cash equivalents on hand and working capital to operate for a period of at least one year from the date our consolidated financial statements are issued or are available to be issued (the "look-forward period"). Based on conditions that are known and reasonably knowable to us, we consider various scenarios, forecasts, projections, and estimates, and we make certain key assumptions, including the timing and nature of projected cash expenditures or programs, among other factors, and our ability to delay or curtail those expenditures or programs within the look-forward period, if necessary. Until additional equity or debt capital is secured, there is substantial doubt about the Company's ability to continue as a going concern.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-04, Debt with Conversions and Other Options (Subtopic 470-20), Induced Conversions of Convertible Debt Instruments. The amendments in this ASU clarify when the settlement of a debt instrument should be accounted for as an induced conversion. Under this ASU, (a) to be accounted for as an induced conversion, an inducement offer is required to preserve the form and amount of consideration issuable upon conversion in accordance with the terms of the instrument (rather than only the equity securities issuable upon conversion), (b) whether a settlement of convertible debt is an induced conversion should be assessed as of the date the inducement offer is accepted by the holder, and (c) issuers that have exchanged or modified a convertible debt instrument within the preceding 12 months (that did not result in extinguishment accounting) should use the terms that existed 12 months before the inducement offer was accepted when determining whether induced conversion accounting should be applied. The amendments in this ASU are effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06. The amendments in this ASU permit an entity to apply the new guidance on either a prospective or a retrospective basis. The adoption of this ASU did not have an impact on the Company's financial statements for the three and six months ended June 30, 2026 and 2025.

In September 2025, the FASB issued ASU 2025-07, Intangibles—Goodwill and Other— Internal-Use Software (Subtopic 350-40). The target of this update is accounting for internal use software. The amendments in this Update remove all references to prescriptive and sequential software development stages (referred to as "project stages") throughout Subtopic 350-40. Therefore, an entity is required to start capitalizing software costs when both of the following occur: 1. Management has authorized and committed to funding the software project. 2. It is probable that the project will be completed and the software will be used to perform the function intended (referred to as the "probable-to-complete recognition threshold"). In evaluating the probable-to-complete recognition threshold, an entity is required to consider whether there is significant uncertainty associated with the development activities of the software (referred to as "significant development uncertainty"). The two factors to consider in determining whether there is significant development uncertainty are whether: 1. The software being developed has technological innovations or novel, unique, or unproven functions or features, and the uncertainty related to those technological innovations, functions, or features, if identified, has not been resolved through coding and testing. 2. The entity has determined what it needs the software to do (for example, functions or features), including whether the entity has identified or continues to substantially revise the software's significant performance requirements. The amendments in this Update specify that the disclosures in Subtopic 360-10, Property, Plant, and Equipment—Overall, are required for all capitalized internal-use software costs, regardless of how those costs are presented in the financial statements. Furthermore, the amendments in this Update supersede the website development costs guidance and incorporate the recognition requirements for website-specific development costs from Subtopic 350-50 into Subtopic 350-40. Under current GAAP, entities are required to capitalize development costs incurred for internal-use software depending on the nature of the costs and the project stage during which they occur. The amendments in this ASU improve the operability of the guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods, including methods that entities may use to develop software in the future. The amendments in this ASU are effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. The amendments in this ASU permit an entity to apply the new guidance on either a prospective or a retrospective basis. The Company has not yet determined the impact of the adoption of this ASU on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting Topic 270. The amendments in this Update clarify interim disclosure requirements and the applicability of Topic 270. The amendments in this Update result in a comprehensive list of interim disclosures that are required by GAAP. In developing the list of disclosures required by other Topics, the FASB focused on identifying the interim disclosures that are currently required under GAAP. The objective of the amendments is to provide clarity about the current requirements, rather than evaluate whether to expand or reduce interim disclosure requirements. The amendments in this Update also include a disclosure principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The intent of the disclosure principle, which is modeled after a previous SEC disclosure requirement, is to help entities determine whether disclosures not specified in Topic 270 should be provided in interim reporting periods. The amendments in this Update also clarify the applicability of Topic 270, the types of interim reporting, and the form and content of interim financial statements in accordance with GAAP. The amendments in this Update are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, for public business entities. Early adoption is permitted. The amendments in this Update can be applied either (1) prospectively or (2) retrospectively to any or all prior periods presented in the financial statements. The Company has not yet determined the additional information that it will be required to provide upon adoption of this ASU.

Factors That May Adversely Affect our Results of Operations

Our results of operations may be adversely affected by various factors that could cause economic uncertainty and volatility in the financial markets, many of which are beyond our control. This risk is amplified by our current need to secure additional capital. Our business could be impacted by, among other things, downturns in the financial markets or in economic conditions, Medicare and Medicaid cost reimbursement, increases in oil prices, inflation, increases in interest rates, supply chain disruptions, declines in consumer confidence and spending, a resurgence of the COVID-19 pandemic and/or the emergence of new variants or new pandemics, cyber security risks and geopolitical instability. We cannot at this time fully predict the likelihood of one or more of the above events, their duration or magnitude or the extent to which they may negatively impact our business.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

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

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedure

Disclosure controls and procedures are controls and other procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our principal executive officer and our principal financial and accounting officer (the "Certifying Officers"), or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

In our Annual Report on Form 10-K for the year ended December 31, 2025, we identified material weaknesses in our internal control over financial reporting. Specifically, the Company did not maintain effective: (i) entry-level controls, including controls over risk assessment and monitoring to identify and address risks of material misstatement in the consolidated financial statements and related disclosures; (ii) effective controls over the financial reporting process; and (iii) controls over complex and non-routine transactions. As of June 30, 2026, we concluded that these material weaknesses continued to exist.

Under the supervision and with the participation of our management, including our Certifying Officers, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on the foregoing, our Certifying Officers concluded that our disclosure controls and procedures were not effective as of June 30, 2026.

Notwithstanding such material weaknesses, management believes that the unaudited condensed consolidated financial statements included in this Form 10-Q fairly present in all material respects the Company's financial condition, results of operations and cash flows for the periods and dates presented.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company may be involved in a variety of claims, lawsuits, investigations and proceedings related to contractual disputes, employment matters, regulatory and compliance matters, intellectual property rights and other litigation arising in the ordinary course of business. The Company operates in a highly regulated industry which may inherently lend itself to legal matters. Management is aware that litigation has associated costs and that results of adverse litigation verdicts could have a material effect on the Company's financial position or results of operations.

Former CEO Severance

The Company has disclosed in previous financial filings certain matters between Mr. Jon Sabes, a former CEO of the Company, and the Company.

On May 27, 2026, the Company, together with its wholly-owned subsidiary, FOXO Labs, entered into the STLA with Mr. Sabes and LongevityFP Technologies. The material terms of the STLA are more fully discussed in Note 10 to the accompanying unaudited condensed consolidated financial statements. The STLA includes mutual releases between the Company and Mr. Sabes and resolves all prior matters between the parties, including accrued severance, which is no longer owed, and the forfeiture of shares under the Company's Management Contingent Share Plan.

Illumina Judgment

On June 21, 2024, Hennepin County District Court granted Illumina, Inc.'s Motion for Summary Judgment in the amount of $0.8 million against the Company. The Company entered into a settlement agreement with Illumina on July 23, 2025 to settle this judgment over time. $100,000 was paid at the time of settlement and $723,065 is payable in five additional quarterly payments of $144,613 per payment. The Company is currently in default of its requirements for payment under the settlement agreement but believes this default will be rectified without repercussion when the Company secures additional capital.

Other Matters

In July 2025, Gateway Group, Inc. filed a legal action in Orange County, California seeking payment of $120,000. This amount is included as a liability in the Company's financial statements. To date, there is no resolution to this matter.

In the second quarter of 2025, Data Shepherd Services, Inc. received a judgment against the Company for an unpaid balance of approximately $58,000. This amount is included as a liability in the Company's financial statements. To date, there is no resolution to this matter.

In June 2025, func.media inc. filed a legal action in Minnesota seeking a total sum of $123,250. This amount is included as a liability in the Company's financial statements. On October 16, 2025 the Company entered into a settlement agreement to pay $90,000 on an agreed payment schedule of $15,000 each month for six months as full resolution of this matter. If all payments are made when due all remaining amounts over $90,000 will be waived. The Company is currently in default of the payment schedule in the settlement agreement.

The Company is also party to various other legal proceedings for liabilities, for legacy debts of the Company, and could become a party to claims, and regulatory, tax or government inquiries and investigations that arise in the ordinary course of business. The Company may in the future be subject to additional legal proceedings and disputes.

ITEM 1A. RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those described in Part I, Item 1A, "Risk Factors," in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on April 15, 2026 (the "2025 Annual Report"). You should carefully consider the risk factors set forth in the 2025 Annual Report, as well as the following material changes to our risk factors since the filing of the 2025 Annual Report:

We effected a 1-for-3,000 reverse stock split of our Class A Common Stock in June 2026, our third reverse stock split since April 2025, and the market price of our Class A Common Stock may continue to decline.

On June 30, 2026, we effected a 1-for-3,000 reverse stock split of our Class A Common Stock, following a 1-for-10 reverse stock split effected in April 2025 and a 1-for-1.99 reverse stock split effected in July 2025. There can be no assurance that the market price of our Class A Common Stock will increase in proportion to the reduction in the number of outstanding shares, that any increase in the per-share price will be sustained, or that the reverse stock split will improve the liquidity of, or investor interest in, our Class A Common Stock. Our Class A Common Stock trades on the OTC market, which generally involves limited trading volume and greater price volatility than a national securities exchange. The need for repeated reverse stock splits reflects sustained downward pressure on our stock price, and we may be required to effect additional reverse stock splits in the future. A low or declining stock price, together with the substantial number of shares issuable upon conversion of our outstanding convertible securities, could further impair our ability to raise capital and could adversely affect the value of an investment in our Class A Common Stock.

We have significant and increasing indebtedness, including senior unsecured notes that restrict our ability to incur senior debt, and our substantial debt-service and liquidity obligations raise substantial doubt about our ability to continue as a going concern.

Our total debt has increased substantially, and many of our promissory notes are in default and accruing default interest and penalties. In May 2026, we exchanged all of the shares of our Series A Preferred Stock held by two institutional investors for senior unsecured, non-convertible promissory notes in the aggregate principal amount of approximately $7.8 million, which mature on the earlier of May 12, 2027 or an event of default. Under the terms of these senior notes, we have agreed not to incur any other indebtedness that is senior in preference to the notes while they remain outstanding, and we are required to repay the notes upon completion of a public offering or an up-listing to a recognized stock exchange. These restrictions may limit our ability to obtain additional senior financing on favorable terms, or at all, at a time when we require additional capital to fund our operations. Our cash on hand, our working capital deficit, our history of operating losses, our defaults under existing obligations, and our dependence on external financing and related-party funding raise substantial doubt about our ability to continue as a going concern.

Our Strategic Technology License Agreement with our founder may limit the value we realize from our epigenetics intellectual property and could result in the loss of control of our FOXO Labs subsidiary.

In May 2026, we and our subsidiary FOXO Labs entered into a Strategic Technology License Agreement (the “STLA”) with our founder, Jon R. Sabes, and LongevityFP Technologies, LLC, an entity controlled by Mr. Sabes. The STLA grants LongevityFP Technologies an exclusive, worldwide license to commercialize our epigenetics intellectual property portfolio in exchange for a royalty of 3% of net revenues, subject to an aggregate cap of $1,300,000. As a result, our ability to independently commercialize, and the economic upside we may realize from, our epigenetics intellectual property is significantly limited. The STLA also grants LongevityFP Technologies an exclusive, irrevocable ten-year option to acquire majority ownership of FOXO Labs, the exercise of which would result in our loss of control of that subsidiary. Because the STLA was entered into with our founder and an entity he controls, it presents actual or potential conflicts of interest, and its terms may be less favorable to us than those we could have obtained from another party.

We may be unable to complete our proposed acquisition of blood collection center assets from Grifols, or to realize its anticipated benefits, and the acquisition would require capital we do not currently have.

In July 2026, our subsidiary Vector entered into an asset purchase agreement to acquire assets associated with four U.S.-based blood collection centers for aggregate cash consideration of $3,500,000 payable at closing, plus a contingent earn-out of up to $1,000,000. Consummation of the acquisition is subject to a number of closing conditions that are outside our control, including our obtaining a new and separate FDA license, a new and separate CLIA certification in Tennessee, and a waste-management permit from the applicable Miami authority, as well as the receipt of specified consents. We do not currently have sufficient capital to fund the cash consideration, and we will need to secure additional financing to complete the acquisition. There can be no assurance that these conditions will be satisfied, that the necessary financing will be available on acceptable terms or at all, or that the acquisition will close within the timeframe we anticipate or at all. Either party may terminate the agreement if the closing has not occurred within nine months of signing. Even if completed, we may be unable to integrate the acquired operations successfully or to achieve the anticipated benefits, including the EBITDA levels required for the earn-out.

The issuance of shares upon conversion of our outstanding convertible securities, together with our recently increased authorized share capital, may result in substantial dilution to our stockholders.

We have a substantial number of shares of Class A Common Stock issuable upon conversion of our outstanding convertible preferred stock and convertible notes, many of which are convertible at variable or reduced conversion prices as a result of down-round and anti-dilution provisions. In 2026, we increased our authorized capital to 25,020,000,000 shares, consisting of 25,000,000,000 shares of Class A Common Stock and 20,000,000 shares of preferred stock. The conversion of these securities, the triggering of additional down-round adjustments, and the issuance of additional shares to fund our operations may result in substantial dilution to existing holders of our Class A Common Stock and may place additional downward pressure on the market price of our Class A Common Stock.

We are controlled by Rennova Health, Inc., which is controlled by our Chief Executive Officer, and its interests may conflict with those of our other stockholders.

Rennova Health, Inc. ("RHI"), which is controlled by our Chief Executive Officer, holds a substantial majority of our voting power (approximately 99.12% of our voting rights as of the August 13, 2026 record date for our most recent stockholder action) and is able to control the outcome of matters submitted to our stockholders, including the election of directors, amendments to our organizational documents, and the approval of significant corporate transactions, in each case without the approval of our other stockholders. In addition, we are party to numerous financing, note, lease, and other arrangements with RHI and its affiliates. The interests of RHI may differ from, or conflict with, the interests of our other stockholders, and this concentration of control and related-party dependence may limit the ability of our other stockholders to influence corporate matters and could adversely affect the market price of our Class A Common Stock.

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

Promissory Notes Extension Shares

On April 27, 2026, the Company entered into Amendment No. 1 to Promissory Note (the "ClearThink Note Amendment"), which extended the maturity date of the note to May 15, 2026. As compensation for the extension of the maturity date: 50,000 shares of the Company's Class A Common Stock were issued by the Company to the holder.

Shares Issued Pursuant to Series A Conversions

On April 13, 2026, a holder of our Series A Preferred Stock was issued 93,333 shares of Class A Common Stock pursuant to the conversion of 28.0 shares of Series A Preferred Stock.

On May 7, 2026, a holder of our Series A Preferred Stock was issued 33,000 shares of Class A Common Stock pursuant to the conversion of 9.9 shares of Series A Preferred Stock.

Series D Preferred Stock Issued to J.H. Darbie & Co., Inc.

On May 15, 2026, in connection with a Settlement Agreement and Release with J.H. Darbie & Co., Inc., the Company issued 400 shares of its Series D Preferred Stock in satisfaction of $348,454 of finder's fees owed to J.H. Darbie under a prior finder's fee agreement, as more fully discussed in Note 12 to the accompanying condensed consolidated financial statements.

Senior Notes Issued in Exchange for Series A Preferred Stock

On May 12, 2026, the Company issued senior unsecured, non-convertible promissory notes in the aggregate principal amount of approximately $7.8 million to two institutional investors in exchange for, and in cancellation of, an aggregate of 7,775 shares of the Company's Series A Preferred Stock, as more fully discussed in Note 9 to the accompanying condensed consolidated financial statements.

The shares of Class A Common Stock issued upon conversion of the Series A Preferred Stock and the Senior Notes issued in exchange for the Series A Preferred Stock, in each case described above, were issued in reliance upon the exemption from registration afforded by Section 3(a)(9) of the Securities Act, as securities exchanged by the Company with its existing security holders where no commission or other remuneration was paid or given directly or indirectly for soliciting such exchange.

The 400 shares of Series D Preferred Stock issued to J.H. Darbie & Co., Inc., and the shares of Class A Common Stock issued as inducement and extension consideration in connection with promissory notes, in each case described above, were issued in reliance upon the exemption from registration afforded by Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D thereunder, based in part on the representations of the recipients, each of whom the Company believes was an accredited investor that acquired the securities for investment and not with a view to distribution.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Arrangements

During the quarter ended June 30, 2026, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report.

Exhibit No.	Description	Included	Form	Referenced Exhibit	Filing Date
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed Herewith			
31.2	Certification of the Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed Herewith			
32.1#	Certification of the Company's Principal Executive Officer and Principal Financial and Accounting Officer pursuant to 18 U.S.C. Section 1350.	Furnished Herewith			
32.2#	Certification of the Company's Principal Financial and Accounting Officer pursuant to 18 U.S.C. Section 1350.	Furnished Herewith			
101.INS	Inline XBRL Instance Document.	Filed Herewith			
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	Filed Herewith			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	Filed Herewith			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	Filed Herewith			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	Filed Herewith			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	Filed Herewith			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).	Filed Herewith			

\# This certification is deemed not filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

SIGNATURES

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

FOXO TECHNOLOGIES INC.

Date: August 14, 2026	*/s/ Seamus Lagan*
	Name: Seamus Lagan
	Title: Chief Executive Officer
	(Principal Executive Officer)
Date: August 14, 2026	*/s/ Celene Grant*
	Name: Celene Grant
	Title: Chief Financial Officer
	(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) UNDER THE EXCHANGE ACT

I, Seamus Lagan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FOXO Technologies Inc.;

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

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

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

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

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

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

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

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

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

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

Dated: August 14, 2026

/s/ Seamus Lagan
Seamus Lagan
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) UNDER THE EXCHANGE ACT

I, Celene Grant, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FOXO Technologies Inc.;

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

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

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

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

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

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

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

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

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

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

Dated: August 14, 2026

/s/ Celene Grant
Celene Grant
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of FOXO Technologies Inc., a Delaware corporation (the "Company"), on Form 10-Q for the period ended June 30, 2026, as filed with the Securities and Exchange Commission (the "Report") Seamus Lagan, Chief Executive Officer, of the Company, does hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. ss. 1350), that:

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

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

Dated: August 14, 2026

/s/ Seamus Lagan
Seamus Lagan
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of FOXO Technologies Inc., a Delaware corporation (the “Company”), on Form 10-Q for the period ended June 30, 2026, as filed with the Securities and Exchange Commission (the “Report”) Celene Grant, Chief Financial Officer, of the Company, does hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. ss. 1350), that:

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

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

Dated: August 14, 2026

/s/ Celene Grant
Celene Grant
Chief Financial Officer
(Principal Financial and Accounting Officer)